

Editor's Note: Ordinance #0-102-06 replaced Chapter 17 in its entirety. This Ordinance was passed on June 12, 2006, with an effective date of June 1, 2006.

Editor's Note: Ordinance #0-155-10 added a new Article IX Municipal Electric Utility Tax, passed on December 13, 2010 (first bill issued on or after March 1, 2011). Note: Ord. 0-15-11, passed on February 14, 2011, corrected a scrivener's error in #0-155-10.

Chapter 17 TAXES

- Art. I. Home Rule Municipal Retailers' Occupation and Service Occupation Tax. §§17-1--17-3
- Art. II. Municipal Cannabis Retailers' Occupation Tax. §§17-11—17-13
- Art. III. Hotel and Motel Occupancy Tax, §§17-21--17-27
- Art. IV. Foreign Fire Insurance Tax, §§17-31--17-32
- Art. V. Municipal Automobile Renting Occupation Tax, §§17-41--17-43
- Art. VI. Automobile Renting Use Tax, §§17-51, 17-53
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- Art. IX. Municipal Electric Utility Tax, §§17-90 –17-98

ARTICLE I. HOME RULE MUNICIPAL RETAILERS' OCCUPATION AND SERVICE OCCUPATION TAX

Sec. 17-1. Imposed.

A tax is hereby imposed upon all persons engaged in this Municipality in the business of selling tangible personal property other than an item of tangible personal property titled or registered with an agency of the State of Illinois' government, at the rate of one percent (1.0%) of the gross receipts from sales made in the course of such business while this Article is in effect; and a tax is hereby imposed upon all persons engaged in this Municipality in the business of making sales of service at the rate of one percent of the selling price of all tangible personal property transferred by such service people as an incident to a sale of service. The imposition of these home rule taxes is in accordance with the provisions of 65 ILCS 5/8-11-1 and 65 ILCS 5/8-11-5, as amended. (Ord. No. O-67-92, § 1, 4-27-92; Ord. No. 0-169-03, § 1, 8-11-03, effective Jan. 1, 2004; Ord. No. O-63-23, 05/15/23)

Sec. 17-2. Collection.

The tax imposed by this Article shall be remitted by such retailer to the Illinois Department of Revenue ("IDOR"). Any tax required to be collected pursuant to this Article and any such tax collected by such retailer and required to be remitted to IDOR shall constitute a debt owed by the retailer to the State. Retailers may reimburse themselves for their seller's tax liability hereunder by separately stating that tax as an additional charge, which charge may be stated in combination, in a single amount, with any State tax that sellers are required to collect.

Sec. 17-3. Severability.

If any provision of this Article or the application thereof to any person or circumstances is held invalid, the remainder of this Article and the application of such provision to other persons or circumstances shall not be affected thereby.

Secs. 17-4—17-10. Reserved

ARTICLE II. MUNICIPAL CANNABIS RETAILERS' OCCUPATION TAX

Sec. 17-11. Imposed.

A tax is hereby imposed upon all persons engaged in this Municipality in the business of selling cannabis, other than cannabis purchased under the Compassionate Use of Medical Cannabis Pilot Program Act, at retail in the Village at the rate of three percent (3.0%) of the gross receipts from these sales made in the course of that business. The imposition of this tax is in accordance with the provisions of Sections 8-11-23, of the Illinois Municipal Code (65 ILCS 5/8-11-23). (Ord. No. O-112-19, 12-9-19)

Sec. 17-12. Collection.

The tax imposed by this Article shall be remitted by such retailer to the Illinois Department of Revenue ("IDOR"). Any tax required to be collected pursuant to this Article and any such tax collected by such retailer and required to be remitted to IDOR shall constitute a debt owed by the retailer to the State. Retailers may reimburse themselves for their seller's tax liability hereunder by separately stating that tax as an additional charge, which charge may be stated in combination, in a single amount, with any State tax that sellers are required to collect.

Sec. 17-13. Severability.

If any provision of this Article or the application thereof to any person or circumstances is held invalid, the remainder of this Article and the application of such provision to other persons or circumstances shall not be affected thereby.

(Ord. No.)-63-23, 05/15/23)

Secs. 17-14—17-20. Reserved.

ARTICLE III. HOTEL AND MOTEL OCCUPANCY TAX

Sec. 17-21. Imposed.

A tax is hereby levied and imposed upon the use and privilege of renting, leasing or letting of rooms in a motel or hotel in the village at a rate of five percent (5.0%) of the gross rental receipts from such rental, leasing or letting. The ultimate incidence of and liability for payment of said tax shall be borne by the user, lessee or tenant of said rooms. The tax herein levied shall be in addition to any and all other taxes. (Code 1961, □ 14.1502; Ord. No. O-47-81, □ 1, 5-11-81; Ord. No. 0-236-02, □1, 12-16-02)

Sec. 17-22. Lodging Subject to Tax.

The word "hotel" and the word "motel" within the meaning of this article include every building or structure kept, used, maintained, advertised and held out to the public to be a place where lodging, or lodging and food or apartments, or suites, or other accommodations are offered for a consideration to guests, in which five or more rooms, apartments, or suites, or other accommodations are used for the lodging, or lodging and food, for such guests. Accommodations within said buildings or structures which are leased to the same occupant for a period of more than thirty (30) consecutive days shall be exempt from the tax provisions of this subchapter. (Code 1961, □ 14.1501)

Sec. 17-23. Duty to Collect from User.

The owner and operator of each hotel and or motel and the person to whom the license to operate said motel or hotel shall have been issued by the village, shall bear jointly and severally, the duty to collect the tax from each user, lessee or tenant of rooms in such hotel or motel. Every person required to collect the tax levied by ordinance shall secure said tax from the user, lessee or tenant of a room or rooms at the time that he collects the price, charge or rent to which it applies. (Code 1961, □ 14.1503)

Sec. 17-24. Payment to Village; Administration.

(A) Enforcement Officer: The finance director hereby is designated as the administration and enforcement officer of the tax hereby imposed on behalf of the village. It shall be the responsibility and duty of the finance director to collect all amounts due the village from the owners, operators and licensees of motels and hotels in the village.

(B) Monthly Tax Return: A sworn monthly hotel and motel occupancy tax return shall be filed by each owner, operator or licensee of each hotel or motel in the village with the finance director, on forms prescribed by him, showing all receipts from each renting, leasing or letting of rooms during the preceding month. The dates upon which said monthly returns are to be filed shall be provided by rules and regulations promulgated by the finance director.

(C) Payment: Each return shall be accompanied by payment to the village of all taxes due and owing for the month covered by the return.

(D) Books and Records: The finance director or any person certified by him as his deputy or representative may enter the premises of any motel or hotel for the purposes of inspection and examination of its books and records for the proper administration of this article, and for the enforcement of collection of the tax hereby imposed. It is unlawful for any person to prevent, hinder or interfere with the finance director or his duly authorized deputy or representative in the discharge of his duties hereunder.

(E) Duty To Maintain Records: The owner and operator of each hotel and/or motel and the person to whom the license to operate said hotel or motel shall have been issued by the village, shall bear jointly and severally the duty and responsibility to maintain records of hotel taxes collected from each user, lessee or tenant of the rooms of said hotel or motel for a period of three (3) years from the time the tax is due and owing. Any records in excess of three (3) years may be disposed of by the hotel.

(Code 1961, § 14.1504; Ord. No. O-47-81, § 2, 5-11-81)

Sec. 17-25. Enforcement.

(A) Whenever any person shall fail to pay any taxes herein provided, or when any owner, operator or licensee of a hotel or motel in the village shall fail to collect the tax hereby imposed from any person who has the ultimate liability for payment of the same, the village prosecutor shall, upon request of the finance director, bring or cause to be brought an action to enforce the payment of said tax on behalf of the village in any court of competent jurisdiction.

(B) If the village manager, after a hearing held by or for him, shall find that any hotel or motel owner, operator or licensee has willfully evaded his responsibility to collect the tax imposed by this article, he may suspend or revoke all village licenses held by such tax evader. Said person shall have an opportunity to be heard at such hearing, to be held not less than five (5) days after notice of the time and place thereof, addressed to him at his last-known place of business. Any suspension or conviction resulting from such hearing shall not relieve or discharge any civil liability for nonpayment of the tax due. (Code 1961, § 14.1505)

Sec. 17-26. Interest and penalties.

If any tax imposed by this article is not paid when due, or any tax return and/or required supporting tax documentation is not filed when due, interest shall accumulate and be due upon said tax at the rate of one per cent (1%) per month. In addition, a penalty of fifty per cent (50 %) of the tax and interest due shall be assessed and collected against any hotel or motel owner, operator or licensee who shall willfully evade payment of the tax imposed by this article. (Code 1961, § 14.1506)

Sec. 17-27. Use of funds.

All proceeds resulting from the imposition of the tax under this article, including interest and penalties, shall be paid into the treasury of the village and shall be credited to and deposited in the general fund of the village. (Code 1961, § 14.1507)

Secs. 17-28--17-30. Reserved.

ARTICLE IV. FOREIGN FIRE INSURANCE TAX

Sec. 17-31. Imposed.

Every corporation, company and association which is not incorporated under the laws of the State of Illinois, and which is engaged in the village in effecting fire insurance, shall pay to the treasurer of the village for the maintenance, use and benefit of the fire department, a sum of money equal to two percent (2.0%) of the gross receipts received from fire insurance upon property situated within the village in accordance with the provisions of the Illinois Municipal Code – Foreign Fire Insurance Company Fees, 65 ILCS 5/11-10-1 – 3. (Code 1961, □ 15.501)

Sec. 17-32. Required reports.

Every person acting in the village as agent or otherwise, for on behalf of any such corporation, company or association, shall, on or before the fifteenth day of July of each and every year, render to the village clerk a full, true and just account, verified by his oath, of all premiums which, during the year ending on every first day of July preceding such report, shall have been received by him, or by any other person for him in behalf of any such corporation, company or association and shall specify in such report the amounts received for fire insurance. (Code 1961, □ 15.502)

Secs. 17-33--17-40. Reserved.

ARTICLE V. MUNICIPAL AUTOMOBILE RENTING OCCUPATION TAX

Sec. 17-41. Imposed.

A tax is hereby imposed upon all persons engaged in this Municipality in the business of renting automobiles at the rate of one percent (1.0%) of the gross receipts from such rentals made in the course of such business while this article is in effect, in accordance with the provisions of Section 8-11-7 of the Illinois Municipal Code, 65 ILCS 5/8-11-7. (Ord. No. O-2-82, □ 1, 1-11-82)

Sec. 17-42. Collection.

The tax imposed by this Article shall be remitted by such retailer to the Illinois Department of Revenue (“IDOR”). Any tax required to be collected pursuant to this Article and any such tax collected by such retailer and required to be remitted to IDOR shall constitute a debt owed by the retailer to the State. Retailers may reimburse themselves for their seller's tax liability hereunder by separately stating that tax as an additional charge, which charge may be stated in combination, in a single amount, with any State tax that sellers are required to collect.

Sec. 17-43. Severability.

If any provision of this Article or the application thereof to any person or circumstances is held invalid, the remainder of this Article and the application of such provision to other persons or circumstances shall not be affected thereby.

Secs. 17-44--17-50. Reserved.

(Ord. No. O-63-23, 05/15/23)

ARTICLE VI. AUTOMOBILE RENTING USE TAX

Sec. 17-51. Imposed.

A tax is hereby imposed upon the privilege of using in this Municipality an automobile which is rented from a renter outside Illinois and which is titled or registered with an agency of this state's government in this Municipality at the rate of one percent (1.0%) of the rental price of such automobile while this article is in effect, in accordance with the provisions of Section 8-11-8 of the Illinois Municipal Code, 65 ILCS 5/8-11-8. (Ord. No. O-3-82, □ 1, 1-11-82)

Sec. 17-52. Collection.

The tax imposed by this Article shall be remitted by such retailer to the Illinois Department of Revenue ("IDOR"). Any tax required to be collected pursuant to this Article and any such tax collected by such retailer and required to be remitted to IDOR shall constitute a debt owed by the retailer to the State. Retailers may reimburse themselves for their seller's tax liability hereunder by separately stating that tax as an additional charge, which charge may be stated in combination, in a single amount, with any State tax that sellers are required to collect.

Sec. 17-53. Severability.

If any provision of this Article or the application thereof to any person or circumstances is held invalid, the remainder of this Article and the application of such provision to other persons or circumstances shall not be affected thereby.

Secs. 17-54—17-60. Reserved.

(Ord. No. O-63-23, 05/15/23)

ARTICLE VII. SIMPLIFIED MUNICIPAL TELECOMMUNICATIONS TAX

Sec. 17-61. Imposed.

A tax is hereby imposed at the rate of six percent (6%) upon the privilege of originating and receiving telecommunications and on retailers engaged in the business of transmitting such telecommunications in accordance with the provisions of the Simplified Municipal Telecommunications Tax Act, 35 ILCS 636/ . (Ord. 0-67-06, §1, 4/3/06, effective 7/1/06)

Sec. 17-62. Collection.

The tax imposed by this Article shall be remitted by such retailer to the Illinois Department of Revenue ("IDOR"). Any tax required to be collected pursuant to this Article and any such tax collected by such retailer and required to be remitted to IDOR shall constitute a debt owed by the retailer to the State. Retailers may reimburse themselves for their seller's tax liability hereunder by separately stating that tax as an additional charge, which charge may be stated in combination, in a single amount, with any State tax that sellers are required to collect.

Sec. 17-63. Severability.

If any provision of this Article or the application thereof to any person or circumstances is held invalid, the remainder of this Article and the application of such provision to other persons or circumstances shall not be affected thereby.

Sec. 17-64 – 17-70. Reserved.

(Ord. No. O-63-23, 05/15/23)

ARTICLE VIII. PREPARED FOOD AND BEVERAGE TAX

Sec. 17-71. Imposed.

Commencing on the first day of January, 2004, a tax, in addition to any and all other taxes, is imposed upon the retail purchase of prepared foods and beverages and all alcoholic beverages at any Prepared Food Facility or Retail Liquor Facility within the Village, at the rate of one percent (1.0%) of the purchase price of such prepared food, prepared beverage, or alcoholic beverage, the ultimate incidence of any liability for payment of the tax shall be borne by the purchaser. (Ord. No. 0-288-03, §2, 12-8-03)

Sec. 17-72. Definitions.

For the purposes of this Article, unless the context otherwise requires, the following words or terms shall have the meanings respectively applied to them:

Beverages. Any alcohol, spirits, wine or beer as set forth and regulated in Chapter 3 of the Palatine Code of Ordinances, which sold at retail either for consumption on the premises where sold or is sold in its original package for consumption off the premises, including soft drinks as defined below. (Ord. No. 0-288-03, §1, 12-8-03)

Soft drinks. Any soft drink as set forth in Section 8-11-1 of the Home Rule Municipal Retailer's Occupation Tax, which is sold at retail for immediate consumption on and/or off the premises.

Prepared Foods. Any solid, liquid (including both alcoholic and non-alcoholic liquid), powder or other food substance used or intended to be used for human consumption and which has been prepared for immediate consumption on and/or off the premises.

Purchase at Retail. To obtain for use or consumption in exchange for a consideration, whether in the form of money, credits, barter or any other nature, and not for resale.

Retailer. Any person who sells or offers for sale, prepared food and/or liquor for use or consumption and not for resale.

Prepared Food Facility. Establishments subject to the licensing requirements of Chapter 11 of the Palatine Code of Ordinances as a food service establishment which sells prepared food at retail for immediate consumption and which provides for on and/or off premises consumption whether or not such facility is conducted along with any other use(s) in a common premise or business establishment.

A "Prepared Food Facility" does not include food store (except facilities therein which sell prepared food and liquor), churches, public or private schools, boarding houses, day care centers, nursing homes, retirement centers or similar residential care facilities or programs for the central preparation of meals to be delivered and consumed at private residences of invalids or the elderly, coin-operated automatic food item dispensing machines, hospital (except facilities therein, subject to the State of Illinois Retailer Occupation Tax pertaining to food sales) and facilities of not-for-profit associations or corporations.

Retailer Liquor Facility. Any establishment licensed under the provisions of Article II of Chapter 3 of the Palatine Code of Ordinances.

Sec. 17-73. Collection of Tax by Retailer.

The owner and operator of each Prepared Food Facility and each Retailer Liquor Facility within the Village shall jointly and severally, have the duty to collect and account for the tax from each purchase at the time that the consideration for the purchase is paid.

Section 17-74. Books and Records.

The owner and operator of each Prepared Food Facility and each Retailer Liquor Facility within the Village shall jointly and severally have the duty to maintain complete and accurate books, records and accounts, showing the gross receipts for sale of prepared food and liquor and the taxes collected each day, which shall be made available to the Village for examination and for audit by the Village upon reasonable notice and during customary business hours.

Sec. 17-75. Transmission of Tax Collection.

The owner and the operator of each Prepared Food Facility and each Retailer Liquor Facility within the Village shall jointly and severally have the duty to cause to be filed, a sworn return with the Finance Director for each facility and for each licensed premises located in the Village. The return shall be prepared and submitted on forms prescribed by the Village and filed with the Village by the filing date and at the same time intervals or frequencies as the Sales and Use Tax Return, form ST-1, is due to be filed with the Illinois Department of Revenue. The return shall also be accompanied by payment to the Village of all taxes imposed by this Article, which are due and owing for the period covered by the return. The return shall also be accompanied by a copy of the return filed with the Illinois Department of Revenue for sales within the Village of Palatine covering the same reporting period

Sec. 17-76. Late Payment Penalty.

If any tax imposed by this Article is not paid when due, a late payment penalty equal to two percent of the unpaid tax shall be added for each month, or any portion thereof, that the tax remains unpaid and the late payment penalty shall be paid along with the tax imposed.

Sec. 17-77. Transmittal of Excess Tax Collections.

If any person collects an amount upon a sale not subject to the tax imposed hereby, but which amount is purported to be the collection of the tax, or if a person collects an amount upon a sale greater than the amount of the tax imposed herein and does not for any reason return it to the purchaser who paid it before filing the return for the period in which it occurred, that person shall account for and pay over those amounts to the Village along with the tax properly collected.

Sec. 17-78. Enforcement License Suspension, Revocation.

Payment and collection of the tax and any late payment penalty may be enforced by action in any court of competent jurisdiction and failure to collect, account for and pay over the tax and any late payment penalty shall be cause for suspension or revocation of any Village license issued for the Prepared Food Facility or Retailer Liquor Facility applicable to the premises thereof, all in addition to any other penalties in this Chapter.

Section 17-79. Penalty.

Any person operating a Prepared Food Facility or a Retailer Liquor Facility within the Village failing or omitting to pay the tax when due, or failing or omitting to collect, or to account for, or to pay over the tax and any late payment penalty, or failing to maintain or allow examination of the penalty provided herein or elsewhere by law or ordinance, upon conviction, shall be fined not less than two hundred dollars (\$200) nor more than one thousand dollars (\$1,000) for each offense, and each day a violation continues shall be considered a separate violation.

Section 17-80. Confidentiality.

All information received by the Village from returns filed pursuant to this Article or from any investigations conducted pursuant to this Article, except for official Village purposes, or as required by the Freedom of Information Act, shall be confidential.

ARTICLE IX MUNICIPAL ELECTRIC UTILITY TAX

[Editor's Note: Ordinance #0-155-10 added a new Article IX Municipal Electric Utility Tax, passed on December 13, 2010 (first bill issued on or after March 1, 2011). Note: Ord. 0-15-11, passed on February 14, 2011, corrected a scrivener's error in #0-155-10.]

Section 17- 90. Municipal Electric Use Tax.

The tax imposed by this Article shall be known as the "Municipal Electric Use Tax" and is imposed in addition to all other taxes imposed by the Village, the State of Illinois or any other municipal corporation or political subdivision thereof.

Section 17-91. Definitions.

For the purposes of this Article, the following definitions shall apply:

a. Person. Any individual, firm, trust, estate, partnership, association, joint stock company, joint venture, corporation, limited liability company, municipal corporation, or any of its political subdivisions of this State or a receiver, trustee, conservator or other representative appointed by order of any court.

b. Person Maintaining a Place of Business in this State. Any person having or maintaining within this State, directly or by a subsidiary or other affiliate, an office, generation facility, distribution facility, transmission facility, sales office or other place of business, or any employee, agent, or other representative operating within this State under the authority of the person or its subsidiary or other affiliate, irrespective of whether such place of business or agent or other representative is located in this State permanently or temporarily, or whether such person, subsidiary or other affiliate is licensed or qualified to do business in this State.

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c. Public Utility. “Public Utility” shall have the meaning ascribed to it in Section 3-105 of the Public Utilities Act and shall include telecommunications carriers as defined in Section 13-202 of that Act and alternative retail electric suppliers as defined in Section 16-102 of that Act.

d. Purchase at Retail. Any acquisition of electricity by a purchaser for purposes of use or consumption, and not for resale, but shall not include the use of electricity by a public utility directly in the generation, production, transmission, delivery or sale of electricity.

e. Purchaser. Any person who uses or consumes, within the corporate limits of the Village, electricity acquired in a purchase at retail.

g. Tax Collector. The person delivering electricity to the purchaser.

Section 17-92. Electrical Use Tax Kilowatt Hour Tax Imposed; Amount.

a. Pursuant to 65 ILCS 5/8-11-2, the Village’s home rule authority, and any and all other applicable authority, a tax is imposed upon the privilege of using or consuming electricity acquired in a purchase at retail and used or consumed within the corporate limits of the Village at the following rates, calculated on a monthly basis for each purchaser:

	<u>Kilowatt Hours Used</u>	<u>Cents per Kilowatt Hour</u>
First	2,000	0.610
Next	48,000	0.400
Next	50,000	0.360
Next	400,000	0.350
Next	500,000	0.340
Next	2,000,000	0.320
Next	2,000,000	0.315
Next	5,000,000	0.310
Next	10,000,000	0.305
Excess of	20,000,000	0.300

(Ord. No. 0-148-15, §1, 12/7/15; Ord. No. O-63-23, 05/15/23)

b. Said tax is in addition to all taxes, fees and other revenue measures imposed by the Village, the State or any other political subdivision of the State.

c. Notwithstanding any other provision of this Article, the tax shall not be imposed if and to the extent that imposition or collection of the tax would violate the constitution of the United States, the Illinois statutes or the constitution of the State of Illinois.

d. The tax shall be imposed with respect to the use or consumption of electricity by residential and non-residential customers beginning with the first bill issued on or after March 1, 2011.

Section 17-93. Collection of Tax.

a. Subject to the provisions of Section 17-95, Resales, of this Article regarding the delivery of electricity to resellers, the tax imposed under this Article shall be collected from purchasers by the person maintaining a place of business in this State who delivers electricity to such purchasers. This tax shall constitute a debt of the purchaser and is recoverable at the same time and in the same manner as the original charge for delivering the electricity.

b. Any tax required to be collected by this Article, and any tax in fact collected, shall constitute a debt owed to the Village by the person delivering the electricity, provided, that the person delivering electricity shall be allowed credit for such tax related to deliveries of electricity, the charges for which are written off as uncollectible, and provided further, that if such charges are thereafter collected, the delivering supplier shall be obligated to remit such tax.

c. Persons delivering electricity shall collect from the purchaser by adding such tax to the gross charge for delivering the electricity. Persons delivering electricity shall also be authorized to add to such gross charge, an amount equal to 3% of the tax they collect to reimburse them for their expenses incurred in keeping records, billing customers, preparing and filing returns, remitting the tax and supplying data to the Village upon request. For purposes of this Article, any partial payment of a billing amount not specifically identified by the purchaser shall be deemed to be for the delivery of electricity.

Section 17-94. Tax Remittance and Return.

a. Every tax collector shall on a monthly basis file a return in a form prescribed by the Finance Department. The return and accompanying remittance shall be due on or before the last day of the month following the month during which the tax is collected or is required to be collected under Section 17-93, Collection of Tax, of this Article.

b. If the person delivering electricity fails to collect the tax from the purchaser or is excused from collecting the tax, under 17-93, Collection of Tax, of this Article, then the purchaser shall file a return in a form prescribed by the Finance Department and pay the tax directly to the Finance Department on or before the last day of the month following the month during which the electricity is used or consumed.

Section 17-95. Resales.

a. Resale of Electricity. Electricity that is delivered to a person in the Village shall be considered to be for use and consumption by that person unless the person receiving the electricity has an active resale number issued by the Finance Department and furnishes that number to the person who delivers the electricity, and certifies to that person that the sale is either entirely or partially nontaxable as a sale for resale.

b. Resale Number. If a person who receives electricity in the Village claims to be an authorized reseller of electricity, that person shall apply to the Finance Department for a resale number. The applicant shall state facts showing why it is not liable for the tax imposed by this Article on any purchases of electricity and shall furnish such additional information as the Finance Department may reasonably require.

c. Approval; Assignment. Upon approval of the application the Finance Department shall assign a resale number to the applicant and shall certify the number to the applicant.

d. Cancellation. The Finance Department may cancel the resale number of any person if the person fails to pay any tax payable under this Article for electricity used or consumed by the parties, or if the number: 1) was obtained through misrepresentation, or 2) is no longer necessary because the person has discontinued making resales.

e. Collection and Remittance.

1. If a reseller has acquired electricity partly for use or consumption and partly for resale, the reseller shall pay the tax imposed by this Article directly to the Finance Department pursuant to Section 7-903a., Electrical Use Tax Kilowatt Hour Tax Imposed; Amount, by this Article on the amount of electricity that the reseller uses or consumes, and shall collect the tax pursuant to 7-904, Collection of Tax, of this Article and remit the tax on the amount of electricity delivered by the reseller to a purchaser.

2. Any person who delivers electricity to a reseller having an active resale number and complying with all other conditions of this Section shall be excused from collecting and remitting the tax on any portion of the electricity delivered to the reseller, provided that the person reports to the Finance Department the total amount of electricity delivered to the reseller, and such other information that the Finance Department may reasonably require.

Section 17-96. Books and Records.

Every tax collector, and every taxpayer required to pay the tax imposed by this Article, shall keep accurate books and records of its business or activity, including contemporaneous books and records denoting the transactions that gave rise, or may have given rise, to any tax liability under this Article. The books and records shall be subject to and available for inspection at all times during business hours of the day.

Section 17-97. Credits and Refunds.

Notwithstanding any other provisions of this Article, in order to permit sound fiscal planning and budgeting by the Village, no person shall be entitled to a refund of, or credit for, a tax imposed under this Article unless the person files a claim for refund or credit within one year after the date on which the tax was paid or remitted with the Director of Finance.

Section 17-98. Exemptions.

Notwithstanding any other provision of this Article, the tax shall not be imposed if and to the extent that imposition or collection of the tax would violate the constitution or statutes of the United States or the constitution of the State of Illinois. Additionally, this tax shall neither be imposed on nor collected from the Village of Palatine itself.