

VILLAGE OF CHATHAM, ILLINOIS

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ORDINANCE NO. 01-04

AN ORDINANCE IMPLEMENTING THE LOCAL GOVERNMENT  
TAXPAYER'S BILL OF RIGHTS ACT

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ADOPTED BY THE PRESIDENT AND BOARD OF TRUSTEES  
OF THE VILLAGE OF CHATHAM, ILLINOIS  
THIS 23 DAY OF January, 2001

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Published in pamphlet form by the authority of the President and  
Board of Trustees of the Village of Chatham, Sangamon County,  
Illinois, this 23 day of January, 2001.

STATE OF ILLINOIS            )  
  ) ss.  
COUNTY OF SANGAMON        )

**CERTIFICATE**

I certify that I am the duly elected and acting Village Clerk of the Village of Chatham, Sangamon County, Illinois.

I further certify that on 23 JANUARY, 2001 the corporate authorities of such Village passed and approved Ordinance No. 01-04 entitled:

**AN ORDINANCE IMPLEMENTING THE LOCAL GOVERNMENT  
TAXPAYER'S BILL OF RIGHTS ACT**

which provided by its terms that it should be published in pamphlet form.

The pamphlet form of Ordinance No. 01-04 including the Ordinance and a cover sheet thereof, was prepared, and a copy of such Ordinance was posted in the Village Hall, commencing on 23 JANUARY, 2001, to continue for at least ten days thereafter. Copies of such Ordinance were also available for public inspection upon request in the office of the Village Clerk.

DATED at Chatham, Illinois, this 23 day of JANUARY, 2001.

(SEAL)

Robert A. Kruger  
Village Clerk

Ordinance No. 01-04

**AN ORDINANCE IMPLEMENTING THE LOCAL  
GOVERNMENT TAXPAYERS' BILL OF RIGHTS ACT**

WHEREAS, the recently enacted Local Government Taxpayers' Bill of Rights Act 50 ILCS 45/1 *et seq.*, requires municipalities to adopt certain tax processes and procedures in connection with the collection and enforcement of local tax laws; and

*NOW THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF CHATHAM, AS FOLLOWS:*

**SECTION 1:** Chapter 37 is hereby added to the Village Code of Ordinances, to state as follows.

**Chapter 37  
Taxpayers' Bill of Rights**

**37.001** Applicability. The provisions of this ordinance shall apply to the Village's procedures in connection with all of the Village's locally imposed and administered taxes.

**37.002** Definitions. Certain words or terms herein shall have the meaning ascribed to them as follows:

"Act" means the "Local Government Taxpayers' Bill of Rights Act", 50 ILCS 45/1 *et seq.*

"Corporate Authorities" means the President and Board of Trustees of the Village.

"Locally imposed and administered tax" or "tax" means each tax imposed by the Village that is collected or administered by the Village not an agency or department of the State. It does not include any taxes imposed upon real property under the Property Tax Code or fees collected by the Village other than infrastructure maintenance fees.

"Local tax administrator," means the Village Treasurer, or other officer or employee designated from time to time by the Corporate Authorities, who is charged with the administration and collection of the locally imposed and administered taxes, including staff, employees or agents to the extent they are authorized by the local tax administrator to act in the local tax administrator's stead. The local tax administrator shall have the authority to implement the terms of this chapter to give full effect to this chapter. The exercise of such authority by the local tax administrator shall not be inconsistent with this chapter and the Act.

"Village" means the Village of Chatham, Illinois.

"Notice" means each audit notice, collection notice or other similar notice or communication in connection with each of the Village's locally imposed and administered taxes.

"Tax Ordinance" means each ordinance adopted by the Village that imposes any locally imposed and administered tax.

"Taxpayer" means any person required to pay any locally imposed and administered tax and generally includes the person upon whom the legal incidence of such tax is placed and with respect to consumer taxes includes the business or entity required to collect and pay the locally imposed and administered tax to the Village

**37.003 Notices.** Unless otherwise provided, whenever notice is required to be given, the notice is to be in writing mailed not less than 7 calendar days prior to the day fixed for any applicable hearing, audit or other scheduled act of the local tax administrator. The notice shall be sent by the local tax administrator as follows:

- (1) First class or express mail, or overnight mail, addressed to the persons concerned at the persons' last known address, or
- (2) Personal service or delivery.

**37.004 Late payment.** Any notice, payment, remittance or other filing required to be made to the Village pursuant to any tax ordinance shall be considered late unless it is (a) physically received by the Village on or before the due date, or (b) received in an envelope or other container displaying a valid, readable U.S. Postmark dated on or before the due date, properly addressed to the Village, with adequate postage prepaid.

**37.005 Payment.** Any payment or remittance received for a tax period shall be applied in the following order: (1) first to any interest due for the applicable period; (2) second to the tax due for the applicable period; and (3) third to the penalty for the applicable period.

**37.006 Certain Credits and Refunds.**

(a) The Village shall not refund or credit any taxes voluntarily paid without written protest at the time of payment in the event that a locally imposed and administered tax is declared invalid or unconstitutional by a court of competent jurisdiction. However, a taxpayer shall not be deemed to have paid the tax voluntarily if the taxpayer lacked knowledge of the facts upon which to protest the taxes at the time of payment or if the taxpayer paid the taxes under duress.

(b) The statute of limitations on a claim for credit or refund shall be 4 years after the end of the calendar year in which payment in error was made. The Village shall not grant a credit or refund of locally imposed and administered taxes, interest, or penalties to a person who has not paid the amounts directly to the Village.

(c) The procedure for claiming a credit or refund of locally imposed and administered taxes, interest or penalties paid in error shall be as follows:

(A) The taxpayer shall submit to the local tax administrator in writing a claim for credit or refund together with a statement specifying:

- (i) the name of the locally imposed and administered tax subject to the claim;
- (ii) the tax period for the locally imposed and administered tax subject to the claim;
- (iii) the date of the tax payment subject to the claim and the cancelled check or receipt for the payment;
- (iv) the taxpayer's recalculation, accompanied by an amended or revised tax return, in connection with the claim; and
- (v) a request for either a refund or a credit in connection with the claim to be applied to the amount of tax, interest and penalties overpaid, and, as applicable, related interest on the amount overpaid; provided, however, that there shall be no refund and only a credit given in the event the taxpayer owes any monies to the Village.

(B) Within 10 days of the receipt by the local tax administrator of any claim for a refund or credit, the local tax administrator shall either:

- (i) grant the claim; or
- (ii) deny the claim, in whole or in part, together with a statement as to the reason for the denial or the partial grant and denial.

(C) In the event the local tax administrator grants, in whole or in part, a claim for refund or credit, the amount of the grant for refund or credit shall bear interest at the rate of 6% per annum, based on a year of 365 days and the number of days elapsed, from the date of the overpayment to the date of mailing of a refund check or the grant of a credit.

**37.007 Audit Procedure.** Any request for proposed audit pursuant to any locally administered tax shall comply with the notice requirements of this chapter.

(a) Each notice of audit shall contain the following information:

- (i) the tax;
- (ii) the time period of the audit; and
- (iii) a brief description of the books and records to be made available for the auditor.

(b) Any audit shall be conducted during normal business hours and if the date and time selected by the local tax administrator is not agreeable to the taxpayer, another date and time may be requested by the taxpayer within 30 days after the originally designated audit and during normal business hours.

(c) The taxpayer may request an extension of time to have an audit conducted. The audit shall be conducted not more than 30 days from the date the notice is given, unless the taxpayer and the local tax administrator agreed to some other convenient time. In the event taxpayer is unable to comply with the audit on the date in question, the taxpayer may request another date within the 30 days, approved in writing, that is convenient to the taxpayer and the local tax administrator.

(d) Every taxpayer shall keep accurate books and records of the taxpayer's business or activities, including original source documents and books of entry denoting the transactions which had given rise or may have given rise to any tax liability, exemption or deduction. All books shall be kept in the English language and shall be subject to and available for inspection by the Village.

(e) It is the duty and responsibility of every taxpayer to make available its books and records for inspection by the Village. If the taxpayer or tax collector fails to provide the documents necessary for audit within the time provided, the local tax administrator may issue a tax determination and assessment based on the tax administrator's determination of the best estimate of the taxpayer's tax liability.

(f) If an audit determines there has been an overpayment of a locally imposed and administered tax as a result of the audit, written notice of the amount of overpayment shall be given to the taxpayer within 30 days of the Village's determination of the amount of overpayment.

(g) In the event a tax payment was submitted to the incorrect local governmental entity, the local tax administrator shall notify the local governmental entity imposing such tax.

### **37.008: Appeal.**

(a) The local tax administrator shall send written notice to a taxpayer upon the local tax administrator's issuance of a protestable notice of tax due, a bill, a claim denial, or a notice of claim reduction regarding any tax. The notice shall include the following information:

- (i) the reason for the assessment;
- (ii) the amount of the tax liability proposed;
- (iii) the procedure for appealing the assessment; and
- (iv) the obligations of the Village during the audit, appeal, refund and collection process.

(b) A taxpayer who receives written notice from the local tax administrator of a determination of tax due or assessment may file with the local tax administrator a written protest and petition for hearing, setting forth the basis of the taxpayer's request for a hearing. The written protest and petition for hearing must be filed with the local tax administrator within 45 days of receipt of the written notice of the tax determination and assessment.

(c) If a timely written notice and petition for hearing is filed, the local tax administrator shall fix the time and place for hearing and shall give written notice to the taxpayer. The hearing shall be scheduled within 14 days of receipt of the written protest and petition for hearing, unless the taxpayer requests a later date convenient to all parties.

(d) If a written protest and petition for hearing is not filed within the 45 day period, the tax determination, audit or assessment shall become a final bill due and owing without further notice.

(e) Upon the showing of reasonable cause by the taxpayer and the full payment of the contested tax liability along with interest accrued as of the due date of the tax, the local tax administrator may reopen or extend the time for filing a written protest and petition for hearing. In no event shall the time for filing a written protest and petition for hearing be reopened or extended for more than 90 days after the expiration of the 45 day period.

### **37.009 Hearing.**

(a) Whenever a taxpayer or a tax collector has filed a timely written protest and petition for hearing under section nine, above, the local tax administrator shall conduct a hearing regarding any appeal.

(b) No continuances shall be granted except in cases where a continuance is

absolutely necessary to protect the rights of the taxpayer. Lack of preparation shall not be grounds for a continuance. Any continuance granted shall not exceed 14 days.

(c) At the hearing the local tax administrator shall preside and shall hear testimony and accept any evidence relevant to the tax determination, audit or assessment. The strict rules of evidence applicable to judicial proceedings shall not apply.

(d) At the conclusion of the hearing, the local tax administrator shall make a written determination on the basis of the evidence presented at the hearing. The taxpayer or tax collector shall be provided with a copy of the written decision.

**37.010 Interest and Penalties.** In the event a determination has been made that a tax is due and owing, through audit, assessment or other bill sent, the tax must be paid within the time frame otherwise indicated.

(a) Interest. The Village hereby provides for the amount of interest to be assessed on a late payment, underpayment, or nonpayment of the tax, to be 9.0% per annum, based on a year of 365 days and the number of days elapsed.

(b) Late Filing and Payment Penalties. If a tax return is not filed within the time and manner provided by the controlling tax ordinance, a late filing penalty, of 5% of the amount of tax required to be shown as due on a return shall be imposed; and a late payment penalty of 5% of the tax due shall be imposed. If no return is filed within the time or manner provided by the controlling tax ordinance and prior to the Village issuing a notice of tax delinquency or notice of tax liability, then a failure to file penalty shall be assessed equal to 25% of the total tax due for the applicable reporting period for which the return was required to be filed. A late filing or payment penalty shall not apply if a failure to file penalty is imposed by the controlling ordinance.

**37.011 Abatement.** The local tax administrator shall have the authority to waive or abate any late filing penalty, late payment penalty or failure to file penalty if the local tax administrator shall determine reasonable cause exists for delay or failure to make a filing.

**37.012 Installment Contracts.** The Village may enter into an installment contract with the taxpayer for the payment of taxes under the controlling tax ordinance. The local tax administrator may not cancel any installment contract so entered unless the taxpayer fails to pay any amount due and owing. Upon written notice by the local tax administrator that the payment is 30 days delinquent, the taxpayer shall have 14 working days to cure any delinquency. If the taxpayer fails to cure the delinquency within the 14 day period or fails to demonstrate good faith in restructuring the installment contract with the local administrator, the installment contract shall be canceled without further notice to the taxpayer.



**37.013 Statute of Limitations.** The Village, through the local tax administrator, shall review all tax returns in a prompt and timely manner and inform taxpayers of any amounts due and owing. The taxpayer shall have 45 days after receiving notice of the reviewed tax returns to make any request for refund or provide any tax still due and owing.

(a) No determination of tax due and owing may be issued more than 4 years after the end of the calendar year for which the return for the applicable period was filed or for the calendar year in which the return for the applicable period was due, whichever occurs later.

(b) If any tax return is not filed or if during any 4-year period for which a notice of tax determination or assessment may be issued by the Village, the tax paid was less than 75% of the tax due, the statute of limitations shall be six (6) years maximum after the end of the calendar year in which return for the applicable period was due or end of the calendar year in which the return for the applicable period was filed.

(c) No statute of limitations shall not apply if a fraudulent tax return was filed by the taxpayer.

**37.014 Voluntary Disclosure.** For any locally imposed and administered tax for which a taxpayer has not received a written notice of an audit, investigation, or assessment from the local tax administrator, a taxpayer is entitled to file an application with the local tax administrator for a voluntary disclosure of the tax due. A taxpayer filing a voluntary disclosure application must agree to pay the amount of tax due, along with interest of 1% per month, for all periods prior to the filing of the application but not more than 4 years before the date of filing the application. A taxpayer filing a valid voluntary disclosure application may not be liable for any additional tax, interest, or penalty for any period before the date the application was filed. However, if the taxpayer incorrectly determined and underpaid the amount of tax due, the taxpayer is liable for the underpaid tax along with applicable interest on the underpaid tax, unless the underpayment was the result of fraud on the part of the taxpayer, in which case the application shall be deemed invalid and void. The payment of tax and interest must be made by no later than 90 days after the filing of the voluntary disclosure application or the date agreed to by the local tax administrator. However, any additional amounts owed as a result of an underpayment of tax and interest previously paid under this Section must be paid within 90 days after a final determination and the exhaustion of all appeals of the additional amount owed or the date agreed to by the local tax administrator, whichever is longer.

**37.015 Publication of Tax Ordinances.** Any locally administered tax ordinance shall be published via normal or standard publishing requirements. The posting of a tax ordinance on the Internet shall satisfy the publication requirements. Copies of all tax ordinances shall be made available to the public upon request at the Village Clerk's office.

**37.016** The local tax administrator shall establish an internal review procedure

regarding any liens filed against any taxpayers for unpaid taxes. Upon a determination by the local tax administrator that the lien is valid, the lien shall remain in full force and effect. If the lien is determined to be improper, the local tax administrator shall:

- (i) timely remove the lien at the Village's expense;
- (ii) correct the taxpayer's credit record; and
- (iii) correct any public disclosure of the improperly imposed lien.

**37.017 Application:** This chapter shall be liberally construed and administered to supplement all of the Village's tax ordinances. To the extent that any present tax ordinance is in conflict with or inconsistent with this chapter, this chapter shall control.

**37.018 Severability.** If any section, paragraph or provision of this chapter shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this chapter.

**SECTION 2:** This ordinance shall be in full force and effect, after passage, approval and publication as required by law. The Clerk shall publish this ordinance in pamphlet form, and shall see to its inclusion in the next update of the Village Code of Ordinances.

PASSED this 23 day of January, 2001.

Linda Kaester  
VILLAGE PRESIDENT

ATTEST:

[Signature]  
Village Clerk

AYES:	<u>5</u>
NAYS:	<u>0</u>
PASSED:	<u>1-23-01</u>
APPROVED:	<u>1-23-01</u>
ABSENT:	<u>williamson</u>

ORDINANCE CERTIFICATE

STATE OF ILLINOIS            )  
  ) SS.  
COUNTY OF SANGAMON        )


I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of Chatham, Sangamon County, Illinois.

I do further certify that the ordinance attached hereto is a full, true, and exact copy of Ordinance No. 2001-04 adopted by the President and Board of Trustees of said Village on the 23 day of JANUARY, 2001, said Ordinance being entitled:

**AN ORDINANCE IMPLEMENTING THE LOCAL GOVERNMENT  
TAXPAYERS' BILL OF RIGHTS ACT**

I do further certify that prior to the making of this certificate, the said Ordinance was spread at length upon the permanent records of said Village, where it now appears and remains.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said Village this 23 day of JANUARY 2001.

  
\_\_\_\_\_  
Village Clerk