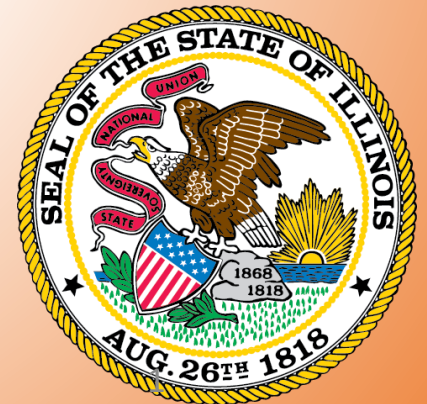


Illinois Department of Revenue

2022 PPRT History, Funding, and Calculations ICCCFO Conference Presentation

Local Tax Allocation Division (LTAD)



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PERSONAL PROPERTY REPLACEMENT TAXES (PPRT)

History and Qualifications

- Revenues collected by IDOR to replace money lost by local governments when their powers to impose personal property taxes were taken away.
- Qualifications to receive a distribution:
 - Taxing district must have been in existence prior to July 1, 1979, and
 - Received revenue from personal property tax from the 1976 tax year for taxing districts in Cook County, or the 1977 tax year for taxing districts in the remaining 101 counties.

PERSONAL PROPERTY REPLACEMENT TAXES (PPRT)

PPRT Includes...

- Personal Property Replacement Tax includes:
 - Replacement Tax imposed on the net Illinois income of C-Corporations, Partnerships, Trusts, & S-Corporations;
 - Invested Capital Tax;
 - Electricity Distribution Tax (based on Kilowatt hours); and
 - Telecommunications Infrastructure Maintenance Fees.

PERSONAL PROPERTY REPLACEMENT TAXES (PPRT) Net Collections

- The net collections of the taxes are deposited into the Personal Property Replacement Tax Fund and distributed to local taxing districts.
 - Net collections = total collections minus stipends, additional compensations, salary reimbursements, and deposits made into the refund fund.

PERSONAL PROPERTY REPLACEMENT TAXES (PPRT) Proportionate Share

- Net Collections are divided into two portions:
 - One portion (51.65%) goes to districts in Cook County.
 - The other portion (48.35%) goes to districts throughout the remaining 101 counties.
- The proportionate share is determined by:
 - For Cook County districts, the amount of CPPRT they collected in 1976 in proportion to the total amount collected in Cook County that year.
 - For the remaining districts, the amount of CPPRT they collected in 1977 in proportion to the total amount collected outside Cook County that year.

PERSONAL PROPERTY REPLACEMENT TAXES (PPRT) Distributions

- Eight distributions are sent each year to qualifying taxing districts (January, March, April, May, July, August, October, and December).
- Distributions to taxing districts are based on each district's share of personal property tax collection from the appropriate 1976 or 1977 tax year.

PERSONAL PROPERTY REPLACEMENT TAXES (PPRT) Proportionate Share of PPRT Distributed

- Certain taxing districts are required to pay a proportionate share of personal property replacement tax funds they receive to the municipality, library, or cemetery if personal property taxes were previously levied in 1976 or 1977 and paid to those taxing districts.

PERSONAL PROPERTY REPLACEMENT TAXES (PPRT)

Use of PPRT

- The personal property replacement tax provisions require the following:
 1. Municipalities and townships must pay a portion of each PPRT check received to their respective libraries, if a library tax was levied on or before December 31, 1978.
 2. Townships must also allocate a portion of the replacement tax to the cemetery fund if a cemetery tax was levied on or before December 31, 1978.
 3. Each road district must pay a portion of each PPRT check to the municipalities within the road district boundaries if the municipalities previously received a portion of the road district road and bridge levy.

PERSONAL PROPERTY REPLACEMENT TAXES (PPRT)

Liens

- After allocations have been made, the PPRT provisions require two liens:
 - The first lien on PPRT funds each calendar year is for bonded indebtedness incurred on or before December 31, 1978. Payments must be made to the Bond and Interest Fund until the entire lien is satisfied.
 - The second lien on PPRT funds each calendar year is for pension obligations of the local governmental unit. All pension obligations must be satisfied before the funds can be used for other purposes.
- Any remaining PPRT funds, after satisfying the two liens, should be used for the same purpose as real estate taxes.

PERSONAL PROPERTY REPLACEMENT TAXES (PPRT)

Fiscal Year Estimates

- Fiscal year estimates for PPRT are posted to our website around the first of August.
- This is an estimate.
 - We do not pay the difference if your actual distributions are less than estimated.
 - We do not ask you to pay the difference if distributions are more than estimated.

PERSONAL PROPERTY REPLACEMENT TAXES (PPRT) Fiscal Year Estimates (continued)

- The estimate is posted in the same place on our website every year (<https://www2.illinois.gov/rev/localgovernments/LocalTaxAllocation/Pages/Taxes-Distributed-to-Local-Governments.aspx>).
- You do not need to ask if we have the estimate; just check the website. As soon as we have it, we will post it.

PERSONAL PROPERTY REPLACEMENT TAXES (PPRT)

Distributions

(Fiscal Year July 1 through June 30)

- FY2023 estimated is \$4,320.2 million, a 7.5% increase over the FY22 actual amount.

(\$Millions)	Annual Amount
FY-13	1,308.2
FY-14	1,371.0
FY-15	1,434.5
FY-16	1,320.5
FY-17	1,466.8
FY-18	1,227.4
FY-19	1,327.8
FY-20	1,453.4
FY-21	1,843.5
FY-22	4,018.4

SUGGESTIONS

- Sign up for Direct Deposit
 - Contact the Comptroller at 217 557-0930.
- Have mail sent to the attention of the office title, not the name of the officeholder. This keeps LTAD from needing to update for each officeholder change.
 - Example – use Township Supervisor instead of John Doe, Township Supervisor.

SUGGESTIONS

(continued)

- Use your office address or a P.O. Box as your mailing address instead of a home address, if possible. This also keeps LTAD from needing to update for each address change.
- Contact LTAD immediately if there are any changes to your district, such as mergers, consolidations, dissolutions, or disconnections.

LOCAL GOVERNMENT RESOURCES

- [LTAD Website](#)
 - Allocation amounts
 - PPRT estimate
 - Training materials
- [LTAD Quarterly Newsletter](#)
 - January, April, July, October
 - Will be posted to our website with a message sent to GovDelivery subscribers

LOCAL GOVERNMENT RESOURCES

(continued)

- GovDelivery subscription service
 - Sign up on website by visiting https://public.govdelivery.com/accounts/ILDOR/subscriber/new?category_id=ILDOR_C2.
 - Short messages to alert you of news using e-mail/SMS text.
 - When the PPRT estimate is posted, etc.

THANK YOU!

Illinois Department of Revenue
Local Tax Allocation Division
101 W. Jefferson St. 3-500
Springfield, IL 62702

Telephone: 217 785-6518

Fax: 217 785-6527

Email: REV.LocalTax@Illinois.gov

Website:

<https://www2.illinois.gov/rev/localgovernments/LocalTaxAllocation/Pages/default.aspx>

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