

Sales Tax Rebates in Northeastern Illinois

CMAP Land Use Committee

June 15, 2016



Tax policy drives the 359 active sales tax rebate agreements in northeastern Illinois

Municipalities and counties receive sales tax revenue based on location of sales



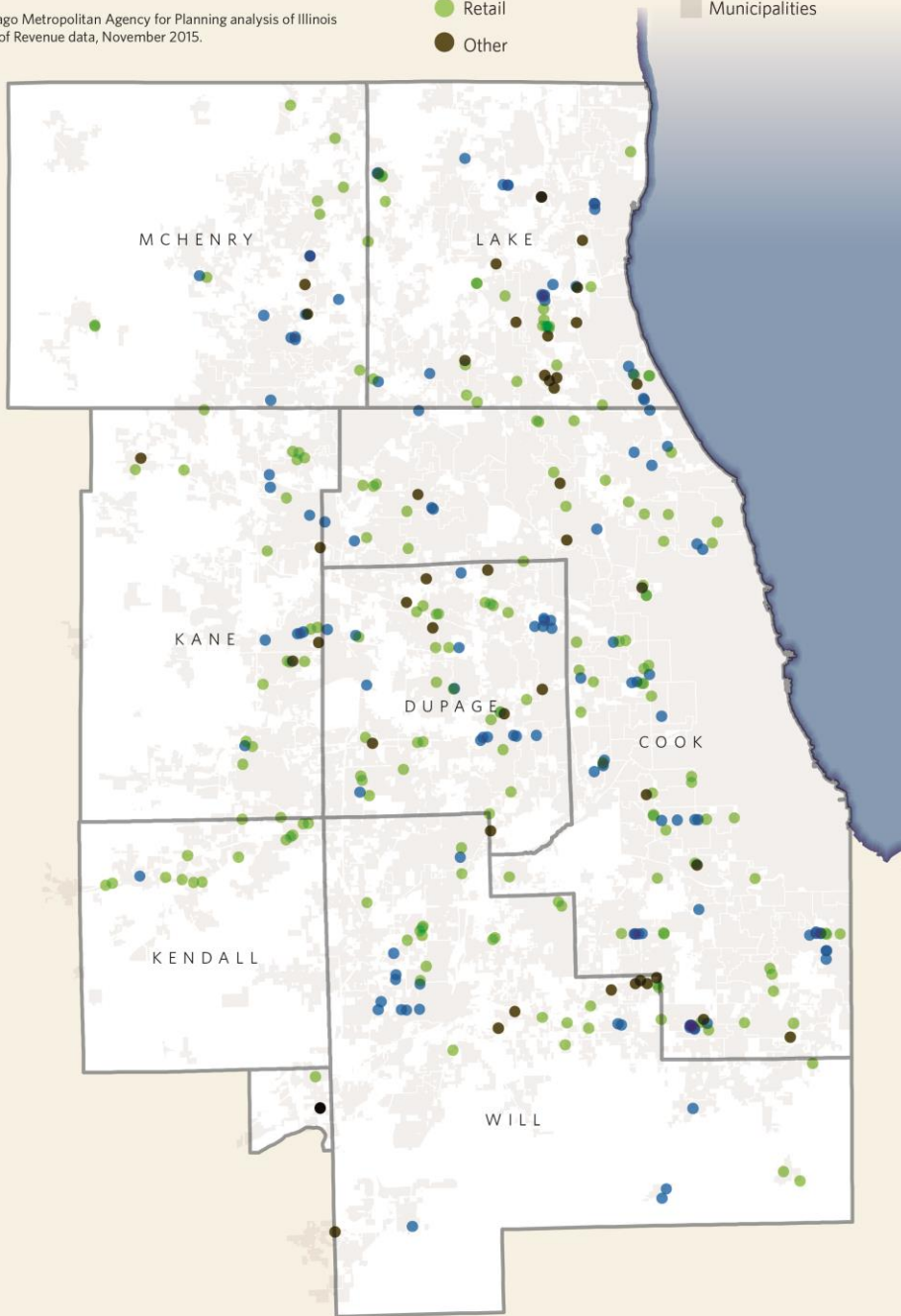
Communities agree to rebate a portion of sales tax revenue generated in a business back to businesses and developers



Sales tax rebate locations by development type, 2015

Source: Chicago Metropolitan Agency for Planning analysis of Illinois Department of Revenue data, November 2015.

- Vehicle dealership
- Retail
- Other
- County boundaries
- Municipalities

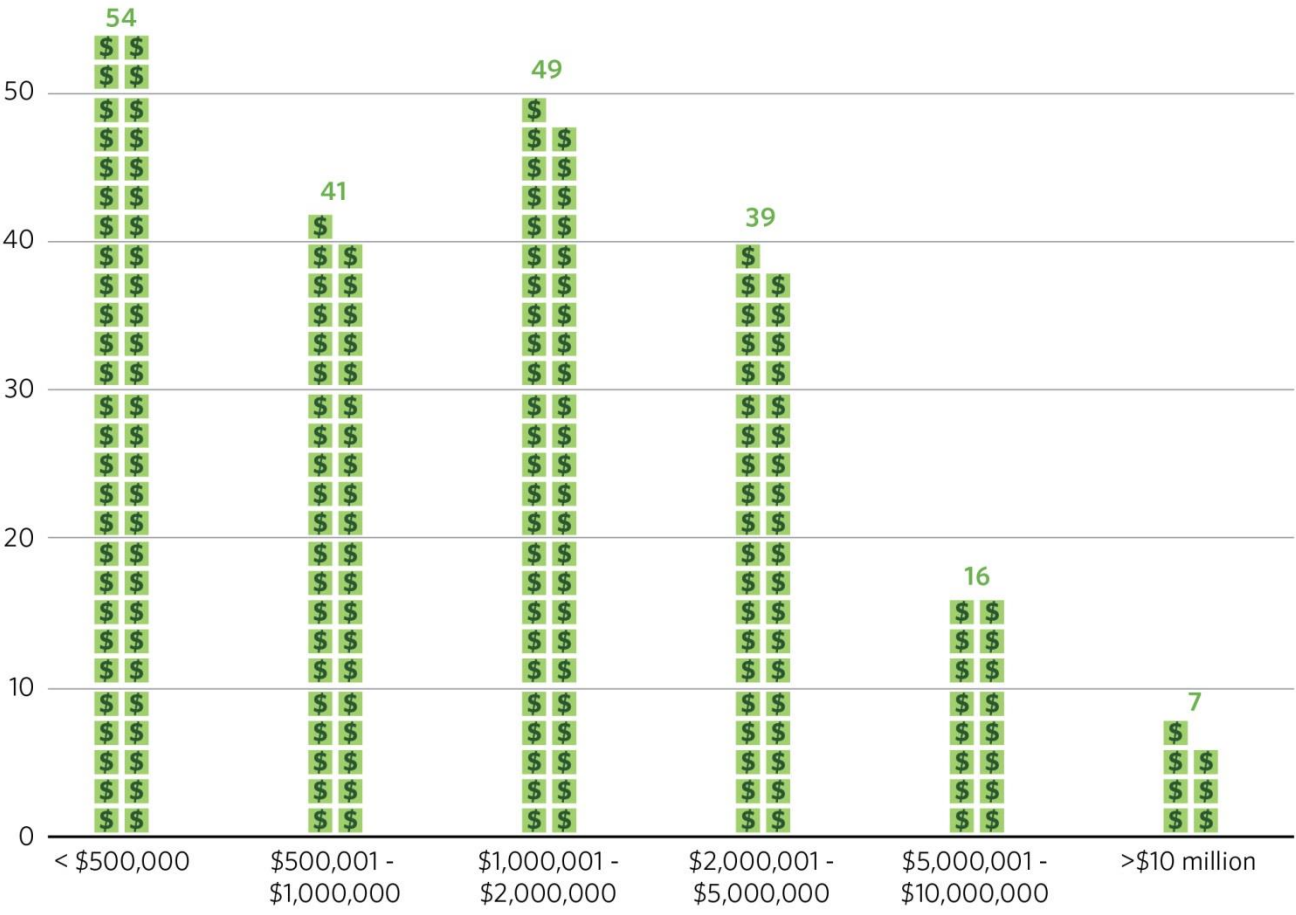


Most sales tax rebates go to retailers and vehicle dealerships

Sales tax rebate locations by development type, 2015

Under the agreements with known maximums, municipalities have committed \$496 million in total

Maximum rebates of active sales tax rebate agreements, 2015



Note: Excludes the 153 agreements with no maximum amount listed.

Source: Chicago Metropolitan Agency for Planning analysis of Illinois Department of Revenue data, November 2015.

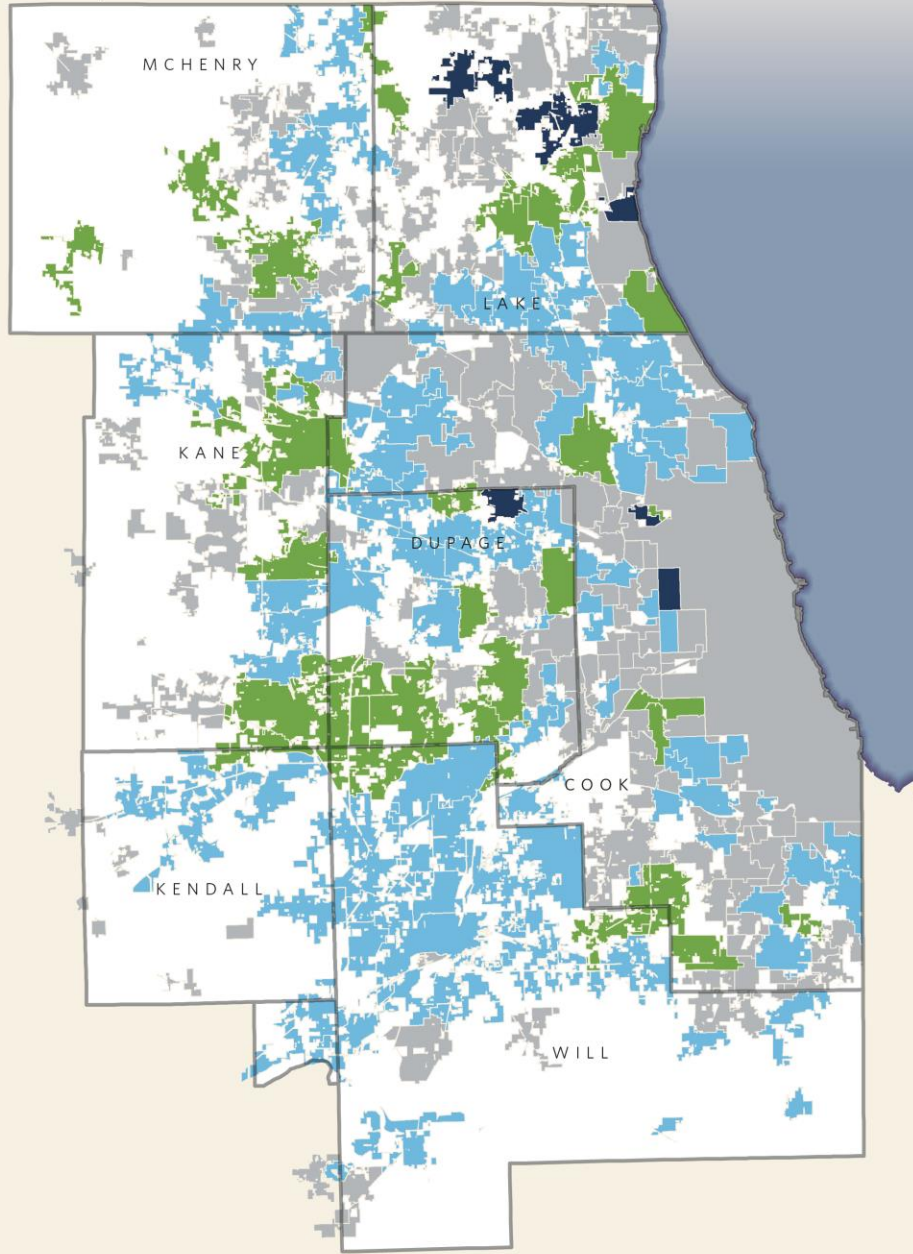


Municipalities with sales tax rebates, by year of effective date, 2015

Note: This analysis simply provides the effective date of agreements, regardless of whether they were included in the 2013 database.

Source: Chicago Metropolitan Agency for Planning analysis of Illinois Department of Revenue data, November 2015.

- Agreements effective both before and after 2013
- Only agreements effective after 2013
- Only agreements effective 2013 and earlier
- No agreements
- County boundaries



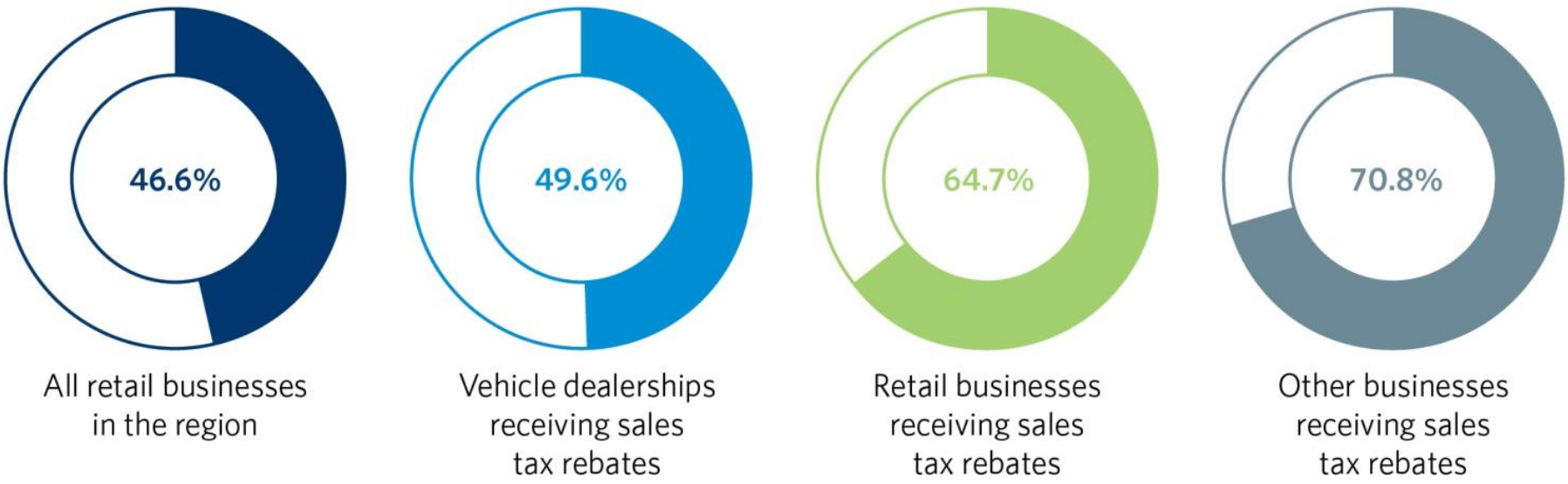
Most of the 131 municipalities with active rebates only had agreements effective starting 2013 or earlier

Municipalities with sales tax rebate agreements, by year of effective date, 2015

- Agreements effective both before and after 2013
- Only agreements effective after 2013
- Only agreements effective 2013 and earlier
- No agreements

Retailers receiving sales tax rebates are more likely to be on municipal borders than other retail

Proportion of developments on or adjacent to municipal borders, by type of development, 2015



Note: Retail also includes restaurants and hotels. Other includes sales offices, distribution facilities, showrooms, service businesses, and other types of businesses. All retail businesses in the region exclude the City of Chicago.

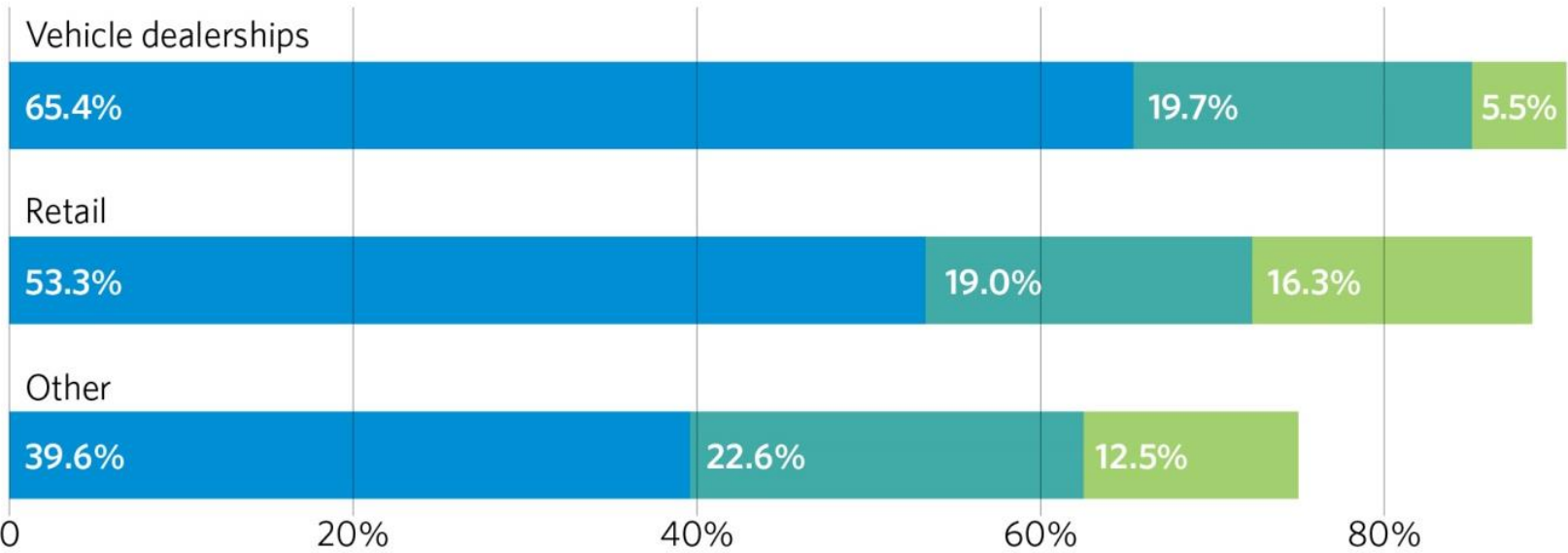
Source: Chicago Metropolitan Agency for Planning analysis of Illinois Department of Revenue data, November 2015 and CoStar data, 2015.



Developments receiving sales tax rebates are often on state or county maintained roadways

Proportion of sales tax rebates on or adjacent to state and county maintained roads, by development type, 2015

- State maintained roads
- State maintained roads and county maintained roads
- County maintained roads



Note: Retail also includes restaurants and hotels. Other includes sales offices, distribution facilities, showrooms, service businesses, and other types of businesses.

Source: Chicago Metropolitan Agency for Planning analysis of Illinois Department of Revenue data, November 2015 and Illinois Roadway Information System, 2014.



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