

Business Development Districts (BDD)

Frequently Asked Questions

- Can you amend a BDD? yes
- BDD Plan gets sent to Dept of Revenue and can be created two times a year. The Plan needs to be filed by the 1st of April for the sales tax to go into effect on the 1st of July, or by the 1st of October for the sales tax to go into effect on the 1st of January.
- How often will the municipality receive sales tax checks? WITH ALL OTHER SALES TAX DISTRIBUTIONS FROM THE STATE. A separate check will be received for the sales tax in BDD from the Dept of Revenue.
- In the BDD Plan, the spreadsheet that lists the survey parcels and criteria is included. A separate list of just the businesses in the district will need to be created (PIN, name of business and address of business) and sent to the Dept of Revenue.
- If a building is currently vacant and in the BDD, and a new business opens up, is that new business included in the BDD automatically? NO-It's the community's responsibility to send an updated list to the Dept of Revenue listing new businesses.
- What do the businesses in the BDD have to do to implement the tax increase, which becomes effective July 1st. Is there any special reporting the businesses have to do? No the additional sales tax is added as an additional line item to an existing form.
- How / when do we determine the amount of sales tax that could be generated from the BDD? We would have to look at the sales tax currently generated by the area and then recalculate with an addition ¼ or ½ or 1%.
- Is it a conflict if a board member works as an employee of a business in the BDD? no
- When does the community adopt the particular tax increase (the plan talks about 1/4 to 1 cent increments)? The ordinance designating the district will also impose the tax.
- What is difference between retailers occupation and service occupation taxes? No difference —one pertains to certain businesses and the other is strictly retail

- There are 65 BDDs in Illinois
- East Dundee has 3 BDDs and working on a 4th. Most of the BDD dollars are used for business renovation projects. Currently working on a large renovation project in the downtown district.
- Additional positives of a BDD –
 - less administration – with no annual reporting (like a TIF)
 - can use dollars for marketing materials / promoting the Village's downtown district
 - BDDs are most effective for downtown business retention and business expansion/renovation projects