

ORDINANCE NO. 04- 54

**AN ORDINANCE CHANGING THE RATE IMPOSED BY THE VILLAGE  
OF CHATHAM FOR THE SIMPLIFIED MUNICIPAL  
TELECOMMUNICATIONS TAX**

WHEREAS, the Simplified Municipal Telecommunications Tax Act creates a simplified municipal telecommunications tax and repeals the municipal tax on transmitting messages under 65 ILCS 5/8-11-2, the municipal telecommunications tax under 65 ILCS 5/8-11-17, the optional infrastructure maintenance fee under 35 ILCS 635/15, and the municipal infrastructure maintenance fee under 35 ILCS 635/20 effective January 1, 2003; and

WHEREAS, the Illinois Department of Revenue was required under Sections 5-25 and 5-30 of the Simplified Municipal Telecommunications Tax Act to publish a list and calculate a rate for the imposition of a simplified municipal telecommunications tax for each municipality that had in place one or more of the following: a municipal tax on transmitting messages under 65 ILCS 5/8-11-2, a municipal telecommunications tax under 65 ILCS 5/8-11-17, or a municipal infrastructure maintenance fee under 35 ILCS 635/20 as of July 1, 2002; and

WHEREAS, the list published by the Illinois Department of Revenue listed this municipality and calculated a rate for the simplified municipal telecommunications tax of 2% to be collected on gross charges by telecommunications retailers beginning January 1, 2003;

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

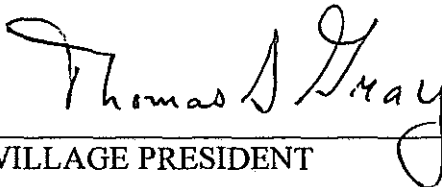
**SECTION 1:**       The rate of the simplified municipal telecommunications tax imposed under the provisions of Sections 5-25 and 5-30 of

the Simplified Municipal Telecommunications Tax Act, P.A. 92-0526, is hereby changed to 5.0%.

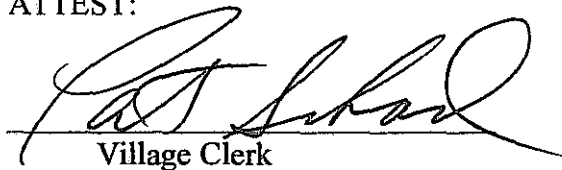
**SECTION 2:** This Ordinance shall be in full force and effect from and after its passage and approval and publication in pamphlet form as required by law, provided, however, that Section 1 of this Ordinance shall take effect for all gross charges billed by telecommunications retailers on and after the first day of January, 2005. The Clerk is hereby directed to publish this Ordinance in pamphlet form and file a certified copy of this Ordinance with the Illinois Department of Revenue on or before September 20, 2004.

**SECTION 3:** The Clerk shall cause Section 1 of this Ordinance to be codified as Section 116.1 of the Village of Chatham Code of Ordinances. The remainder of Chapter 116 is repealed.

PASSED this 14 day of SEPT, 2004.

  
VILLAGE PRESIDENT

ATTEST:

  
Village Clerk

AYES: 4 HERR, BOYLE, McCARTHY, KAVANACH  
NAYS: 2 MADAME, McGRATH  
PASSED: 9-14-04  
APPROVED: 9-14-04  
ABSENT: 0



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.

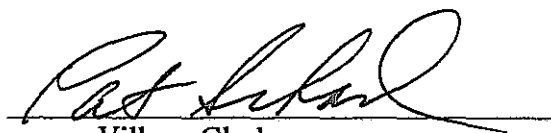
I do further certify that the ordinance attached hereto is a full, true, and exact copy of Ordinance No. 04-54, adopted by the President and Board of Trustees of said Village on the 14 day of SEPT., 2004, said Ordinance being entitled:

**AN ORDINANCE CHANGING THE RATE IMPOSED BY THE VILLAGE  
OF CHATHAM FOR THE SIMPLIFIED MUNICIPAL  
TELECOMMUNICATIONS TAX**

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 14 day of SEPT., 2004.



  
Village Clerk



**Illinois Department of Revenue**

Legal Services Office 5-500  
101 W. Jefferson St.  
Springfield, IL 62794

September 15, 2004

Village of Chatham  
116 East Mulberry  
Chatham, Illinois 62629

Attention: Pat Schad  
Village Clerk

Dear Ms. Schad:

This is to acknowledge receipt of the Village of Chatham's Ordinance No. 04-54 increasing the Simplified Municipal Telecommunications Tax to the new rate of 5%.

The Illinois Department of Revenue shall collect, administer, and enforce this Simplified Municipal Telecommunications Tax effective January 1, 2005, in accordance with the provisions of the Simplified Municipal Telecommunications Tax Act (35 ILCS 636/5-1 et seq.).

If you have any questions regarding this matter, please feel free to contact our office at the number listed below.

Sincerely,

A handwritten signature in cursive script that reads "Samuel J. Moore".

Samuel J. Moore  
Associate Counsel  
(217) 782-2844

Cc: Cecil Denton, Local Tax Allocation Division

**Schad, Patrick F.**

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**From:** John Myers [jmyers@springfieldlaw.com]  
**Sent:** Thursday, August 05, 2004 4:50 PM  
**To:** Schad, Patrick F.  
**Cc:** MIKE MCGRATH; Pat McCarthy; Chad & Sherry Dierking; Del McCord; "Gray, Tom"  
**Subject:** Municipal Telecommunications Tax

Pat, after the last board meeting you gave me a letter from the Illinois Department of Revenue informing us that the format of our ordinance raising the telecommunications tax from 2% to 6% was wrong due to changes in law. The Department gave us an ordinance that they wish us to pass, instead.

Accordingly, I enclose two ordinances. One repeals our prior ordinance, and along with it, Chapter 116 of the Code of Ordinances, which is reflective of prior law.

The other ordinance adopts the 6% in the format prescribed by the Department and codifies Section 1 of the ordinance as new Section 116.1 of the Village Code.

These ordinances need to be passed in the following order: first, the ordinance repealing the prior ordinance; and second, the Department of Revenue Ordinance.

I also enclose appropriate pamphlet forms.

Please put these ords on the agenda for Tuesday night, and call with any questions.

Thanx.

John

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John M. Myers  
Rabin, Myers, Hanken & Durr, P.C.  
1300 South Eighth Street  
Springfield, IL 62703  
217.544.5000  
fax: 217.544.5017

[www.springfieldlaw.com](http://www.springfieldlaw.com)

**Schad, Patrick F.**

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**From:** Schad, Patrick F.  
**Sent:** Wednesday, August 11, 2004 9:03 AM  
**To:** John; Jeanne; Meredith; Jesse; Sherry; Mayor; Chuck; Tom; Scott; Pat; Del; Mike  
**Subject:** Telecommunications Tax

John,

Last night both the repeal and the new version re: telecommunication tax ordinances were tabled because the trustees present hadn't seen them and they hadn't been discussed in committee. Your email of 8/5 with ordinances attached was, as far as Trustees are concerned, CC'd to Mike and Pat but neither was present last night. Chuck, Scott, Jeanne and Tom K. were the only board members present. Mayor Gray was in Chicago ... or returning to Chatham.

Considering, maybe the delay is better. There may not have been the votes to accomplish the desired tasks. And, Alex wasn't sure of the required number of positive votes to repeal an Ordinance ... if not a simple majority.

Whatever the case, Del and I briefly tried explaining the situation and offered to make copies for quick reference, but we were not persuasive. Those ordinances will be on the 8/24 agenda as Old Business.

As you may recall, the Illinois Department of Revenue urged the village to make their suggested changes to bring the ordinance into compliance with the Simplified Municipal Telecommunications Act within 30 days of the date of their letter (July 22, 2004) in order for the Department to collect, administer, and enforce this tax effective January 1, 2005.

I talked with Sam Moore, Associate Counsel for Revenue. He said waiting until 8/24 to approve these ordinances won't inhibit enforcement but the village can not delay passage further than 8/24.

A couple of reminders:

- 1) The joint Chatham/Rochester Special Board meeting in Rochester 8/16 at 6:30 PM.
- 2) I'm on Active Duty 8/20 – 8/26. Karl Todt will clerk the 8/24 RVBM (Regular Village Board Meeting).

Pat

8/17/2004

# EXAMPLE

ORDINANCE NO. \_\_\_\_\_

## Simplified Municipal Telecommunications Tax Rate Change

Whereas, the Simplified Municipal Telecommunications Tax Act created a simplified municipal telecommunications tax and repealed the municipal tax on transmitting messages under 65 ILCS 5/8-11-2, the municipal telecommunications tax under 65 ILCS 5/8-11-17, the optional infrastructure maintenance fee under 35 ILCS 635/15, and the municipal infrastructure maintenance fee under 35 ILCS 635/20 effective January 1, 2003; and

Whereas, the Illinois Department of Revenue was required under Sections 5-25 and 5-30 of the Simplified Municipal Telecommunications Tax Act to publish a list and calculate a rate for the imposition of a simplified municipal telecommunications tax for each municipality that had in place one or more of the following: a municipal tax on transmitting messages under 65 ILCS 5/8-11-2, a municipal telecommunications tax under 65 ILCS 5/8-11-17, or a municipal infrastructure maintenance fee under 35 ILCS 635/20 as of July 1, 2002; and

Whereas, the list published by the Illinois Department of Revenue listed this municipality and calculated a rate for the simplified municipal telecommunications tax of \_\_\_\_\_% to be collected on gross charges by telecommunications retailers beginning January 1, 2003;

Now, therefore, be it ordained by the \_\_\_\_\_ (For villages, use "President and Board of Trustees." For cities use "City Council.") of this municipality that:

Section 1. The rate of the simplified municipal telecommunications tax imposed under the Simplified Municipal Telecommunications Tax Act (35 ILCS 636/5-1 et seq.) is hereby changed to \_\_\_\_\_%. **(Insert any rate up to 6% in ¼% increments.)**

Section 2. The tax hereby imposed shall be collected and enforced by the Department of Revenue of the State of Illinois. The Illinois Department of Revenue shall have full power to administer and enforce the provisions of this ordinance.

Section 3. This Ordinance shall be in full force and effect from and after its passage and approval and publication in pamphlet form as required by law, provided, however, that Section 1 of this Ordinance shall take effect for all gross charges billed by telecommunications retailers on and after the first day of \_\_\_\_\_ **(Insert either January or July and the year)**. The Municipal Clerk is hereby directed to file a certified copy of this Ordinance with the Illinois Department of Revenue on or before \_\_\_\_\_ **(Insert either September 20 or March 20 and the year)**.

Section 4. All ordinances and resolutions, or parts thereof, in conflict with the provisions of this Ordinance are, to the extent of the conflict, expressly repealed.

**NOTE: Any new ordinance or amendment to an existing ordinance for this tax can take effect at only two times each year: January 1 and July 1. To be effective January 1, (with first monthly returns due by the last day of February), an ordinance must be adopted and filed with the Illinois Department of Revenue by September 20. To be effective July 1 (with first monthly returns due by the last day of August), an ordinance must be adopted and filed with the Illinois Department of Revenue by March 20.**

**NOTE: Section 5-35 of the Simplified Municipal Telecommunications Tax Act requires that any rebates must be implemented by separate ordinance.**



04-15 TELECOM TAX

4-13-04 2% → 6%

4 yes  
3 no

NOT ACCEPTED BY  
IDR

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04-53 REPEALED 04-15

5 YES  
0 NO

1 ABSENT (BOYCE)

TOM VETOED 04-53 9-12-04  
(BY MEMO)

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04-54 2% → 5%

4 YES  
2 NO

9-14-04