



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB3725

Introduced 2/9/2024, by Sen. Donald P. DeWitte

SYNOPSIS AS INTRODUCED:

35 ILCS 105/3-5	
35 ILCS 105/3-10	
35 ILCS 105/9	from Ch. 120, par. 439.9
35 ILCS 110/3-5	
35 ILCS 110/3-10	from Ch. 120, par. 439.33-10
35 ILCS 110/9	from Ch. 120, par. 439.39
35 ILCS 115/3-5	
35 ILCS 115/3-10	from Ch. 120, par. 439.103-10
35 ILCS 115/9	from Ch. 120, par. 439.109
35 ILCS 120/2-5	
35 ILCS 120/2-10	
35 ILCS 120/3	from Ch. 120, par. 442

Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Provides that, beginning on July 1, 2024, certain food, drugs, and medical appliances that were taxed at the rate of 1% shall be exempt from the taxes under those Acts. Provides that certain amounts shall be transferred from the General Revenue Fund to certain local tax funds. Effective immediately.

LRB103 38226 HLH 68360 b

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Use Tax Act is amended by changing Sections
5 3-5, 3-10, and 9 as follows:

6 (35 ILCS 105/3-5)

7 Sec. 3-5. Exemptions. Use of the following tangible
8 personal property is exempt from the tax imposed by this Act:

9 (1) Personal property purchased from a corporation,
10 society, association, foundation, institution, or
11 organization, other than a limited liability company, that is
12 organized and operated as a not-for-profit service enterprise
13 for the benefit of persons 65 years of age or older if the
14 personal property was not purchased by the enterprise for the
15 purpose of resale by the enterprise.

16 (2) Personal property purchased by a not-for-profit
17 Illinois county fair association for use in conducting,
18 operating, or promoting the county fair.

19 (3) Personal property purchased by a not-for-profit arts
20 or cultural organization that establishes, by proof required
21 by the Department by rule, that it has received an exemption
22 under Section 501(c)(3) of the Internal Revenue Code and that
23 is organized and operated primarily for the presentation or

1 support of arts or cultural programming, activities, or
2 services. These organizations include, but are not limited to,
3 music and dramatic arts organizations such as symphony
4 orchestras and theatrical groups, arts and cultural service
5 organizations, local arts councils, visual arts organizations,
6 and media arts organizations. On and after July 1, 2001 (the
7 effective date of Public Act 92-35), however, an entity
8 otherwise eligible for this exemption shall not make tax-free
9 purchases unless it has an active identification number issued
10 by the Department.

11 (4) Except as otherwise provided in this Act, personal
12 property purchased by a governmental body, by a corporation,
13 society, association, foundation, or institution organized and
14 operated exclusively for charitable, religious, or educational
15 purposes, or by a not-for-profit corporation, society,
16 association, foundation, institution, or organization that has
17 no compensated officers or employees and that is organized and
18 operated primarily for the recreation of persons 55 years of
19 age or older. A limited liability company may qualify for the
20 exemption under this paragraph only if the limited liability
21 company is organized and operated exclusively for educational
22 purposes. On and after July 1, 1987, however, no entity
23 otherwise eligible for this exemption shall make tax-free
24 purchases unless it has an active exemption identification
25 number issued by the Department.

26 (5) Until July 1, 2003, a passenger car that is a

1 replacement vehicle to the extent that the purchase price of
2 the car is subject to the Replacement Vehicle Tax.

3 (6) Until July 1, 2003 and beginning again on September 1,
4 2004 through August 30, 2014, graphic arts machinery and
5 equipment, including repair and replacement parts, both new
6 and used, and including that manufactured on special order,
7 certified by the purchaser to be used primarily for graphic
8 arts production, and including machinery and equipment
9 purchased for lease. Equipment includes chemicals or chemicals
10 acting as catalysts but only if the chemicals or chemicals
11 acting as catalysts effect a direct and immediate change upon
12 a graphic arts product. Beginning on July 1, 2017, graphic
13 arts machinery and equipment is included in the manufacturing
14 and assembling machinery and equipment exemption under
15 paragraph (18).

16 (7) Farm chemicals.

17 (8) Legal tender, currency, medallions, or gold or silver
18 coinage issued by the State of Illinois, the government of the
19 United States of America, or the government of any foreign
20 country, and bullion.

21 (9) Personal property purchased from a teacher-sponsored
22 student organization affiliated with an elementary or
23 secondary school located in Illinois.

24 (10) A motor vehicle that is used for automobile renting,
25 as defined in the Automobile Renting Occupation and Use Tax
26 Act.

1 (11) Farm machinery and equipment, both new and used,
2 including that manufactured on special order, certified by the
3 purchaser to be used primarily for production agriculture or
4 State or federal agricultural programs, including individual
5 replacement parts for the machinery and equipment, including
6 machinery and equipment purchased for lease, and including
7 implements of husbandry defined in Section 1-130 of the
8 Illinois Vehicle Code, farm machinery and agricultural
9 chemical and fertilizer spreaders, and nurse wagons required
10 to be registered under Section 3-809 of the Illinois Vehicle
11 Code, but excluding other motor vehicles required to be
12 registered under the Illinois Vehicle Code. Horticultural
13 polyhouses or hoop houses used for propagating, growing, or
14 overwintering plants shall be considered farm machinery and
15 equipment under this item (11). Agricultural chemical tender
16 tanks and dry boxes shall include units sold separately from a
17 motor vehicle required to be licensed and units sold mounted
18 on a motor vehicle required to be licensed if the selling price
19 of the tender is separately stated.

20 Farm machinery and equipment shall include precision
21 farming equipment that is installed or purchased to be
22 installed on farm machinery and equipment, including, but not
23 limited to, tractors, harvesters, sprayers, planters, seeders,
24 or spreaders. Precision farming equipment includes, but is not
25 limited to, soil testing sensors, computers, monitors,
26 software, global positioning and mapping systems, and other

1 such equipment.

2 Farm machinery and equipment also includes computers,
3 sensors, software, and related equipment used primarily in the
4 computer-assisted operation of production agriculture
5 facilities, equipment, and activities such as, but not limited
6 to, the collection, monitoring, and correlation of animal and
7 crop data for the purpose of formulating animal diets and
8 agricultural chemicals.

9 Beginning on January 1, 2024, farm machinery and equipment
10 also includes electrical power generation equipment used
11 primarily for production agriculture.

12 This item (11) is exempt from the provisions of Section
13 3-90.

14 (12) Until June 30, 2013, fuel and petroleum products sold
15 to or used by an air common carrier, certified by the carrier
16 to be used for consumption, shipment, or storage in the
17 conduct of its business as an air common carrier, for a flight
18 destined for or returning from a location or locations outside
19 the United States without regard to previous or subsequent
20 domestic stopovers.

21 Beginning July 1, 2013, fuel and petroleum products sold
22 to or used by an air carrier, certified by the carrier to be
23 used for consumption, shipment, or storage in the conduct of
24 its business as an air common carrier, for a flight that (i) is
25 engaged in foreign trade or is engaged in trade between the
26 United States and any of its possessions and (ii) transports

1 at least one individual or package for hire from the city of
2 origination to the city of final destination on the same
3 aircraft, without regard to a change in the flight number of
4 that aircraft.

5 (13) Proceeds of mandatory service charges separately
6 stated on customers' bills for the purchase and consumption of
7 food and beverages purchased at retail from a retailer, to the
8 extent that the proceeds of the service charge are in fact
9 turned over as tips or as a substitute for tips to the
10 employees who participate directly in preparing, serving,
11 hosting or cleaning up the food or beverage function with
12 respect to which the service charge is imposed.

13 (14) Until July 1, 2003, oil field exploration, drilling,
14 and production equipment, including (i) rigs and parts of
15 rigs, rotary rigs, cable tool rigs, and workover rigs, (ii)
16 pipe and tubular goods, including casing and drill strings,
17 (iii) pumps and pump-jack units, (iv) storage tanks and flow
18 lines, (v) any individual replacement part for oil field
19 exploration, drilling, and production equipment, and (vi)
20 machinery and equipment purchased for lease; but excluding
21 motor vehicles required to be registered under the Illinois
22 Vehicle Code.

23 (15) Photoprocessing machinery and equipment, including
24 repair and replacement parts, both new and used, including
25 that manufactured on special order, certified by the purchaser
26 to be used primarily for photoprocessing, and including

1 photoprocessing machinery and equipment purchased for lease.

2 (16) Until July 1, 2028, coal and aggregate exploration,
3 mining, off-highway hauling, processing, maintenance, and
4 reclamation equipment, including replacement parts and
5 equipment, and including equipment purchased for lease, but
6 excluding motor vehicles required to be registered under the
7 Illinois Vehicle Code. The changes made to this Section by
8 Public Act 97-767 apply on and after July 1, 2003, but no claim
9 for credit or refund is allowed on or after August 16, 2013
10 (the effective date of Public Act 98-456) for such taxes paid
11 during the period beginning July 1, 2003 and ending on August
12 16, 2013 (the effective date of Public Act 98-456).

13 (17) Until July 1, 2003, distillation machinery and
14 equipment, sold as a unit or kit, assembled or installed by the
15 retailer, certified by the user to be used only for the
16 production of ethyl alcohol that will be used for consumption
17 as motor fuel or as a component of motor fuel for the personal
18 use of the user, and not subject to sale or resale.

19 (18) Manufacturing and assembling machinery and equipment
20 used primarily in the process of manufacturing or assembling
21 tangible personal property for wholesale or retail sale or
22 lease, whether that sale or lease is made directly by the
23 manufacturer or by some other person, whether the materials
24 used in the process are owned by the manufacturer or some other
25 person, or whether that sale or lease is made apart from or as
26 an incident to the seller's engaging in the service occupation

1 of producing machines, tools, dies, jigs, patterns, gauges, or
2 other similar items of no commercial value on special order
3 for a particular purchaser. The exemption provided by this
4 paragraph (18) includes production related tangible personal
5 property, as defined in Section 3-50, purchased on or after
6 July 1, 2019. The exemption provided by this paragraph (18)
7 does not include machinery and equipment used in (i) the
8 generation of electricity for wholesale or retail sale; (ii)
9 the generation or treatment of natural or artificial gas for
10 wholesale or retail sale that is delivered to customers
11 through pipes, pipelines, or mains; or (iii) the treatment of
12 water for wholesale or retail sale that is delivered to
13 customers through pipes, pipelines, or mains. The provisions
14 of Public Act 98-583 are declaratory of existing law as to the
15 meaning and scope of this exemption. Beginning on July 1,
16 2017, the exemption provided by this paragraph (18) includes,
17 but is not limited to, graphic arts machinery and equipment,
18 as defined in paragraph (6) of this Section.

19 (19) Personal property delivered to a purchaser or
20 purchaser's donee inside Illinois when the purchase order for
21 that personal property was received by a florist located
22 outside Illinois who has a florist located inside Illinois
23 deliver the personal property.

24 (20) Semen used for artificial insemination of livestock
25 for direct agricultural production.

26 (21) Horses, or interests in horses, registered with and

1 meeting the requirements of any of the Arabian Horse Club
2 Registry of America, Appaloosa Horse Club, American Quarter
3 Horse Association, United States Trotting Association, or
4 Jockey Club, as appropriate, used for purposes of breeding or
5 racing for prizes. This item (21) is exempt from the
6 provisions of Section 3-90, and the exemption provided for
7 under this item (21) applies for all periods beginning May 30,
8 1995, but no claim for credit or refund is allowed on or after
9 January 1, 2008 for such taxes paid during the period
10 beginning May 30, 2000 and ending on January 1, 2008.

11 (22) Computers and communications equipment utilized for
12 any hospital purpose and equipment used in the diagnosis,
13 analysis, or treatment of hospital patients purchased by a
14 lessor who leases the equipment, under a lease of one year or
15 longer executed or in effect at the time the lessor would
16 otherwise be subject to the tax imposed by this Act, to a
17 hospital that has been issued an active tax exemption
18 identification number by the Department under Section 1g of
19 the Retailers' Occupation Tax Act. If the equipment is leased
20 in a manner that does not qualify for this exemption or is used
21 in any other non-exempt manner, the lessor shall be liable for
22 the tax imposed under this Act or the Service Use Tax Act, as
23 the case may be, based on the fair market value of the property
24 at the time the non-qualifying use occurs. No lessor shall
25 collect or attempt to collect an amount (however designated)
26 that purports to reimburse that lessor for the tax imposed by

1 this Act or the Service Use Tax Act, as the case may be, if the
2 tax has not been paid by the lessor. If a lessor improperly
3 collects any such amount from the lessee, the lessee shall
4 have a legal right to claim a refund of that amount from the
5 lessor. If, however, that amount is not refunded to the lessee
6 for any reason, the lessor is liable to pay that amount to the
7 Department.

8 (23) Personal property purchased by a lessor who leases
9 the property, under a lease of one year or longer executed or
10 in effect at the time the lessor would otherwise be subject to
11 the tax imposed by this Act, to a governmental body that has
12 been issued an active sales tax exemption identification
13 number by the Department under Section 1g of the Retailers'
14 Occupation Tax Act. If the property is leased in a manner that
15 does not qualify for this exemption or used in any other
16 non-exempt manner, the lessor shall be liable for the tax
17 imposed under this Act or the Service Use Tax Act, as the case
18 may be, based on the fair market value of the property at the
19 time the non-qualifying use occurs. No lessor shall collect or
20 attempt to collect an amount (however designated) that
21 purports to reimburse that lessor for the tax imposed by this
22 Act or the Service Use Tax Act, as the case may be, if the tax
23 has not been paid by the lessor. If a lessor improperly
24 collects any such amount from the lessee, the lessee shall
25 have a legal right to claim a refund of that amount from the
26 lessor. If, however, that amount is not refunded to the lessee

1 for any reason, the lessor is liable to pay that amount to the
2 Department.

3 (24) Beginning with taxable years ending on or after
4 December 31, 1995 and ending with taxable years ending on or
5 before December 31, 2004, personal property that is donated
6 for disaster relief to be used in a State or federally declared
7 disaster area in Illinois or bordering Illinois by a
8 manufacturer or retailer that is registered in this State to a
9 corporation, society, association, foundation, or institution
10 that has been issued a sales tax exemption identification
11 number by the Department that assists victims of the disaster
12 who reside within the declared disaster area.

13 (25) Beginning with taxable years ending on or after
14 December 31, 1995 and ending with taxable years ending on or
15 before December 31, 2004, personal property that is used in
16 the performance of infrastructure repairs in this State,
17 including, but not limited to, municipal roads and streets,
18 access roads, bridges, sidewalks, waste disposal systems,
19 water and sewer line extensions, water distribution and
20 purification facilities, storm water drainage and retention
21 facilities, and sewage treatment facilities, resulting from a
22 State or federally declared disaster in Illinois or bordering
23 Illinois when such repairs are initiated on facilities located
24 in the declared disaster area within 6 months after the
25 disaster.

26 (26) Beginning July 1, 1999, game or game birds purchased

1 at a "game breeding and hunting preserve area" as that term is
2 used in the Wildlife Code. This paragraph is exempt from the
3 provisions of Section 3-90.

4 (27) A motor vehicle, as that term is defined in Section
5 1-146 of the Illinois Vehicle Code, that is donated to a
6 corporation, limited liability company, society, association,
7 foundation, or institution that is determined by the
8 Department to be organized and operated exclusively for
9 educational purposes. For purposes of this exemption, "a
10 corporation, limited liability company, society, association,
11 foundation, or institution organized and operated exclusively
12 for educational purposes" means all tax-supported public
13 schools, private schools that offer systematic instruction in
14 useful branches of learning by methods common to public
15 schools and that compare favorably in their scope and
16 intensity with the course of study presented in tax-supported
17 schools, and vocational or technical schools or institutes
18 organized and operated exclusively to provide a course of
19 study of not less than 6 weeks duration and designed to prepare
20 individuals to follow a trade or to pursue a manual,
21 technical, mechanical, industrial, business, or commercial
22 occupation.

23 (28) Beginning January 1, 2000, personal property,
24 including food, purchased through fundraising events for the
25 benefit of a public or private elementary or secondary school,
26 a group of those schools, or one or more school districts if

1 the events are sponsored by an entity recognized by the school
2 district that consists primarily of volunteers and includes
3 parents and teachers of the school children. This paragraph
4 does not apply to fundraising events (i) for the benefit of
5 private home instruction or (ii) for which the fundraising
6 entity purchases the personal property sold at the events from
7 another individual or entity that sold the property for the
8 purpose of resale by the fundraising entity and that profits
9 from the sale to the fundraising entity. This paragraph is
10 exempt from the provisions of Section 3-90.

11 (29) Beginning January 1, 2000 and through December 31,
12 2001, new or used automatic vending machines that prepare and
13 serve hot food and beverages, including coffee, soup, and
14 other items, and replacement parts for these machines.
15 Beginning January 1, 2002 and through June 30, 2003, machines
16 and parts for machines used in commercial, coin-operated
17 amusement and vending business if a use or occupation tax is
18 paid on the gross receipts derived from the use of the
19 commercial, coin-operated amusement and vending machines. This
20 paragraph is exempt from the provisions of Section 3-90.

21 (30) Beginning January 1, 2001 and through June 30, 2016,
22 food for human consumption that is to be consumed off the
23 premises where it is sold (other than alcoholic beverages,
24 soft drinks, and food that has been prepared for immediate
25 consumption) and prescription and nonprescription medicines,
26 drugs, medical appliances, and insulin, urine testing

1 materials, syringes, and needles used by diabetics, for human
2 use, when purchased for use by a person receiving medical
3 assistance under Article V of the Illinois Public Aid Code who
4 resides in a licensed long-term care facility, as defined in
5 the Nursing Home Care Act, or in a licensed facility as defined
6 in the ID/DD Community Care Act, the MC/DD Act, or the
7 Specialized Mental Health Rehabilitation Act of 2013.

8 (31) Beginning on August 2, 2001 (the effective date of
9 Public Act 92-227), computers and communications equipment
10 utilized for any hospital purpose and equipment used in the
11 diagnosis, analysis, or treatment of hospital patients
12 purchased by a lessor who leases the equipment, under a lease
13 of one year or longer executed or in effect at the time the
14 lessor would otherwise be subject to the tax imposed by this
15 Act, to a hospital that has been issued an active tax exemption
16 identification number by the Department under Section 1g of
17 the Retailers' Occupation Tax Act. If the equipment is leased
18 in a manner that does not qualify for this exemption or is used
19 in any other nonexempt manner, the lessor shall be liable for
20 the tax imposed under this Act or the Service Use Tax Act, as
21 the case may be, based on the fair market value of the property
22 at the time the nonqualifying use occurs. No lessor shall
23 collect or attempt to collect an amount (however designated)
24 that purports to reimburse that lessor for the tax imposed by
25 this Act or the Service Use Tax Act, as the case may be, if the
26 tax has not been paid by the lessor. If a lessor improperly

1 collects any such amount from the lessee, the lessee shall
2 have a legal right to claim a refund of that amount from the
3 lessor. If, however, that amount is not refunded to the lessee
4 for any reason, the lessor is liable to pay that amount to the
5 Department. This paragraph is exempt from the provisions of
6 Section 3-90.

7 (32) Beginning on August 2, 2001 (the effective date of
8 Public Act 92-227), personal property purchased by a lessor
9 who leases the property, under a lease of one year or longer
10 executed or in effect at the time the lessor would otherwise be
11 subject to the tax imposed by this Act, to a governmental body
12 that has been issued an active sales tax exemption
13 identification number by the Department under Section 1g of
14 the Retailers' Occupation Tax Act. If the property is leased
15 in a manner that does not qualify for this exemption or used in
16 any other nonexempt manner, the lessor shall be liable for the
17 tax imposed under this Act or the Service Use Tax Act, as the
18 case may be, based on the fair market value of the property at
19 the time the nonqualifying use occurs. No lessor shall collect
20 or attempt to collect an amount (however designated) that
21 purports to reimburse that lessor for the tax imposed by this
22 Act or the Service Use Tax Act, as the case may be, if the tax
23 has not been paid by the lessor. If a lessor improperly
24 collects any such amount from the lessee, the lessee shall
25 have a legal right to claim a refund of that amount from the
26 lessor. If, however, that amount is not refunded to the lessee

1 for any reason, the lessor is liable to pay that amount to the
2 Department. This paragraph is exempt from the provisions of
3 Section 3-90.

4 (33) On and after July 1, 2003 and through June 30, 2004,
5 the use in this State of motor vehicles of the second division
6 with a gross vehicle weight in excess of 8,000 pounds and that
7 are subject to the commercial distribution fee imposed under
8 Section 3-815.1 of the Illinois Vehicle Code. Beginning on
9 July 1, 2004 and through June 30, 2005, the use in this State
10 of motor vehicles of the second division: (i) with a gross
11 vehicle weight rating in excess of 8,000 pounds; (ii) that are
12 subject to the commercial distribution fee imposed under
13 Section 3-815.1 of the Illinois Vehicle Code; and (iii) that
14 are primarily used for commercial purposes. Through June 30,
15 2005, this exemption applies to repair and replacement parts
16 added after the initial purchase of such a motor vehicle if
17 that motor vehicle is used in a manner that would qualify for
18 the rolling stock exemption otherwise provided for in this
19 Act. For purposes of this paragraph, the term "used for
20 commercial purposes" means the transportation of persons or
21 property in furtherance of any commercial or industrial
22 enterprise, whether for-hire or not.

23 (34) Beginning January 1, 2008, tangible personal property
24 used in the construction or maintenance of a community water
25 supply, as defined under Section 3.145 of the Environmental
26 Protection Act, that is operated by a not-for-profit

1 corporation that holds a valid water supply permit issued
2 under Title IV of the Environmental Protection Act. This
3 paragraph is exempt from the provisions of Section 3-90.

4 (35) Beginning January 1, 2010 and continuing through
5 December 31, 2029, materials, parts, equipment, components,
6 and furnishings incorporated into or upon an aircraft as part
7 of the modification, refurbishment, completion, replacement,
8 repair, or maintenance of the aircraft. This exemption
9 includes consumable supplies used in the modification,
10 refurbishment, completion, replacement, repair, and
11 maintenance of aircraft. However, until January 1, 2024, this
12 exemption excludes any materials, parts, equipment,
13 components, and consumable supplies used in the modification,
14 replacement, repair, and maintenance of aircraft engines or
15 power plants, whether such engines or power plants are
16 installed or uninstalled upon any such aircraft. "Consumable
17 supplies" include, but are not limited to, adhesive, tape,
18 sandpaper, general purpose lubricants, cleaning solution,
19 latex gloves, and protective films.

20 Beginning January 1, 2010 and continuing through December
21 31, 2023, this exemption applies only to the use of qualifying
22 tangible personal property by persons who modify, refurbish,
23 complete, repair, replace, or maintain aircraft and who (i)
24 hold an Air Agency Certificate and are empowered to operate an
25 approved repair station by the Federal Aviation
26 Administration, (ii) have a Class IV Rating, and (iii) conduct

1 operations in accordance with Part 145 of the Federal Aviation
2 Regulations. From January 1, 2024 through December 31, 2029,
3 this exemption applies only to the use of qualifying tangible
4 personal property by: (A) persons who modify, refurbish,
5 complete, repair, replace, or maintain aircraft and who (i)
6 hold an Air Agency Certificate and are empowered to operate an
7 approved repair station by the Federal Aviation
8 Administration, (ii) have a Class IV Rating, and (iii) conduct
9 operations in accordance with Part 145 of the Federal Aviation
10 Regulations; and (B) persons who engage in the modification,
11 replacement, repair, and maintenance of aircraft engines or
12 power plants without regard to whether or not those persons
13 meet the qualifications of item (A).

14 The exemption does not include aircraft operated by a
15 commercial air carrier providing scheduled passenger air
16 service pursuant to authority issued under Part 121 or Part
17 129 of the Federal Aviation Regulations. The changes made to
18 this paragraph (35) by Public Act 98-534 are declarative of
19 existing law. It is the intent of the General Assembly that the
20 exemption under this paragraph (35) applies continuously from
21 January 1, 2010 through December 31, 2024; however, no claim
22 for credit or refund is allowed for taxes paid as a result of
23 the disallowance of this exemption on or after January 1, 2015
24 and prior to February 5, 2020 (the effective date of Public Act
25 101-629).

26 (36) Tangible personal property purchased by a

1 public-facilities corporation, as described in Section
2 11-65-10 of the Illinois Municipal Code, for purposes of
3 constructing or furnishing a municipal convention hall, but
4 only if the legal title to the municipal convention hall is
5 transferred to the municipality without any further
6 consideration by or on behalf of the municipality at the time
7 of the completion of the municipal convention hall or upon the
8 retirement or redemption of any bonds or other debt
9 instruments issued by the public-facilities corporation in
10 connection with the development of the municipal convention
11 hall. This exemption includes existing public-facilities
12 corporations as provided in Section 11-65-25 of the Illinois
13 Municipal Code. This paragraph is exempt from the provisions
14 of Section 3-90.

15 (37) Beginning January 1, 2017 and through December 31,
16 2026, menstrual pads, tampons, and menstrual cups.

17 (38) Merchandise that is subject to the Rental Purchase
18 Agreement Occupation and Use Tax. The purchaser must certify
19 that the item is purchased to be rented subject to a
20 rental-purchase ~~rental-purchase~~ agreement, as defined in the
21 Rental-Purchase ~~Rental-Purchase~~ Agreement Act, and provide
22 proof of registration under the Rental Purchase Agreement
23 Occupation and Use Tax Act. This paragraph is exempt from the
24 provisions of Section 3-90.

25 (39) Tangible personal property purchased by a purchaser
26 who is exempt from the tax imposed by this Act by operation of

1 federal law. This paragraph is exempt from the provisions of
2 Section 3-90.

3 (40) Qualified tangible personal property used in the
4 construction or operation of a data center that has been
5 granted a certificate of exemption by the Department of
6 Commerce and Economic Opportunity, whether that tangible
7 personal property is purchased by the owner, operator, or
8 tenant of the data center or by a contractor or subcontractor
9 of the owner, operator, or tenant. Data centers that would
10 have qualified for a certificate of exemption prior to January
11 1, 2020 had Public Act 101-31 been in effect may apply for and
12 obtain an exemption for subsequent purchases of computer
13 equipment or enabling software purchased or leased to upgrade,
14 supplement, or replace computer equipment or enabling software
15 purchased or leased in the original investment that would have
16 qualified.

17 The Department of Commerce and Economic Opportunity shall
18 grant a certificate of exemption under this item (40) to
19 qualified data centers as defined by Section 605-1025 of the
20 Department of Commerce and Economic Opportunity Law of the
21 Civil Administrative Code of Illinois.

22 For the purposes of this item (40):

23 "Data center" means a building or a series of
24 buildings rehabilitated or constructed to house working
25 servers in one physical location or multiple sites within
26 the State of Illinois.

1 "Qualified tangible personal property" means:
2 electrical systems and equipment; climate control and
3 chilling equipment and systems; mechanical systems and
4 equipment; monitoring and secure systems; emergency
5 generators; hardware; computers; servers; data storage
6 devices; network connectivity equipment; racks; cabinets;
7 telecommunications cabling infrastructure; raised floor
8 systems; peripheral components or systems; software;
9 mechanical, electrical, or plumbing systems; battery
10 systems; cooling systems and towers; temperature control
11 systems; other cabling; and other data center
12 infrastructure equipment and systems necessary to operate
13 qualified tangible personal property, including fixtures;
14 and component parts of any of the foregoing, including
15 installation, maintenance, repair, refurbishment, and
16 replacement of qualified tangible personal property to
17 generate, transform, transmit, distribute, or manage
18 electricity necessary to operate qualified tangible
19 personal property; and all other tangible personal
20 property that is essential to the operations of a computer
21 data center. The term "qualified tangible personal
22 property" also includes building materials physically
23 incorporated into ~~in to~~ the qualifying data center. To
24 document the exemption allowed under this Section, the
25 retailer must obtain from the purchaser a copy of the
26 certificate of eligibility issued by the Department of

1 Commerce and Economic Opportunity.

2 This item (40) is exempt from the provisions of Section
3 3-90.

4 (41) Beginning July 1, 2022, breast pumps, breast pump
5 collection and storage supplies, and breast pump kits. This
6 item (41) is exempt from the provisions of Section 3-90. As
7 used in this item (41):

8 "Breast pump" means an electrically controlled or
9 manually controlled pump device designed or marketed to be
10 used to express milk from a human breast during lactation,
11 including the pump device and any battery, AC adapter, or
12 other power supply unit that is used to power the pump
13 device and is packaged and sold with the pump device at the
14 time of sale.

15 "Breast pump collection and storage supplies" means
16 items of tangible personal property designed or marketed
17 to be used in conjunction with a breast pump to collect
18 milk expressed from a human breast and to store collected
19 milk until it is ready for consumption.

20 "Breast pump collection and storage supplies"
21 includes, but is not limited to: breast shields and breast
22 shield connectors; breast pump tubes and tubing adapters;
23 breast pump valves and membranes; backflow protectors and
24 backflow protector adaptors; bottles and bottle caps
25 specific to the operation of the breast pump; and breast
26 milk storage bags.

1 "Breast pump collection and storage supplies" does not
2 include: (1) bottles and bottle caps not specific to the
3 operation of the breast pump; (2) breast pump travel bags
4 and other similar carrying accessories, including ice
5 packs, labels, and other similar products; (3) breast pump
6 cleaning supplies; (4) nursing bras, bra pads, breast
7 shells, and other similar products; and (5) creams,
8 ointments, and other similar products that relieve
9 breastfeeding-related symptoms or conditions of the
10 breasts or nipples, unless sold as part of a breast pump
11 kit that is pre-packaged by the breast pump manufacturer
12 or distributor.

13 "Breast pump kit" means a kit that: (1) contains no
14 more than a breast pump, breast pump collection and
15 storage supplies, a rechargeable battery for operating the
16 breast pump, a breastmilk cooler, bottle stands, ice
17 packs, and a breast pump carrying case; and (2) is
18 pre-packaged as a breast pump kit by the breast pump
19 manufacturer or distributor.

20 (42) Tangible personal property sold by or on behalf of
21 the State Treasurer pursuant to the Revised Uniform Unclaimed
22 Property Act. This item (42) is exempt from the provisions of
23 Section 3-90.

24 (43) Beginning on January 1, 2024, tangible personal
25 property purchased by an active duty member of the armed
26 forces of the United States who presents valid military

1 identification and purchases the property using a form of
2 payment where the federal government is the payor. The member
3 of the armed forces must complete, at the point of sale, a form
4 prescribed by the Department of Revenue documenting that the
5 transaction is eligible for the exemption under this
6 paragraph. Retailers must keep the form as documentation of
7 the exemption in their records for a period of not less than 6
8 years. "Armed forces of the United States" means the United
9 States Army, Navy, Air Force, Marine Corps, or Coast Guard.
10 This paragraph is exempt from the provisions of Section 3-90.

11 (44) Beginning on July 1, 2024, as defined in Section
12 3-10, food for human consumption that is to be consumed off the
13 premises where it is sold (other than alcoholic beverages,
14 food consisting of or infused with adult use cannabis, soft
15 drinks, and food that has been prepared for immediate
16 consumption). This item (44) is exempt from the provisions of
17 Section 3-90.

18 (45) Beginning on July 1, 2024, the following items, as
19 defined in Section 3-10:

20 (A) prescription and nonprescription medicines, drugs,
21 and medical appliances;

22 (B) products classified as Class III medical devices
23 by the United States Food and Drug Administration that are
24 used for cancer treatment pursuant to a prescription, as
25 well as any accessories and components related to those
26 devices;

1 (C) modifications to a motor vehicle for the purpose
2 of rendering it usable by a person with a disability; and

3 (D) insulin, blood sugar testing materials, syringes,
4 and needles used by human diabetics.

5 This item (45) is exempt from the provisions of Section
6 3-90.

7 (Source: P.A. 102-16, eff. 6-17-21; 102-700, Article 70,
8 Section 70-5, eff. 4-19-22; 102-700, Article 75, Section 75-5,
9 eff. 4-19-22; 102-1026, eff. 5-27-22; 103-9, Article 5,
10 Section 5-5, eff. 6-7-23; 103-9, Article 15, Section 15-5,
11 eff. 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24;
12 revised 12-12-23.)

13 (35 ILCS 105/3-10)

14 Sec. 3-10. Rate of tax. Unless otherwise provided in this
15 Section, the tax imposed by this Act is at the rate of 6.25% of
16 either the selling price or the fair market value, if any, of
17 the tangible personal property. In all cases where property
18 functionally used or consumed is the same as the property that
19 was purchased at retail, then the tax is imposed on the selling
20 price of the property. In all cases where property
21 functionally used or consumed is a by-product or waste product
22 that has been refined, manufactured, or produced from property
23 purchased at retail, then the tax is imposed on the lower of
24 the fair market value, if any, of the specific property so used
25 in this State or on the selling price of the property purchased

1 at retail. For purposes of this Section "fair market value"
2 means the price at which property would change hands between a
3 willing buyer and a willing seller, neither being under any
4 compulsion to buy or sell and both having reasonable knowledge
5 of the relevant facts. The fair market value shall be
6 established by Illinois sales by the taxpayer of the same
7 property as that functionally used or consumed, or if there
8 are no such sales by the taxpayer, then comparable sales or
9 purchases of property of like kind and character in Illinois.

10 Beginning on July 1, 2000 and through December 31, 2000,
11 with respect to motor fuel, as defined in Section 1.1 of the
12 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of
13 the Use Tax Act, the tax is imposed at the rate of 1.25%.

14 Beginning on August 6, 2010 through August 15, 2010, and
15 beginning again on August 5, 2022 through August 14, 2022,
16 with respect to sales tax holiday items as defined in Section
17 3-6 of this Act, the tax is imposed at the rate of 1.25%.

18 With respect to gasohol, the tax imposed by this Act
19 applies to (i) 70% of the proceeds of sales made on or after
20 January 1, 1990, and before July 1, 2003, (ii) 80% of the
21 proceeds of sales made on or after July 1, 2003 and on or
22 before July 1, 2017, (iii) 100% of the proceeds of sales made
23 after July 1, 2017 and prior to January 1, 2024, (iv) 90% of
24 the proceeds of sales made on or after January 1, 2024 and on
25 or before December 31, 2028, and (v) 100% of the proceeds of
26 sales made after December 31, 2028. If, at any time, however,

1 the tax under this Act on sales of gasohol is imposed at the
2 rate of 1.25%, then the tax imposed by this Act applies to 100%
3 of the proceeds of sales of gasohol made during that time.

4 With respect to mid-range ethanol blends, the tax imposed
5 by this Act applies to (i) 80% of the proceeds of sales made on
6 or after January 1, 2024 and on or before December 31, 2028 and
7 (ii) 100% of the proceeds of sales made thereafter. If, at any
8 time, however, the tax under this Act on sales of mid-range
9 ethanol blends is imposed at the rate of 1.25%, then the tax
10 imposed by this Act applies to 100% of the proceeds of sales of
11 mid-range ethanol blends made during that time.

12 With respect to majority blended ethanol fuel, the tax
13 imposed by this Act does not apply to the proceeds of sales
14 made on or after July 1, 2003 and on or before December 31,
15 2028 but applies to 100% of the proceeds of sales made
16 thereafter.

17 With respect to biodiesel blends with no less than 1% and
18 no more than 10% biodiesel, the tax imposed by this Act applies
19 to (i) 80% of the proceeds of sales made on or after July 1,
20 2003 and on or before December 31, 2018 and (ii) 100% of the
21 proceeds of sales made after December 31, 2018 and before
22 January 1, 2024. On and after January 1, 2024 and on or before
23 December 31, 2030, the taxation of biodiesel, renewable
24 diesel, and biodiesel blends shall be as provided in Section
25 3-5.1. If, at any time, however, the tax under this Act on
26 sales of biodiesel blends with no less than 1% and no more than

1 10% biodiesel is imposed at the rate of 1.25%, then the tax
2 imposed by this Act applies to 100% of the proceeds of sales of
3 biodiesel blends with no less than 1% and no more than 10%
4 biodiesel made during that time.

5 With respect to biodiesel and biodiesel blends with more
6 than 10% but no more than 99% biodiesel, the tax imposed by
7 this Act does not apply to the proceeds of sales made on or
8 after July 1, 2003 and on or before December 31, 2023. On and
9 after January 1, 2024 and on or before December 31, 2030, the
10 taxation of biodiesel, renewable diesel, and biodiesel blends
11 shall be as provided in Section 3-5.1.

12 Until July 1, 2022 and from beginning again on July 1, 2023
13 through June 30, 2024, with respect to food for human
14 consumption that is to be consumed off the premises where it is
15 sold (other than alcoholic beverages, food consisting of or
16 infused with adult use cannabis, soft drinks, and food that
17 has been prepared for immediate consumption), the tax is
18 imposed at the rate of 1%. Beginning on July 1, 2022 and until
19 July 1, 2023, with respect to food for human consumption that
20 is to be consumed off the premises where it is sold (other than
21 alcoholic beverages, food consisting of or infused with adult
22 use cannabis, soft drinks, and food that has been prepared for
23 immediate consumption), the tax is imposed at the rate of 0%.

24 Through June 30, 2024, with ~~With~~ respect to prescription
25 and nonprescription medicines, drugs, medical appliances,
26 products classified as Class III medical devices by the United

1 States Food and Drug Administration that are used for cancer
2 treatment pursuant to a prescription, as well as any
3 accessories and components related to those devices,
4 modifications to a motor vehicle for the purpose of rendering
5 it usable by a person with a disability, and insulin, blood
6 sugar testing materials, syringes, and needles used by human
7 diabetics, the tax is imposed at the rate of 1%. For the
8 purposes of this Section, until September 1, 2009: the term
9 "soft drinks" means any complete, finished, ready-to-use,
10 non-alcoholic drink, whether carbonated or not, including, but
11 not limited to, soda water, cola, fruit juice, vegetable
12 juice, carbonated water, and all other preparations commonly
13 known as soft drinks of whatever kind or description that are
14 contained in any closed or sealed bottle, can, carton, or
15 container, regardless of size; but "soft drinks" does not
16 include coffee, tea, non-carbonated water, infant formula,
17 milk or milk products as defined in the Grade A Pasteurized
18 Milk and Milk Products Act, or drinks containing 50% or more
19 natural fruit or vegetable juice.

20 Notwithstanding any other provisions of this Act,
21 beginning September 1, 2009, "soft drinks" means non-alcoholic
22 beverages that contain natural or artificial sweeteners. "Soft
23 drinks" does not include beverages that contain milk or milk
24 products, soy, rice or similar milk substitutes, or greater
25 than 50% of vegetable or fruit juice by volume.

26 Until August 1, 2009, and notwithstanding any other

1 provisions of this Act, "food for human consumption that is to
2 be consumed off the premises where it is sold" includes all
3 food sold through a vending machine, except soft drinks and
4 food products that are dispensed hot from a vending machine,
5 regardless of the location of the vending machine. Beginning
6 August 1, 2009, and notwithstanding any other provisions of
7 this Act, "food for human consumption that is to be consumed
8 off the premises where it is sold" includes all food sold
9 through a vending machine, except soft drinks, candy, and food
10 products that are dispensed hot from a vending machine,
11 regardless of the location of the vending machine.

12 Notwithstanding any other provisions of this Act,
13 beginning September 1, 2009, "food for human consumption that
14 is to be consumed off the premises where it is sold" does not
15 include candy. For purposes of this Section, "candy" means a
16 preparation of sugar, honey, or other natural or artificial
17 sweeteners in combination with chocolate, fruits, nuts or
18 other ingredients or flavorings in the form of bars, drops, or
19 pieces. "Candy" does not include any preparation that contains
20 flour or requires refrigeration.

21 Notwithstanding any other provisions of this Act,
22 beginning September 1, 2009, "nonprescription medicines and
23 drugs" does not include grooming and hygiene products. For
24 purposes of this Section, "grooming and hygiene products"
25 includes, but is not limited to, soaps and cleaning solutions,
26 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan

1 lotions and screens, unless those products are available by
2 prescription only, regardless of whether the products meet the
3 definition of "over-the-counter-drugs". For the purposes of
4 this paragraph, "over-the-counter-drug" means a drug for human
5 use that contains a label that identifies the product as a drug
6 as required by 21 CFR 201.66. The "over-the-counter-drug"
7 label includes:

8 (A) a "Drug Facts" panel; or

9 (B) a statement of the "active ingredient(s)" with a
10 list of those ingredients contained in the compound,
11 substance or preparation.

12 Beginning on January 1, 2014 (the effective date of Public
13 Act 98-122), "prescription and nonprescription medicines and
14 drugs" includes medical cannabis purchased from a registered
15 dispensing organization under the Compassionate Use of Medical
16 Cannabis Program Act.

17 As used in this Section, "adult use cannabis" means
18 cannabis subject to tax under the Cannabis Cultivation
19 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
20 and does not include cannabis subject to tax under the
21 Compassionate Use of Medical Cannabis Program Act.

22 If the property that is purchased at retail from a
23 retailer is acquired outside Illinois and used outside
24 Illinois before being brought to Illinois for use here and is
25 taxable under this Act, the "selling price" on which the tax is
26 computed shall be reduced by an amount that represents a

1 reasonable allowance for depreciation for the period of prior
2 out-of-state use.

3 (Source: P.A. 102-4, eff. 4-27-21; 102-700, Article 20,
4 Section 20-5, eff. 4-19-22; 102-700, Article 60, Section
5 60-15, eff. 4-19-22; 102-700, Article 65, Section 65-5, eff.
6 4-19-22; 103-9, eff. 6-7-23; 103-154 eff. 6-30-23.)

7 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

8 Sec. 9. Except as to motor vehicles, watercraft, aircraft,
9 and trailers that are required to be registered with an agency
10 of this State, each retailer required or authorized to collect
11 the tax imposed by this Act shall pay to the Department the
12 amount of such tax (except as otherwise provided) at the time
13 when he is required to file his return for the period during
14 which such tax was collected, less a discount of 2.1% prior to
15 January 1, 1990, and 1.75% on and after January 1, 1990, or \$5
16 per calendar year, whichever is greater, which is allowed to
17 reimburse the retailer for expenses incurred in collecting the
18 tax, keeping records, preparing and filing returns, remitting
19 the tax and supplying data to the Department on request. When
20 determining the discount allowed under this Section, retailers
21 shall include the amount of tax that would have been due at the
22 6.25% rate but for the 1.25% rate imposed on sales tax holiday
23 items under Public Act 102-700. The discount under this
24 Section is not allowed for the 1.25% portion of taxes paid on
25 aviation fuel that is subject to the revenue use requirements

1 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133. When determining
2 the discount allowed under this Section, retailers shall
3 include the amount of tax that would have been due at the 1%
4 rate but for the 0% rate imposed under Public Act 102-700. In
5 the case of retailers who report and pay the tax on a
6 transaction by transaction basis, as provided in this Section,
7 such discount shall be taken with each such tax remittance
8 instead of when such retailer files his periodic return. The
9 discount allowed under this Section is allowed only for
10 returns that are filed in the manner required by this Act. The
11 Department may disallow the discount for retailers whose
12 certificate of registration is revoked at the time the return
13 is filed, but only if the Department's decision to revoke the
14 certificate of registration has become final. A retailer need
15 not remit that part of any tax collected by him to the extent
16 that he is required to remit and does remit the tax imposed by
17 the Retailers' Occupation Tax Act, with respect to the sale of
18 the same property.

19 Where such tangible personal property is sold under a
20 conditional sales contract, or under any other form of sale
21 wherein the payment of the principal sum, or a part thereof, is
22 extended beyond the close of the period for which the return is
23 filed, the retailer, in collecting the tax (except as to motor
24 vehicles, watercraft, aircraft, and trailers that are required
25 to be registered with an agency of this State), may collect for
26 each tax return period, only the tax applicable to that part of

1 the selling price actually received during such tax return
2 period.

3 Except as provided in this Section, on or before the
4 twentieth day of each calendar month, such retailer shall file
5 a return for the preceding calendar month. Such return shall
6 be filed on forms prescribed by the Department and shall
7 furnish such information as the Department may reasonably
8 require. The return shall include the gross receipts on food
9 for human consumption that is to be consumed off the premises
10 where it is sold (other than alcoholic beverages, food
11 consisting of or infused with adult use cannabis, soft drinks,
12 and food that has been prepared for immediate consumption)
13 which were received during the preceding calendar month,
14 quarter, or year, as appropriate, and upon which tax would
15 have been due but for the 0% rate imposed under Public Act
16 102-700. The return shall also include the amount of tax that
17 would have been due on food for human consumption that is to be
18 consumed off the premises where it is sold (other than
19 alcoholic beverages, food consisting of or infused with adult
20 use cannabis, soft drinks, and food that has been prepared for
21 immediate consumption) but for the 0% rate imposed under
22 Public Act 102-700.

23 On and after January 1, 2018, except for returns required
24 to be filed prior to January 1, 2023 for motor vehicles,
25 watercraft, aircraft, and trailers that are required to be
26 registered with an agency of this State, with respect to

1 retailers whose annual gross receipts average \$20,000 or more,
2 all returns required to be filed pursuant to this Act shall be
3 filed electronically. On and after January 1, 2023, with
4 respect to retailers whose annual gross receipts average
5 \$20,000 or more, all returns required to be filed pursuant to
6 this Act, including, but not limited to, returns for motor
7 vehicles, watercraft, aircraft, and trailers that are required
8 to be registered with an agency of this State, shall be filed
9 electronically. Retailers who demonstrate that they do not
10 have access to the Internet or demonstrate hardship in filing
11 electronically may petition the Department to waive the
12 electronic filing requirement.

13 The Department may require returns to be filed on a
14 quarterly basis. If so required, a return for each calendar
15 quarter shall be filed on or before the twentieth day of the
16 calendar month following the end of such calendar quarter. The
17 taxpayer shall also file a return with the Department for each
18 of the first two months of each calendar quarter, on or before
19 the twentieth day of the following calendar month, stating:

- 20 1. The name of the seller;
- 21 2. The address of the principal place of business from
22 which he engages in the business of selling tangible
23 personal property at retail in this State;
- 24 3. The total amount of taxable receipts received by
25 him during the preceding calendar month from sales of
26 tangible personal property by him during such preceding

1 calendar month, including receipts from charge and time
2 sales, but less all deductions allowed by law;

3 4. The amount of credit provided in Section 2d of this
4 Act;

5 5. The amount of tax due;

6 5-5. The signature of the taxpayer; and

7 6. Such other reasonable information as the Department
8 may require.

9 Each retailer required or authorized to collect the tax
10 imposed by this Act on aviation fuel sold at retail in this
11 State during the preceding calendar month shall, instead of
12 reporting and paying tax on aviation fuel as otherwise
13 required by this Section, report and pay such tax on a separate
14 aviation fuel tax return. The requirements related to the
15 return shall be as otherwise provided in this Section.
16 Notwithstanding any other provisions of this Act to the
17 contrary, retailers collecting tax on aviation fuel shall file
18 all aviation fuel tax returns and shall make all aviation fuel
19 tax payments by electronic means in the manner and form
20 required by the Department. For purposes of this Section,
21 "aviation fuel" means jet fuel and aviation gasoline.

22 If a taxpayer fails to sign a return within 30 days after
23 the proper notice and demand for signature by the Department,
24 the return shall be considered valid and any amount shown to be
25 due on the return shall be deemed assessed.

26 Notwithstanding any other provision of this Act to the

1 contrary, retailers subject to tax on cannabis shall file all
2 cannabis tax returns and shall make all cannabis tax payments
3 by electronic means in the manner and form required by the
4 Department.

5 Beginning October 1, 1993, a taxpayer who has an average
6 monthly tax liability of \$150,000 or more shall make all
7 payments required by rules of the Department by electronic
8 funds transfer. Beginning October 1, 1994, a taxpayer who has
9 an average monthly tax liability of \$100,000 or more shall
10 make all payments required by rules of the Department by
11 electronic funds transfer. Beginning October 1, 1995, a
12 taxpayer who has an average monthly tax liability of \$50,000
13 or more shall make all payments required by rules of the
14 Department by electronic funds transfer. Beginning October 1,
15 2000, a taxpayer who has an annual tax liability of \$200,000 or
16 more shall make all payments required by rules of the
17 Department by electronic funds transfer. The term "annual tax
18 liability" shall be the sum of the taxpayer's liabilities
19 under this Act, and under all other State and local occupation
20 and use tax laws administered by the Department, for the
21 immediately preceding calendar year. The term "average monthly
22 tax liability" means the sum of the taxpayer's liabilities
23 under this Act, and under all other State and local occupation
24 and use tax laws administered by the Department, for the
25 immediately preceding calendar year divided by 12. Beginning
26 on October 1, 2002, a taxpayer who has a tax liability in the

1 amount set forth in subsection (b) of Section 2505-210 of the
2 Department of Revenue Law shall make all payments required by
3 rules of the Department by electronic funds transfer.

4 Before August 1 of each year beginning in 1993, the
5 Department shall notify all taxpayers required to make
6 payments by electronic funds transfer. All taxpayers required
7 to make payments by electronic funds transfer shall make those
8 payments for a minimum of one year beginning on October 1.

9 Any taxpayer not required to make payments by electronic
10 funds transfer may make payments by electronic funds transfer
11 with the permission of the Department.

12 All taxpayers required to make payment by electronic funds
13 transfer and any taxpayers authorized to voluntarily make
14 payments by electronic funds transfer shall make those
15 payments in the manner authorized by the Department.

16 The Department shall adopt such rules as are necessary to
17 effectuate a program of electronic funds transfer and the
18 requirements of this Section.

19 Before October 1, 2000, if the taxpayer's average monthly
20 tax liability to the Department under this Act, the Retailers'
21 Occupation Tax Act, the Service Occupation Tax Act, the
22 Service Use Tax Act was \$10,000 or more during the preceding 4
23 complete calendar quarters, he shall file a return with the
24 Department each month by the 20th day of the month next
25 following the month during which such tax liability is
26 incurred and shall make payments to the Department on or

1 before the 7th, 15th, 22nd and last day of the month during
2 which such liability is incurred. On and after October 1,
3 2000, if the taxpayer's average monthly tax liability to the
4 Department under this Act, the Retailers' Occupation Tax Act,
5 the Service Occupation Tax Act, and the Service Use Tax Act was
6 \$20,000 or more during the preceding 4 complete calendar
7 quarters, he shall file a return with the Department each
8 month by the 20th day of the month next following the month
9 during which such tax liability is incurred and shall make
10 payment to the Department on or before the 7th, 15th, 22nd and
11 last day of the month during which such liability is incurred.
12 If the month during which such tax liability is incurred began
13 prior to January 1, 1985, each payment shall be in an amount
14 equal to 1/4 of the taxpayer's actual liability for the month
15 or an amount set by the Department not to exceed 1/4 of the
16 average monthly liability of the taxpayer to the Department
17 for the preceding 4 complete calendar quarters (excluding the
18 month of highest liability and the month of lowest liability
19 in such 4 quarter period). If the month during which such tax
20 liability is incurred begins on or after January 1, 1985, and
21 prior to January 1, 1987, each payment shall be in an amount
22 equal to 22.5% of the taxpayer's actual liability for the
23 month or 27.5% of the taxpayer's liability for the same
24 calendar month of the preceding year. If the month during
25 which such tax liability is incurred begins on or after
26 January 1, 1987, and prior to January 1, 1988, each payment

1 shall be in an amount equal to 22.5% of the taxpayer's actual
2 liability for the month or 26.25% of the taxpayer's liability
3 for the same calendar month of the preceding year. If the month
4 during which such tax liability is incurred begins on or after
5 January 1, 1988, and prior to January 1, 1989, or begins on or
6 after January 1, 1996, each payment shall be in an amount equal
7 to 22.5% of the taxpayer's actual liability for the month or
8 25% of the taxpayer's liability for the same calendar month of
9 the preceding year. If the month during which such tax
10 liability is incurred begins on or after January 1, 1989, and
11 prior to January 1, 1996, each payment shall be in an amount
12 equal to 22.5% of the taxpayer's actual liability for the
13 month or 25% of the taxpayer's liability for the same calendar
14 month of the preceding year or 100% of the taxpayer's actual
15 liability for the quarter monthly reporting period. The amount
16 of such quarter monthly payments shall be credited against the
17 final tax liability of the taxpayer's return for that month.
18 Before October 1, 2000, once applicable, the requirement of
19 the making of quarter monthly payments to the Department shall
20 continue until such taxpayer's average monthly liability to
21 the Department during the preceding 4 complete calendar
22 quarters (excluding the month of highest liability and the
23 month of lowest liability) is less than \$9,000, or until such
24 taxpayer's average monthly liability to the Department as
25 computed for each calendar quarter of the 4 preceding complete
26 calendar quarter period is less than \$10,000. However, if a

1 taxpayer can show the Department that a substantial change in
2 the taxpayer's business has occurred which causes the taxpayer
3 to anticipate that his average monthly tax liability for the
4 reasonably foreseeable future will fall below the \$10,000
5 threshold stated above, then such taxpayer may petition the
6 Department for change in such taxpayer's reporting status. On
7 and after October 1, 2000, once applicable, the requirement of
8 the making of quarter monthly payments to the Department shall
9 continue until such taxpayer's average monthly liability to
10 the Department during the preceding 4 complete calendar
11 quarters (excluding the month of highest liability and the
12 month of lowest liability) is less than \$19,000 or until such
13 taxpayer's average monthly liability to the Department as
14 computed for each calendar quarter of the 4 preceding complete
15 calendar quarter period is less than \$20,000. However, if a
16 taxpayer can show the Department that a substantial change in
17 the taxpayer's business has occurred which causes the taxpayer
18 to anticipate that his average monthly tax liability for the
19 reasonably foreseeable future will fall below the \$20,000
20 threshold stated above, then such taxpayer may petition the
21 Department for a change in such taxpayer's reporting status.
22 The Department shall change such taxpayer's reporting status
23 unless it finds that such change is seasonal in nature and not
24 likely to be long term. Quarter monthly payment status shall
25 be determined under this paragraph as if the rate reduction to
26 1.25% in Public Act 102-700 on sales tax holiday items had not

1 occurred. For quarter monthly payments due on or after July 1,
2 2023 and through June 30, 2024, "25% of the taxpayer's
3 liability for the same calendar month of the preceding year"
4 shall be determined as if the rate reduction to 1.25% in Public
5 Act 102-700 on sales tax holiday items had not occurred.
6 Quarter monthly payment status shall be determined under this
7 paragraph as if the rate reduction to 0% in Public Act 102-700
8 on food for human consumption that is to be consumed off the
9 premises where it is sold (other than alcoholic beverages,
10 food consisting of or infused with adult use cannabis, soft
11 drinks, and food that has been prepared for immediate
12 consumption) had not occurred. For quarter monthly payments
13 due under this paragraph on or after July 1, 2023 and through
14 June 30, 2024, "25% of the taxpayer's liability for the same
15 calendar month of the preceding year" shall be determined as
16 if the rate reduction to 0% in Public Act 102-700 had not
17 occurred. If any such quarter monthly payment is not paid at
18 the time or in the amount required by this Section, then the
19 taxpayer shall be liable for penalties and interest on the
20 difference between the minimum amount due and the amount of
21 such quarter monthly payment actually and timely paid, except
22 insofar as the taxpayer has previously made payments for that
23 month to the Department in excess of the minimum payments
24 previously due as provided in this Section. The Department
25 shall make reasonable rules and regulations to govern the
26 quarter monthly payment amount and quarter monthly payment

1 dates for taxpayers who file on other than a calendar monthly
2 basis.

3 If any such payment provided for in this Section exceeds
4 the taxpayer's liabilities under this Act, the Retailers'
5 Occupation Tax Act, the Service Occupation Tax Act and the
6 Service Use Tax Act, as shown by an original monthly return,
7 the Department shall issue to the taxpayer a credit memorandum
8 no later than 30 days after the date of payment, which
9 memorandum may be submitted by the taxpayer to the Department
10 in payment of tax liability subsequently to be remitted by the
11 taxpayer to the Department or be assigned by the taxpayer to a
12 similar taxpayer under this Act, the Retailers' Occupation Tax
13 Act, the Service Occupation Tax Act or the Service Use Tax Act,
14 in accordance with reasonable rules and regulations to be
15 prescribed by the Department, except that if such excess
16 payment is shown on an original monthly return and is made
17 after December 31, 1986, no credit memorandum shall be issued,
18 unless requested by the taxpayer. If no such request is made,
19 the taxpayer may credit such excess payment against tax
20 liability subsequently to be remitted by the taxpayer to the
21 Department under this Act, the Retailers' Occupation Tax Act,
22 the Service Occupation Tax Act or the Service Use Tax Act, in
23 accordance with reasonable rules and regulations prescribed by
24 the Department. If the Department subsequently determines that
25 all or any part of the credit taken was not actually due to the
26 taxpayer, the taxpayer's 2.1% or 1.75% vendor's discount shall

1 be reduced by 2.1% or 1.75% of the difference between the
2 credit taken and that actually due, and the taxpayer shall be
3 liable for penalties and interest on such difference.

4 If the retailer is otherwise required to file a monthly
5 return and if the retailer's average monthly tax liability to
6 the Department does not exceed \$200, the Department may
7 authorize his returns to be filed on a quarter annual basis,
8 with the return for January, February, and March of a given
9 year being due by April 20 of such year; with the return for
10 April, May and June of a given year being due by July 20 of
11 such year; with the return for July, August and September of a
12 given year being due by October 20 of such year, and with the
13 return for October, November and December of a given year
14 being due by January 20 of the following year.

15 If the retailer is otherwise required to file a monthly or
16 quarterly return and if the retailer's average monthly tax
17 liability to the Department does not exceed \$50, the
18 Department may authorize his returns to be filed on an annual
19 basis, with the return for a given year being due by January 20
20 of the following year.

21 Such quarter annual and annual returns, as to form and
22 substance, shall be subject to the same requirements as
23 monthly returns.

24 Notwithstanding any other provision in this Act concerning
25 the time within which a retailer may file his return, in the
26 case of any retailer who ceases to engage in a kind of business

1 which makes him responsible for filing returns under this Act,
2 such retailer shall file a final return under this Act with the
3 Department not more than one month after discontinuing such
4 business.

5 In addition, with respect to motor vehicles, watercraft,
6 aircraft, and trailers that are required to be registered with
7 an agency of this State, except as otherwise provided in this
8 Section, every retailer selling this kind of tangible personal
9 property shall file, with the Department, upon a form to be
10 prescribed and supplied by the Department, a separate return
11 for each such item of tangible personal property which the
12 retailer sells, except that if, in the same transaction, (i) a
13 retailer of aircraft, watercraft, motor vehicles or trailers
14 transfers more than one aircraft, watercraft, motor vehicle or
15 trailer to another aircraft, watercraft, motor vehicle or
16 trailer retailer for the purpose of resale or (ii) a retailer
17 of aircraft, watercraft, motor vehicles, or trailers transfers
18 more than one aircraft, watercraft, motor vehicle, or trailer
19 to a purchaser for use as a qualifying rolling stock as
20 provided in Section 3-55 of this Act, then that seller may
21 report the transfer of all the aircraft, watercraft, motor
22 vehicles or trailers involved in that transaction to the
23 Department on the same uniform invoice-transaction reporting
24 return form. For purposes of this Section, "watercraft" means
25 a Class 2, Class 3, or Class 4 watercraft as defined in Section
26 3-2 of the Boat Registration and Safety Act, a personal

1 watercraft, or any boat equipped with an inboard motor.

2 In addition, with respect to motor vehicles, watercraft,
3 aircraft, and trailers that are required to be registered with
4 an agency of this State, every person who is engaged in the
5 business of leasing or renting such items and who, in
6 connection with such business, sells any such item to a
7 retailer for the purpose of resale is, notwithstanding any
8 other provision of this Section to the contrary, authorized to
9 meet the return-filing requirement of this Act by reporting
10 the transfer of all the aircraft, watercraft, motor vehicles,
11 or trailers transferred for resale during a month to the
12 Department on the same uniform invoice-transaction reporting
13 return form on or before the 20th of the month following the
14 month in which the transfer takes place. Notwithstanding any
15 other provision of this Act to the contrary, all returns filed
16 under this paragraph must be filed by electronic means in the
17 manner and form as required by the Department.

18 The transaction reporting return in the case of motor
19 vehicles or trailers that are required to be registered with
20 an agency of this State, shall be the same document as the
21 Uniform Invoice referred to in Section 5-402 of the Illinois
22 Vehicle Code and must show the name and address of the seller;
23 the name and address of the purchaser; the amount of the
24 selling price including the amount allowed by the retailer for
25 traded-in property, if any; the amount allowed by the retailer
26 for the traded-in tangible personal property, if any, to the

1 extent to which Section 2 of this Act allows an exemption for
2 the value of traded-in property; the balance payable after
3 deducting such trade-in allowance from the total selling
4 price; the amount of tax due from the retailer with respect to
5 such transaction; the amount of tax collected from the
6 purchaser by the retailer on such transaction (or satisfactory
7 evidence that such tax is not due in that particular instance,
8 if that is claimed to be the fact); the place and date of the
9 sale; a sufficient identification of the property sold; such
10 other information as is required in Section 5-402 of the
11 Illinois Vehicle Code, and such other information as the
12 Department may reasonably require.

13 The transaction reporting return in the case of watercraft
14 and aircraft must show the name and address of the seller; the
15 name and address of the purchaser; the amount of the selling
16 price including the amount allowed by the retailer for
17 traded-in property, if any; the amount allowed by the retailer
18 for the traded-in tangible personal property, if any, to the
19 extent to which Section 2 of this Act allows an exemption for
20 the value of traded-in property; the balance payable after
21 deducting such trade-in allowance from the total selling
22 price; the amount of tax due from the retailer with respect to
23 such transaction; the amount of tax collected from the
24 purchaser by the retailer on such transaction (or satisfactory
25 evidence that such tax is not due in that particular instance,
26 if that is claimed to be the fact); the place and date of the

1 sale, a sufficient identification of the property sold, and
2 such other information as the Department may reasonably
3 require.

4 Such transaction reporting return shall be filed not later
5 than 20 days after the date of delivery of the item that is
6 being sold, but may be filed by the retailer at any time sooner
7 than that if he chooses to do so. The transaction reporting
8 return and tax remittance or proof of exemption from the tax
9 that is imposed by this Act may be transmitted to the
10 Department by way of the State agency with which, or State
11 officer with whom, the tangible personal property must be
12 titled or registered (if titling or registration is required)
13 if the Department and such agency or State officer determine
14 that this procedure will expedite the processing of
15 applications for title or registration.

16 With each such transaction reporting return, the retailer
17 shall remit the proper amount of tax due (or shall submit
18 satisfactory evidence that the sale is not taxable if that is
19 the case), to the Department or its agents, whereupon the
20 Department shall issue, in the purchaser's name, a tax receipt
21 (or a certificate of exemption if the Department is satisfied
22 that the particular sale is tax exempt) which such purchaser
23 may submit to the agency with which, or State officer with
24 whom, he must title or register the tangible personal property
25 that is involved (if titling or registration is required) in
26 support of such purchaser's application for an Illinois

1 certificate or other evidence of title or registration to such
2 tangible personal property.

3 No retailer's failure or refusal to remit tax under this
4 Act precludes a user, who has paid the proper tax to the
5 retailer, from obtaining his certificate of title or other
6 evidence of title or registration (if titling or registration
7 is required) upon satisfying the Department that such user has
8 paid the proper tax (if tax is due) to the retailer. The
9 Department shall adopt appropriate rules to carry out the
10 mandate of this paragraph.

11 If the user who would otherwise pay tax to the retailer
12 wants the transaction reporting return filed and the payment
13 of tax or proof of exemption made to the Department before the
14 retailer is willing to take these actions and such user has not
15 paid the tax to the retailer, such user may certify to the fact
16 of such delay by the retailer, and may (upon the Department
17 being satisfied of the truth of such certification) transmit
18 the information required by the transaction reporting return
19 and the remittance for tax or proof of exemption directly to
20 the Department and obtain his tax receipt or exemption
21 determination, in which event the transaction reporting return
22 and tax remittance (if a tax payment was required) shall be
23 credited by the Department to the proper retailer's account
24 with the Department, but without the 2.1% or 1.75% discount
25 provided for in this Section being allowed. When the user pays
26 the tax directly to the Department, he shall pay the tax in the

1 same amount and in the same form in which it would be remitted
2 if the tax had been remitted to the Department by the retailer.

3 Where a retailer collects the tax with respect to the
4 selling price of tangible personal property which he sells and
5 the purchaser thereafter returns such tangible personal
6 property and the retailer refunds the selling price thereof to
7 the purchaser, such retailer shall also refund, to the
8 purchaser, the tax so collected from the purchaser. When
9 filing his return for the period in which he refunds such tax
10 to the purchaser, the retailer may deduct the amount of the tax
11 so refunded by him to the purchaser from any other use tax
12 which such retailer may be required to pay or remit to the
13 Department, as shown by such return, if the amount of the tax
14 to be deducted was previously remitted to the Department by
15 such retailer. If the retailer has not previously remitted the
16 amount of such tax to the Department, he is entitled to no
17 deduction under this Act upon refunding such tax to the
18 purchaser.

19 Any retailer filing a return under this Section shall also
20 include (for the purpose of paying tax thereon) the total tax
21 covered by such return upon the selling price of tangible
22 personal property purchased by him at retail from a retailer,
23 but as to which the tax imposed by this Act was not collected
24 from the retailer filing such return, and such retailer shall
25 remit the amount of such tax to the Department when filing such
26 return.

1 If experience indicates such action to be practicable, the
2 Department may prescribe and furnish a combination or joint
3 return which will enable retailers, who are required to file
4 returns hereunder and also under the Retailers' Occupation Tax
5 Act, to furnish all the return information required by both
6 Acts on the one form.

7 Where the retailer has more than one business registered
8 with the Department under separate registration under this
9 Act, such retailer may not file each return that is due as a
10 single return covering all such registered businesses, but
11 shall file separate returns for each such registered business.

12 Beginning January 1, 1990 and until August 1, 2024, each
13 month the Department shall pay into the State and Local Sales
14 Tax Reform Fund, a special fund in the State Treasury which is
15 hereby created, the net revenue realized for the preceding
16 month from the 1% tax imposed under this Act.

17 Beginning August 1, 2024, the State Comptroller shall
18 order transferred and the State Treasurer shall transfer from
19 the General Revenue Fund to the State and Local Sales Tax
20 Reform Fund, the amount deposited into the State and Local
21 Sales Tax Reform Fund for the same month in calendar year 2021
22 from items that were subject to a 1% rate of tax in calendar
23 year 2021. On August 1 of each year thereafter, the amount
24 transferred from the General Revenue Fund to the State and
25 Local Sales Tax Reform Fund under this paragraph shall be
26 increased by the percentage change, if any, in the Consumer

1 Price Index for All Urban Consumers as issued by the United
2 States Department of Labor for the most recent 12-month period
3 for which data is available.

4 Beginning January 1, 1990, each month the Department shall
5 pay into the County and Mass Transit District Fund 4% of the
6 net revenue realized for the preceding month from the 6.25%
7 general rate on the selling price of tangible personal
8 property which is purchased outside Illinois at retail from a
9 retailer and which is titled or registered by an agency of this
10 State's government.

11 Beginning January 1, 1990, each month the Department shall
12 pay into the State and Local Sales Tax Reform Fund, a special
13 fund in the State Treasury, 20% of the net revenue realized for
14 the preceding month from the 6.25% general rate on the selling
15 price of tangible personal property, other than (i) tangible
16 personal property which is purchased outside Illinois at
17 retail from a retailer and which is titled or registered by an
18 agency of this State's government and (ii) aviation fuel sold
19 on or after December 1, 2019. This exception for aviation fuel
20 only applies for so long as the revenue use requirements of 49
21 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

22 For aviation fuel sold on or after December 1, 2019, each
23 month the Department shall pay into the State Aviation Program
24 Fund 20% of the net revenue realized for the preceding month
25 from the 6.25% general rate on the selling price of aviation
26 fuel, less an amount estimated by the Department to be

1 required for refunds of the 20% portion of the tax on aviation
2 fuel under this Act, which amount shall be deposited into the
3 Aviation Fuel Sales Tax Refund Fund. The Department shall only
4 pay moneys into the State Aviation Program Fund and the
5 Aviation Fuels Sales Tax Refund Fund under this Act for so long
6 as the revenue use requirements of 49 U.S.C. 47107(b) and 49
7 U.S.C. 47133 are binding on the State.

8 Beginning August 1, 2000, each month the Department shall
9 pay into the State and Local Sales Tax Reform Fund 100% of the
10 net revenue realized for the preceding month from the 1.25%
11 rate on the selling price of motor fuel and gasohol. If, in any
12 month, the tax on sales tax holiday items, as defined in
13 Section 3-6, is imposed at the rate of 1.25%, then the
14 Department shall pay 100% of the net revenue realized for that
15 month from the 1.25% rate on the selling price of sales tax
16 holiday items into the State and Local Sales Tax Reform Fund.

17 Beginning January 1, 1990, each month the Department shall
18 pay into the Local Government Tax Fund 16% of the net revenue
19 realized for the preceding month from the 6.25% general rate
20 on the selling price of tangible personal property which is
21 purchased outside Illinois at retail from a retailer and which
22 is titled or registered by an agency of this State's
23 government.

24 Beginning October 1, 2009, each month the Department shall
25 pay into the Capital Projects Fund an amount that is equal to
26 an amount estimated by the Department to represent 80% of the

1 net revenue realized for the preceding month from the sale of
2 candy, grooming and hygiene products, and soft drinks that had
3 been taxed at a rate of 1% prior to September 1, 2009 but that
4 are now taxed at 6.25%.

5 Beginning July 1, 2011, each month the Department shall
6 pay into the Clean Air Act Permit Fund 80% of the net revenue
7 realized for the preceding month from the 6.25% general rate
8 on the selling price of sorbents used in Illinois in the
9 process of sorbent injection as used to comply with the
10 Environmental Protection Act or the federal Clean Air Act, but
11 the total payment into the Clean Air Act Permit Fund under this
12 Act and the Retailers' Occupation Tax Act shall not exceed
13 \$2,000,000 in any fiscal year.

14 Beginning July 1, 2013, each month the Department shall
15 pay into the Underground Storage Tank Fund from the proceeds
16 collected under this Act, the Service Use Tax Act, the Service
17 Occupation Tax Act, and the Retailers' Occupation Tax Act an
18 amount equal to the average monthly deficit in the Underground
19 Storage Tank Fund during the prior year, as certified annually
20 by the Illinois Environmental Protection Agency, but the total
21 payment into the Underground Storage Tank Fund under this Act,
22 the Service Use Tax Act, the Service Occupation Tax Act, and
23 the Retailers' Occupation Tax Act shall not exceed \$18,000,000
24 in any State fiscal year. As used in this paragraph, the
25 "average monthly deficit" shall be equal to the difference
26 between the average monthly claims for payment by the fund and

1 the average monthly revenues deposited into the fund,
2 excluding payments made pursuant to this paragraph.

3 Beginning July 1, 2015, of the remainder of the moneys
4 received by the Department under this Act, the Service Use Tax
5 Act, the Service Occupation Tax Act, and the Retailers'
6 Occupation Tax Act, each month the Department shall deposit
7 \$500,000 into the State Crime Laboratory Fund.

8 Of the remainder of the moneys received by the Department
9 pursuant to this Act, (a) 1.75% thereof shall be paid into the
10 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
11 and after July 1, 1989, 3.8% thereof shall be paid into the
12 Build Illinois Fund; provided, however, that if in any fiscal
13 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
14 may be, of the moneys received by the Department and required
15 to be paid into the Build Illinois Fund pursuant to Section 3
16 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax
17 Act, Section 9 of the Service Use Tax Act, and Section 9 of the
18 Service Occupation Tax Act, such Acts being hereinafter called
19 the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case
20 may be, of moneys being hereinafter called the "Tax Act
21 Amount", and (2) the amount transferred to the Build Illinois
22 Fund from the State and Local Sales Tax Reform Fund shall be
23 less than the Annual Specified Amount (as defined in Section 3
24 of the Retailers' Occupation Tax Act), an amount equal to the
25 difference shall be immediately paid into the Build Illinois
26 Fund from other moneys received by the Department pursuant to

1 the Tax Acts; and further provided, that if on the last
2 business day of any month the sum of (1) the Tax Act Amount
3 required to be deposited into the Build Illinois Bond Account
4 in the Build Illinois Fund during such month and (2) the amount
5 transferred during such month to the Build Illinois Fund from
6 the State and Local Sales Tax Reform Fund shall have been less
7 than 1/12 of the Annual Specified Amount, an amount equal to
8 the difference shall be immediately paid into the Build
9 Illinois Fund from other moneys received by the Department
10 pursuant to the Tax Acts; and, further provided, that in no
11 event shall the payments required under the preceding proviso
12 result in aggregate payments into the Build Illinois Fund
13 pursuant to this clause (b) for any fiscal year in excess of
14 the greater of (i) the Tax Act Amount or (ii) the Annual
15 Specified Amount for such fiscal year; and, further provided,
16 that the amounts payable into the Build Illinois Fund under
17 this clause (b) shall be payable only until such time as the
18 aggregate amount on deposit under each trust indenture
19 securing Bonds issued and outstanding pursuant to the Build
20 Illinois Bond Act is sufficient, taking into account any
21 future investment income, to fully provide, in accordance with
22 such indenture, for the defeasance of or the payment of the
23 principal of, premium, if any, and interest on the Bonds
24 secured by such indenture and on any Bonds expected to be
25 issued thereafter and all fees and costs payable with respect
26 thereto, all as certified by the Director of the Bureau of the

1 Budget (now Governor's Office of Management and Budget). If on
2 the last business day of any month in which Bonds are
3 outstanding pursuant to the Build Illinois Bond Act, the
4 aggregate of the moneys deposited in the Build Illinois Bond
5 Account in the Build Illinois Fund in such month shall be less
6 than the amount required to be transferred in such month from
7 the Build Illinois Bond Account to the Build Illinois Bond
8 Retirement and Interest Fund pursuant to Section 13 of the
9 Build Illinois Bond Act, an amount equal to such deficiency
10 shall be immediately paid from other moneys received by the
11 Department pursuant to the Tax Acts to the Build Illinois
12 Fund; provided, however, that any amounts paid to the Build
13 Illinois Fund in any fiscal year pursuant to this sentence
14 shall be deemed to constitute payments pursuant to clause (b)
15 of the preceding sentence and shall reduce the amount
16 otherwise payable for such fiscal year pursuant to clause (b)
17 of the preceding sentence. The moneys received by the
18 Department pursuant to this Act and required to be deposited
19 into the Build Illinois Fund are subject to the pledge, claim
20 and charge set forth in Section 12 of the Build Illinois Bond
21 Act.

22 Subject to payment of amounts into the Build Illinois Fund
23 as provided in the preceding paragraph or in any amendment
24 thereto hereafter enacted, the following specified monthly
25 installment of the amount requested in the certificate of the
26 Chairman of the Metropolitan Pier and Exposition Authority

1 provided under Section 8.25f of the State Finance Act, but not
2 in excess of the sums designated as "Total Deposit", shall be
3 deposited in the aggregate from collections under Section 9 of
4 the Use Tax Act, Section 9 of the Service Use Tax Act, Section
5 9 of the Service Occupation Tax Act, and Section 3 of the
6 Retailers' Occupation Tax Act into the McCormick Place
7 Expansion Project Fund in the specified fiscal years.

8	Fiscal Year	Total Deposit
9	1993	\$0
10	1994	53,000,000
11	1995	58,000,000
12	1996	61,000,000
13	1997	64,000,000
14	1998	68,000,000
15	1999	71,000,000
16	2000	75,000,000
17	2001	80,000,000
18	2002	93,000,000
19	2003	99,000,000
20	2004	103,000,000
21	2005	108,000,000
22	2006	113,000,000
23	2007	119,000,000
24	2008	126,000,000
25	2009	132,000,000
26	2010	139,000,000

1	2011	146,000,000
2	2012	153,000,000
3	2013	161,000,000
4	2014	170,000,000
5	2015	179,000,000
6	2016	189,000,000
7	2017	199,000,000
8	2018	210,000,000
9	2019	221,000,000
10	2020	233,000,000
11	2021	300,000,000
12	2022	300,000,000
13	2023	300,000,000
14	2024	300,000,000
15	2025	300,000,000
16	2026	300,000,000
17	2027	375,000,000
18	2028	375,000,000
19	2029	375,000,000
20	2030	375,000,000
21	2031	375,000,000
22	2032	375,000,000
23	2033	375,000,000
24	2034	375,000,000
25	2035	375,000,000
26	2036	450,000,000

1 and
2 each fiscal year
3 thereafter that bonds
4 are outstanding under
5 Section 13.2 of the
6 Metropolitan Pier and
7 Exposition Authority Act,
8 but not after fiscal year 2060.

9 Beginning July 20, 1993 and in each month of each fiscal
10 year thereafter, one-eighth of the amount requested in the
11 certificate of the Chairman of the Metropolitan Pier and
12 Exposition Authority for that fiscal year, less the amount
13 deposited into the McCormick Place Expansion Project Fund by
14 the State Treasurer in the respective month under subsection
15 (g) of Section 13 of the Metropolitan Pier and Exposition
16 Authority Act, plus cumulative deficiencies in the deposits
17 required under this Section for previous months and years,
18 shall be deposited into the McCormick Place Expansion Project
19 Fund, until the full amount requested for the fiscal year, but
20 not in excess of the amount specified above as "Total
21 Deposit", has been deposited.

22 Subject to payment of amounts into the Capital Projects
23 Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,
24 and the McCormick Place Expansion Project Fund pursuant to the
25 preceding paragraphs or in any amendments thereto hereafter
26 enacted, for aviation fuel sold on or after December 1, 2019,

1 the Department shall each month deposit into the Aviation Fuel
2 Sales Tax Refund Fund an amount estimated by the Department to
3 be required for refunds of the 80% portion of the tax on
4 aviation fuel under this Act. The Department shall only
5 deposit moneys into the Aviation Fuel Sales Tax Refund Fund
6 under this paragraph for so long as the revenue use
7 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
8 binding on the State.

9 Subject to payment of amounts into the Build Illinois Fund
10 and the McCormick Place Expansion Project Fund pursuant to the
11 preceding paragraphs or in any amendments thereto hereafter
12 enacted, beginning July 1, 1993 and ending on September 30,
13 2013, the Department shall each month pay into the Illinois
14 Tax Increment Fund 0.27% of 80% of the net revenue realized for
15 the preceding month from the 6.25% general rate on the selling
16 price of tangible personal property.

17 Subject to payment of amounts into the Build Illinois
18 Fund, the McCormick Place Expansion Project Fund, the Illinois
19 Tax Increment Fund, and the Energy Infrastructure Fund
20 pursuant to the preceding paragraphs or in any amendments to
21 this Section hereafter enacted, beginning on the first day of
22 the first calendar month to occur on or after August 26, 2014
23 (the effective date of Public Act 98-1098), each month, from
24 the collections made under Section 9 of the Use Tax Act,
25 Section 9 of the Service Use Tax Act, Section 9 of the Service
26 Occupation Tax Act, and Section 3 of the Retailers' Occupation

1 Tax Act, the Department shall pay into the Tax Compliance and
2 Administration Fund, to be used, subject to appropriation, to
3 fund additional auditors and compliance personnel at the
4 Department of Revenue, an amount equal to 1/12 of 5% of 80% of
5 the cash receipts collected during the preceding fiscal year
6 by the Audit Bureau of the Department under the Use Tax Act,
7 the Service Use Tax Act, the Service Occupation Tax Act, the
8 Retailers' Occupation Tax Act, and associated local occupation
9 and use taxes administered by the Department.

10 Subject to payments of amounts into the Build Illinois
11 Fund, the McCormick Place Expansion Project Fund, the Illinois
12 Tax Increment Fund, and the Tax Compliance and Administration
13 Fund as provided in this Section, beginning on July 1, 2018 the
14 Department shall pay each month into the Downstate Public
15 Transportation Fund the moneys required to be so paid under
16 Section 2-3 of the Downstate Public Transportation Act.

17 Subject to successful execution and delivery of a
18 public-private agreement between the public agency and private
19 entity and completion of the civic build, beginning on July 1,
20 2023, of the remainder of the moneys received by the
21 Department under the Use Tax Act, the Service Use Tax Act, the
22 Service Occupation Tax Act, and this Act, the Department shall
23 deposit the following specified deposits in the aggregate from
24 collections under the Use Tax Act, the Service Use Tax Act, the
25 Service Occupation Tax Act, and the Retailers' Occupation Tax
26 Act, as required under Section 8.25g of the State Finance Act

1 for distribution consistent with the Public-Private
 2 Partnership for Civic and Transit Infrastructure Project Act.
 3 The moneys received by the Department pursuant to this Act and
 4 required to be deposited into the Civic and Transit
 5 Infrastructure Fund are subject to the pledge, claim, and
 6 charge set forth in Section 25-55 of the Public-Private
 7 Partnership for Civic and Transit Infrastructure Project Act.
 8 As used in this paragraph, "civic build", "private entity",
 9 "public-private agreement", and "public agency" have the
 10 meanings provided in Section 25-10 of the Public-Private
 11 Partnership for Civic and Transit Infrastructure Project Act.

12	Fiscal Year.....	Total Deposit
13	2024	\$200,000,000
14	2025	\$206,000,000
15	2026	\$212,200,000
16	2027	\$218,500,000
17	2028	\$225,100,000
18	2029	\$288,700,000
19	2030	\$298,900,000
20	2031	\$309,300,000
21	2032	\$320,100,000
22	2033	\$331,200,000
23	2034	\$341,200,000
24	2035	\$351,400,000
25	2036	\$361,900,000
26	2037	\$372,800,000

1	2038	.....	\$384,000,000
2	2039	.....	\$395,500,000
3	2040	.....	\$407,400,000
4	2041	.....	\$419,600,000
5	2042	.....	\$432,200,000
6	2043	.....	\$445,100,000

7 Beginning July 1, 2021 and until July 1, 2022, subject to
8 the payment of amounts into the State and Local Sales Tax
9 Reform Fund, the Build Illinois Fund, the McCormick Place
10 Expansion Project Fund, the Illinois Tax Increment Fund, and
11 the Tax Compliance and Administration Fund as provided in this
12 Section, the Department shall pay each month into the Road
13 Fund the amount estimated to represent 16% of the net revenue
14 realized from the taxes imposed on motor fuel and gasohol.
15 Beginning July 1, 2022 and until July 1, 2023, subject to the
16 payment of amounts into the State and Local Sales Tax Reform
17 Fund, the Build Illinois Fund, the McCormick Place Expansion
18 Project Fund, the Illinois Tax Increment Fund, and the Tax
19 Compliance and Administration Fund as provided in this
20 Section, the Department shall pay each month into the Road
21 Fund the amount estimated to represent 32% of the net revenue
22 realized from the taxes imposed on motor fuel and gasohol.
23 Beginning July 1, 2023 and until July 1, 2024, subject to the
24 payment of amounts into the State and Local Sales Tax Reform
25 Fund, the Build Illinois Fund, the McCormick Place Expansion
26 Project Fund, the Illinois Tax Increment Fund, and the Tax

1 Compliance and Administration Fund as provided in this
2 Section, the Department shall pay each month into the Road
3 Fund the amount estimated to represent 48% of the net revenue
4 realized from the taxes imposed on motor fuel and gasohol.
5 Beginning July 1, 2024 and until July 1, 2025, subject to the
6 payment of amounts into the State and Local Sales Tax Reform
7 Fund, the Build Illinois Fund, the McCormick Place Expansion
8 Project Fund, the Illinois Tax Increment Fund, and the Tax
9 Compliance and Administration Fund as provided in this
10 Section, the Department shall pay each month into the Road
11 Fund the amount estimated to represent 64% of the net revenue
12 realized from the taxes imposed on motor fuel and gasohol.
13 Beginning on July 1, 2025, subject to the payment of amounts
14 into the State and Local Sales Tax Reform Fund, the Build
15 Illinois Fund, the McCormick Place Expansion Project Fund, the
16 Illinois Tax Increment Fund, and the Tax Compliance and
17 Administration Fund as provided in this Section, the
18 Department shall pay each month into the Road Fund the amount
19 estimated to represent 80% of the net revenue realized from
20 the taxes imposed on motor fuel and gasohol. As used in this
21 paragraph "motor fuel" has the meaning given to that term in
22 Section 1.1 of the Motor Fuel Tax Law, and "gasohol" has the
23 meaning given to that term in Section 3-40 of this Act.

24 Of the remainder of the moneys received by the Department
25 pursuant to this Act, 75% thereof shall be paid into the State
26 Treasury and 25% shall be reserved in a special account and

1 used only for the transfer to the Common School Fund as part of
2 the monthly transfer from the General Revenue Fund in
3 accordance with Section 8a of the State Finance Act.

4 As soon as possible after the first day of each month, upon
5 certification of the Department of Revenue, the Comptroller
6 shall order transferred and the Treasurer shall transfer from
7 the General Revenue Fund to the Motor Fuel Tax Fund an amount
8 equal to 1.7% of 80% of the net revenue realized under this Act
9 for the second preceding month. Beginning April 1, 2000, this
10 transfer is no longer required and shall not be made.

11 Net revenue realized for a month shall be the revenue
12 collected by the State pursuant to this Act, less the amount
13 paid out during that month as refunds to taxpayers for
14 overpayment of liability.

15 For greater simplicity of administration, manufacturers,
16 importers and wholesalers whose products are sold at retail in
17 Illinois by numerous retailers, and who wish to do so, may
18 assume the responsibility for accounting and paying to the
19 Department all tax accruing under this Act with respect to
20 such sales, if the retailers who are affected do not make
21 written objection to the Department to this arrangement.

22 (Source: P.A. 102-700, Article 60, Section 60-15, eff.
23 4-19-22; 102-700, Article 65, Section 65-5, eff. 4-19-22;
24 102-1019, eff. 1-1-23; 103-154, eff. 6-30-23; 103-363, eff.
25 7-28-23.)

1 Section 10. The Service Use Tax Act is amended by changing
2 Sections 3-5, 3-10, and 9 as follows:

3 (35 ILCS 110/3-5)

4 Sec. 3-5. Exemptions. Use of the following tangible
5 personal property is exempt from the tax imposed by this Act:

6 (1) Personal property purchased from a corporation,
7 society, association, foundation, institution, or
8 organization, other than a limited liability company, that is
9 organized and operated as a not-for-profit service enterprise
10 for the benefit of persons 65 years of age or older if the
11 personal property was not purchased by the enterprise for the
12 purpose of resale by the enterprise.

13 (2) Personal property purchased by a non-profit Illinois
14 county fair association for use in conducting, operating, or
15 promoting the county fair.

16 (3) Personal property purchased by a not-for-profit arts
17 or cultural organization that establishes, by proof required
18 by the Department by rule, that it has received an exemption
19 under Section 501(c)(3) of the Internal Revenue Code and that
20 is organized and operated primarily for the presentation or
21 support of arts or cultural programming, activities, or
22 services. These organizations include, but are not limited to,
23 music and dramatic arts organizations such as symphony
24 orchestras and theatrical groups, arts and cultural service
25 organizations, local arts councils, visual arts organizations,

1 and media arts organizations. On and after July 1, 2001 (the
2 effective date of Public Act 92-35), however, an entity
3 otherwise eligible for this exemption shall not make tax-free
4 purchases unless it has an active identification number issued
5 by the Department.

6 (4) Legal tender, currency, medallions, or gold or silver
7 coinage issued by the State of Illinois, the government of the
8 United States of America, or the government of any foreign
9 country, and bullion.

10 (5) Until July 1, 2003 and beginning again on September 1,
11 2004 through August 30, 2014, graphic arts machinery and
12 equipment, including repair and replacement parts, both new
13 and used, and including that manufactured on special order or
14 purchased for lease, certified by the purchaser to be used
15 primarily for graphic arts production. Equipment includes
16 chemicals or chemicals acting as catalysts but only if the
17 chemicals or chemicals acting as catalysts effect a direct and
18 immediate change upon a graphic arts product. Beginning on
19 July 1, 2017, graphic arts machinery and equipment is included
20 in the manufacturing and assembling machinery and equipment
21 exemption under Section 2 of this Act.

22 (6) Personal property purchased from a teacher-sponsored
23 student organization affiliated with an elementary or
24 secondary school located in Illinois.

25 (7) Farm machinery and equipment, both new and used,
26 including that manufactured on special order, certified by the

1 purchaser to be used primarily for production agriculture or
2 State or federal agricultural programs, including individual
3 replacement parts for the machinery and equipment, including
4 machinery and equipment purchased for lease, and including
5 implements of husbandry defined in Section 1-130 of the
6 Illinois Vehicle Code, farm machinery and agricultural
7 chemical and fertilizer spreaders, and nurse wagons required
8 to be registered under Section 3-809 of the Illinois Vehicle
9 Code, but excluding other motor vehicles required to be
10 registered under the Illinois Vehicle Code. Horticultural
11 polyhouses or hoop houses used for propagating, growing, or
12 overwintering plants shall be considered farm machinery and
13 equipment under this item (7). Agricultural chemical tender
14 tanks and dry boxes shall include units sold separately from a
15 motor vehicle required to be licensed and units sold mounted
16 on a motor vehicle required to be licensed if the selling price
17 of the tender is separately stated.

18 Farm machinery and equipment shall include precision
19 farming equipment that is installed or purchased to be
20 installed on farm machinery and equipment, including, but not
21 limited to, tractors, harvesters, sprayers, planters, seeders,
22 or spreaders. Precision farming equipment includes, but is not
23 limited to, soil testing sensors, computers, monitors,
24 software, global positioning and mapping systems, and other
25 such equipment.

26 Farm machinery and equipment also includes computers,

1 sensors, software, and related equipment used primarily in the
2 computer-assisted operation of production agriculture
3 facilities, equipment, and activities such as, but not limited
4 to, the collection, monitoring, and correlation of animal and
5 crop data for the purpose of formulating animal diets and
6 agricultural chemicals.

7 Beginning on January 1, 2024, farm machinery and equipment
8 also includes electrical power generation equipment used
9 primarily for production agriculture.

10 This item (7) is exempt from the provisions of Section
11 3-75.

12 (8) Until June 30, 2013, fuel and petroleum products sold
13 to or used by an air common carrier, certified by the carrier
14 to be used for consumption, shipment, or storage in the
15 conduct of its business as an air common carrier, for a flight
16 destined for or returning from a location or locations outside
17 the United States without regard to previous or subsequent
18 domestic stopovers.

19 Beginning July 1, 2013, fuel and petroleum products sold
20 to or used by an air carrier, certified by the carrier to be
21 used for consumption, shipment, or storage in the conduct of
22 its business as an air common carrier, for a flight that (i) is
23 engaged in foreign trade or is engaged in trade between the
24 United States and any of its possessions and (ii) transports
25 at least one individual or package for hire from the city of
26 origination to the city of final destination on the same

1 aircraft, without regard to a change in the flight number of
2 that aircraft.

3 (9) Proceeds of mandatory service charges separately
4 stated on customers' bills for the purchase and consumption of
5 food and beverages acquired as an incident to the purchase of a
6 service from a serviceman, to the extent that the proceeds of
7 the service charge are in fact turned over as tips or as a
8 substitute for tips to the employees who participate directly
9 in preparing, serving, hosting or cleaning up the food or
10 beverage function with respect to which the service charge is
11 imposed.

12 (10) Until July 1, 2003, oil field exploration, drilling,
13 and production equipment, including (i) rigs and parts of
14 rigs, rotary rigs, cable tool rigs, and workover rigs, (ii)
15 pipe and tubular goods, including casing and drill strings,
16 (iii) pumps and pump-jack units, (iv) storage tanks and flow
17 lines, (v) any individual replacement part for oil field
18 exploration, drilling, and production equipment, and (vi)
19 machinery and equipment purchased for lease; but excluding
20 motor vehicles required to be registered under the Illinois
21 Vehicle Code.

22 (11) Proceeds from the sale of photoprocessing machinery
23 and equipment, including repair and replacement parts, both
24 new and used, including that manufactured on special order,
25 certified by the purchaser to be used primarily for
26 photoprocessing, and including photoprocessing machinery and

1 equipment purchased for lease.

2 (12) Until July 1, 2028, coal and aggregate exploration,
3 mining, off-highway hauling, processing, maintenance, and
4 reclamation equipment, including replacement parts and
5 equipment, and including equipment purchased for lease, but
6 excluding motor vehicles required to be registered under the
7 Illinois Vehicle Code. The changes made to this Section by
8 Public Act 97-767 apply on and after July 1, 2003, but no claim
9 for credit or refund is allowed on or after August 16, 2013
10 (the effective date of Public Act 98-456) for such taxes paid
11 during the period beginning July 1, 2003 and ending on August
12 16, 2013 (the effective date of Public Act 98-456).

13 (13) Semen used for artificial insemination of livestock
14 for direct agricultural production.

15 (14) Horses, or interests in horses, registered with and
16 meeting the requirements of any of the Arabian Horse Club
17 Registry of America, Appaloosa Horse Club, American Quarter
18 Horse Association, United States Trotting Association, or
19 Jockey Club, as appropriate, used for purposes of breeding or
20 racing for prizes. This item (14) is exempt from the
21 provisions of Section 3-75, and the exemption provided for
22 under this item (14) applies for all periods beginning May 30,
23 1995, but no claim for credit or refund is allowed on or after
24 January 1, 2008 (the effective date of Public Act 95-88) for
25 such taxes paid during the period beginning May 30, 2000 and
26 ending on January 1, 2008 (the effective date of Public Act

1 95-88).

2 (15) Computers and communications equipment utilized for
3 any hospital purpose and equipment used in the diagnosis,
4 analysis, or treatment of hospital patients purchased by a
5 lessor who leases the equipment, under a lease of one year or
6 longer executed or in effect at the time the lessor would
7 otherwise be subject to the tax imposed by this Act, to a
8 hospital that has been issued an active tax exemption
9 identification number by the Department under Section 1g of
10 the Retailers' Occupation Tax Act. If the equipment is leased
11 in a manner that does not qualify for this exemption or is used
12 in any other non-exempt manner, the lessor shall be liable for
13 the tax imposed under this Act or the Use Tax Act, as the case
14 may be, based on the fair market value of the property at the
15 time the non-qualifying use occurs. No lessor shall collect or
16 attempt to collect an amount (however designated) that
17 purports to reimburse that lessor for the tax imposed by this
18 Act or the Use Tax Act, as the case may be, if the tax has not
19 been paid by the lessor. If a lessor improperly collects any
20 such amount from the lessee, the lessee shall have a legal
21 right to claim a refund of that amount from the lessor. If,
22 however, that amount is not refunded to the lessee for any
23 reason, the lessor is liable to pay that amount to the
24 Department.

25 (16) Personal property purchased by a lessor who leases
26 the property, under a lease of one year or longer executed or

1 in effect at the time the lessor would otherwise be subject to
2 the tax imposed by this Act, to a governmental body that has
3 been issued an active tax exemption identification number by
4 the Department under Section 1g of the Retailers' Occupation
5 Tax Act. If the property is leased in a manner that does not
6 qualify for this exemption or is used in any other non-exempt
7 manner, the lessor shall be liable for the tax imposed under
8 this Act or the Use Tax Act, as the case may be, based on the
9 fair market value of the property at the time the
10 non-qualifying use occurs. No lessor shall collect or attempt
11 to collect an amount (however designated) that purports to
12 reimburse that lessor for the tax imposed by this Act or the
13 Use Tax Act, as the case may be, if the tax has not been paid
14 by the lessor. If a lessor improperly collects any such amount
15 from the lessee, the lessee shall have a legal right to claim a
16 refund of that amount from the lessor. If, however, that
17 amount is not refunded to the lessee for any reason, the lessor
18 is liable to pay that amount to the Department.

19 (17) Beginning with taxable years ending on or after
20 December 31, 1995 and ending with taxable years ending on or
21 before December 31, 2004, personal property that is donated
22 for disaster relief to be used in a State or federally declared
23 disaster area in Illinois or bordering Illinois by a
24 manufacturer or retailer that is registered in this State to a
25 corporation, society, association, foundation, or institution
26 that has been issued a sales tax exemption identification

1 number by the Department that assists victims of the disaster
2 who reside within the declared disaster area.

3 (18) Beginning with taxable years ending on or after
4 December 31, 1995 and ending with taxable years ending on or
5 before December 31, 2004, personal property that is used in
6 the performance of infrastructure repairs in this State,
7 including, but not limited to, municipal roads and streets,
8 access roads, bridges, sidewalks, waste disposal systems,
9 water and sewer line extensions, water distribution and
10 purification facilities, storm water drainage and retention
11 facilities, and sewage treatment facilities, resulting from a
12 State or federally declared disaster in Illinois or bordering
13 Illinois when such repairs are initiated on facilities located
14 in the declared disaster area within 6 months after the
15 disaster.

16 (19) Beginning July 1, 1999, game or game birds purchased
17 at a "game breeding and hunting preserve area" as that term is
18 used in the Wildlife Code. This paragraph is exempt from the
19 provisions of Section 3-75.

20 (20) A motor vehicle, as that term is defined in Section
21 1-146 of the Illinois Vehicle Code, that is donated to a
22 corporation, limited liability company, society, association,
23 foundation, or institution that is determined by the
24 Department to be organized and operated exclusively for
25 educational purposes. For purposes of this exemption, "a
26 corporation, limited liability company, society, association,

1 foundation, or institution organized and operated exclusively
2 for educational purposes" means all tax-supported public
3 schools, private schools that offer systematic instruction in
4 useful branches of learning by methods common to public
5 schools and that compare favorably in their scope and
6 intensity with the course of study presented in tax-supported
7 schools, and vocational or technical schools or institutes
8 organized and operated exclusively to provide a course of
9 study of not less than 6 weeks duration and designed to prepare
10 individuals to follow a trade or to pursue a manual,
11 technical, mechanical, industrial, business, or commercial
12 occupation.

13 (21) Beginning January 1, 2000, personal property,
14 including food, purchased through fundraising events for the
15 benefit of a public or private elementary or secondary school,
16 a group of those schools, or one or more school districts if
17 the events are sponsored by an entity recognized by the school
18 district that consists primarily of volunteers and includes
19 parents and teachers of the school children. This paragraph
20 does not apply to fundraising events (i) for the benefit of
21 private home instruction or (ii) for which the fundraising
22 entity purchases the personal property sold at the events from
23 another individual or entity that sold the property for the
24 purpose of resale by the fundraising entity and that profits
25 from the sale to the fundraising entity. This paragraph is
26 exempt from the provisions of Section 3-75.

1 (22) Beginning January 1, 2000 and through December 31,
2 2001, new or used automatic vending machines that prepare and
3 serve hot food and beverages, including coffee, soup, and
4 other items, and replacement parts for these machines.
5 Beginning January 1, 2002 and through June 30, 2003, machines
6 and parts for machines used in commercial, coin-operated
7 amusement and vending business if a use or occupation tax is
8 paid on the gross receipts derived from the use of the
9 commercial, coin-operated amusement and vending machines. This
10 paragraph is exempt from the provisions of Section 3-75.

11 (23) Beginning August 23, 2001 and through June 30, 2016,
12 food for human consumption that is to be consumed off the
13 premises where it is sold (other than alcoholic beverages,
14 soft drinks, and food that has been prepared for immediate
15 consumption) and prescription and nonprescription medicines,
16 drugs, medical appliances, and insulin, urine testing
17 materials, syringes, and needles used by diabetics, for human
18 use, when purchased for use by a person receiving medical
19 assistance under Article V of the Illinois Public Aid Code who
20 resides in a licensed long-term care facility, as defined in
21 the Nursing Home Care Act, or in a licensed facility as defined
22 in the ID/DD Community Care Act, the MC/DD Act, or the
23 Specialized Mental Health Rehabilitation Act of 2013.

24 (24) Beginning on August 2, 2001 (the effective date of
25 Public Act 92-227), computers and communications equipment
26 utilized for any hospital purpose and equipment used in the

1 diagnosis, analysis, or treatment of hospital patients
2 purchased by a lessor who leases the equipment, under a lease
3 of one year or longer executed or in effect at the time the
4 lessor would otherwise be subject to the tax imposed by this
5 Act, to a hospital that has been issued an active tax exemption
6 identification number by the Department under Section 1g of
7 the Retailers' Occupation Tax Act. If the equipment is leased
8 in a manner that does not qualify for this exemption or is used
9 in any other nonexempt manner, the lessor shall be liable for
10 the tax imposed under this Act or the Use Tax Act, as the case
11 may be, based on the fair market value of the property at the
12 time the nonqualifying use occurs. No lessor shall collect or
13 attempt to collect an amount (however designated) that
14 purports to reimburse that lessor for the tax imposed by this
15 Act or the Use Tax Act, as the case may be, if the tax has not
16 been paid by the lessor. If a lessor improperly collects any
17 such amount from the lessee, the lessee shall have a legal
18 right to claim a refund of that amount from the lessor. If,
19 however, that amount is not refunded to the lessee for any
20 reason, the lessor is liable to pay that amount to the
21 Department. This paragraph is exempt from the provisions of
22 Section 3-75.

23 (25) Beginning on August 2, 2001 (the effective date of
24 Public Act 92-227), personal property purchased by a lessor
25 who leases the property, under a lease of one year or longer
26 executed or in effect at the time the lessor would otherwise be

1 subject to the tax imposed by this Act, to a governmental body
2 that has been issued an active tax exemption identification
3 number by the Department under Section 1g of the Retailers'
4 Occupation Tax Act. If the property is leased in a manner that
5 does not qualify for this exemption or is used in any other
6 nonexempt manner, the lessor shall be liable for the tax
7 imposed under this Act or the Use Tax Act, as the case may be,
8 based on the fair market value of the property at the time the
9 nonqualifying use occurs. No lessor shall collect or attempt
10 to collect an amount (however designated) that purports to
11 reimburse that lessor for the tax imposed by this Act or the
12 Use Tax Act, as the case may be, if the tax has not been paid
13 by the lessor. If a lessor improperly collects any such amount
14 from the lessee, the lessee shall have a legal right to claim a
15 refund of that amount from the lessor. If, however, that
16 amount is not refunded to the lessee for any reason, the lessor
17 is liable to pay that amount to the Department. This paragraph
18 is exempt from the provisions of Section 3-75.

19 (26) Beginning January 1, 2008, tangible personal property
20 used in the construction or maintenance of a community water
21 supply, as defined under Section 3.145 of the Environmental
22 Protection Act, that is operated by a not-for-profit
23 corporation that holds a valid water supply permit issued
24 under Title IV of the Environmental Protection Act. This
25 paragraph is exempt from the provisions of Section 3-75.

26 (27) Beginning January 1, 2010 and continuing through

1 December 31, 2029, materials, parts, equipment, components,
2 and furnishings incorporated into or upon an aircraft as part
3 of the modification, refurbishment, completion, replacement,
4 repair, or maintenance of the aircraft. This exemption
5 includes consumable supplies used in the modification,
6 refurbishment, completion, replacement, repair, and
7 maintenance of aircraft. However, until January 1, 2024, this
8 exemption excludes any materials, parts, equipment,
9 components, and consumable supplies used in the modification,
10 replacement, repair, and maintenance of aircraft engines or
11 power plants, whether such engines or power plants are
12 installed or uninstalled upon any such aircraft. "Consumable
13 supplies" include, but are not limited to, adhesive, tape,
14 sandpaper, general purpose lubricants, cleaning solution,
15 latex gloves, and protective films.

16 Beginning January 1, 2010 and continuing through December
17 31, 2023, this exemption applies only to the use of qualifying
18 tangible personal property transferred incident to the
19 modification, refurbishment, completion, replacement, repair,
20 or maintenance of aircraft by persons who (i) hold an Air
21 Agency Certificate and are empowered to operate an approved
22 repair station by the Federal Aviation Administration, (ii)
23 have a Class IV Rating, and (iii) conduct operations in
24 accordance with Part 145 of the Federal Aviation Regulations.
25 From January 1, 2024 through December 31, 2029, this exemption
26 applies only to the use of qualifying tangible personal

1 property by: (A) persons who modify, refurbish, complete,
2 repair, replace, or maintain aircraft and who (i) hold an Air
3 Agency Certificate and are empowered to operate an approved
4 repair station by the Federal Aviation Administration, (ii)
5 have a Class IV Rating, and (iii) conduct operations in
6 accordance with Part 145 of the Federal Aviation Regulations;
7 and (B) persons who engage in the modification, replacement,
8 repair, and maintenance of aircraft engines or power plants
9 without regard to whether or not those persons meet the
10 qualifications of item (A).

11 The exemption does not include aircraft operated by a
12 commercial air carrier providing scheduled passenger air
13 service pursuant to authority issued under Part 121 or Part
14 129 of the Federal Aviation Regulations. The changes made to
15 this paragraph (27) by Public Act 98-534 are declarative of
16 existing law. It is the intent of the General Assembly that the
17 exemption under this paragraph (27) applies continuously from
18 January 1, 2010 through December 31, 2024; however, no claim
19 for credit or refund is allowed for taxes paid as a result of
20 the disallowance of this exemption on or after January 1, 2015
21 and prior to February 5, 2020 (the effective date of Public Act
22 101-629).

23 (28) Tangible personal property purchased by a
24 public-facilities corporation, as described in Section
25 11-65-10 of the Illinois Municipal Code, for purposes of
26 constructing or furnishing a municipal convention hall, but

1 only if the legal title to the municipal convention hall is
2 transferred to the municipality without any further
3 consideration by or on behalf of the municipality at the time
4 of the completion of the municipal convention hall or upon the
5 retirement or redemption of any bonds or other debt
6 instruments issued by the public-facilities corporation in
7 connection with the development of the municipal convention
8 hall. This exemption includes existing public-facilities
9 corporations as provided in Section 11-65-25 of the Illinois
10 Municipal Code. This paragraph is exempt from the provisions
11 of Section 3-75.

12 (29) Beginning January 1, 2017 and through December 31,
13 2026, menstrual pads, tampons, and menstrual cups.

14 (30) Tangible personal property transferred to a purchaser
15 who is exempt from the tax imposed by this Act by operation of
16 federal law. This paragraph is exempt from the provisions of
17 Section 3-75.

18 (31) Qualified tangible personal property used in the
19 construction or operation of a data center that has been
20 granted a certificate of exemption by the Department of
21 Commerce and Economic Opportunity, whether that tangible
22 personal property is purchased by the owner, operator, or
23 tenant of the data center or by a contractor or subcontractor
24 of the owner, operator, or tenant. Data centers that would
25 have qualified for a certificate of exemption prior to January
26 1, 2020 had Public Act 101-31 been in effect, may apply for and

1 obtain an exemption for subsequent purchases of computer
2 equipment or enabling software purchased or leased to upgrade,
3 supplement, or replace computer equipment or enabling software
4 purchased or leased in the original investment that would have
5 qualified.

6 The Department of Commerce and Economic Opportunity shall
7 grant a certificate of exemption under this item (31) to
8 qualified data centers as defined by Section 605-1025 of the
9 Department of Commerce and Economic Opportunity Law of the
10 Civil Administrative Code of Illinois.

11 For the purposes of this item (31):

12 "Data center" means a building or a series of
13 buildings rehabilitated or constructed to house working
14 servers in one physical location or multiple sites within
15 the State of Illinois.

16 "Qualified tangible personal property" means:
17 electrical systems and equipment; climate control and
18 chilling equipment and systems; mechanical systems and
19 equipment; monitoring and secure systems; emergency
20 generators; hardware; computers; servers; data storage
21 devices; network connectivity equipment; racks; cabinets;
22 telecommunications cabling infrastructure; raised floor
23 systems; peripheral components or systems; software;
24 mechanical, electrical, or plumbing systems; battery
25 systems; cooling systems and towers; temperature control
26 systems; other cabling; and other data center

1 infrastructure equipment and systems necessary to operate
2 qualified tangible personal property, including fixtures;
3 and component parts of any of the foregoing, including
4 installation, maintenance, repair, refurbishment, and
5 replacement of qualified tangible personal property to
6 generate, transform, transmit, distribute, or manage
7 electricity necessary to operate qualified tangible
8 personal property; and all other tangible personal
9 property that is essential to the operations of a computer
10 data center. The term "qualified tangible personal
11 property" also includes building materials physically
12 incorporated into ~~in to~~ the qualifying data center. To
13 document the exemption allowed under this Section, the
14 retailer must obtain from the purchaser a copy of the
15 certificate of eligibility issued by the Department of
16 Commerce and Economic Opportunity.

17 This item (31) is exempt from the provisions of Section
18 3-75.

19 (32) Beginning July 1, 2022, breast pumps, breast pump
20 collection and storage supplies, and breast pump kits. This
21 item (32) is exempt from the provisions of Section 3-75. As
22 used in this item (32):

23 "Breast pump" means an electrically controlled or
24 manually controlled pump device designed or marketed to be
25 used to express milk from a human breast during lactation,
26 including the pump device and any battery, AC adapter, or

1 other power supply unit that is used to power the pump
2 device and is packaged and sold with the pump device at the
3 time of sale.

4 "Breast pump collection and storage supplies" means
5 items of tangible personal property designed or marketed
6 to be used in conjunction with a breast pump to collect
7 milk expressed from a human breast and to store collected
8 milk until it is ready for consumption.

9 "Breast pump collection and storage supplies"
10 includes, but is not limited to: breast shields and breast
11 shield connectors; breast pump tubes and tubing adapters;
12 breast pump valves and membranes; backflow protectors and
13 backflow protector adaptors; bottles and bottle caps
14 specific to the operation of the breast pump; and breast
15 milk storage bags.

16 "Breast pump collection and storage supplies" does not
17 include: (1) bottles and bottle caps not specific to the
18 operation of the breast pump; (2) breast pump travel bags
19 and other similar carrying accessories, including ice
20 packs, labels, and other similar products; (3) breast pump
21 cleaning supplies; (4) nursing bras, bra pads, breast
22 shells, and other similar products; and (5) creams,
23 ointments, and other similar products that relieve
24 breastfeeding-related symptoms or conditions of the
25 breasts or nipples, unless sold as part of a breast pump
26 kit that is pre-packaged by the breast pump manufacturer

1 or distributor.

2 "Breast pump kit" means a kit that: (1) contains no
3 more than a breast pump, breast pump collection and
4 storage supplies, a rechargeable battery for operating the
5 breast pump, a breastmilk cooler, bottle stands, ice
6 packs, and a breast pump carrying case; and (2) is
7 pre-packaged as a breast pump kit by the breast pump
8 manufacturer or distributor.

9 (33) Tangible personal property sold by or on behalf of
10 the State Treasurer pursuant to the Revised Uniform Unclaimed
11 Property Act. This item (33) is exempt from the provisions of
12 Section 3-75.

13 (34) Beginning on January 1, 2024, tangible personal
14 property purchased by an active duty member of the armed
15 forces of the United States who presents valid military
16 identification and purchases the property using a form of
17 payment where the federal government is the payor. The member
18 of the armed forces must complete, at the point of sale, a form
19 prescribed by the Department of Revenue documenting that the
20 transaction is eligible for the exemption under this
21 paragraph. Retailers must keep the form as documentation of
22 the exemption in their records for a period of not less than 6
23 years. "Armed forces of the United States" means the United
24 States Army, Navy, Air Force, Marine Corps, or Coast Guard.
25 This paragraph is exempt from the provisions of Section 3-75.

26 (35) Beginning on July 1, 2024, as defined in Section

1 3-10, food prepared for immediate consumption and transferred
2 incident to a sale of service subject to this Act or the
3 Service Occupation Tax Act by an entity licensed under the
4 Hospital Licensing Act, the Nursing Home Care Act, the
5 Assisted Living and Shared Housing Act, the ID/DD Community
6 Care Act, the MC/DD Act, the Specialized Mental Health
7 Rehabilitation Act of 2013, or the Child Care Act of 1969, or
8 an entity that holds a permit issued pursuant to the Life Care
9 Facilities Act. This item (35) is exempt from the provisions
10 of Section 3-75.

11 (36) Beginning on July 1, 2024, as defined in Section
12 3-10, food for human consumption that is to be consumed off the
13 premises where it is sold (other than alcoholic beverages,
14 food consisting of or infused with adult use cannabis, soft
15 drinks, and food that has been prepared for immediate
16 consumption). This item (36) is exempt from the provisions of
17 Section 3-75.

18 (37) Beginning on July 1, 2024, the following items, as
19 defined in Section 3-10:

20 (A) prescription and nonprescription medicines, drugs,
21 and medical appliances;

22 (B) products classified as Class III medical devices
23 by the United States Food and Drug Administration that are
24 used for cancer treatment pursuant to a prescription, as
25 well as any accessories and components related to those
26 devices;

1 (C) modifications to a motor vehicle for the purpose
2 of rendering it usable by a person with a disability; and

3 (D) insulin, blood sugar testing materials, syringes,
4 and needles used by human diabetics.

5 This item (37) is exempt from the provisions of Section
6 3-75.

7 (Source: P.A. 102-16, eff. 6-17-21; 102-700, Article 70,
8 Section 70-10, eff. 4-19-22; 102-700, Article 75, Section
9 75-10, eff. 4-19-22; 102-1026, eff. 5-27-22; 103-9, Article 5,
10 Section 5-10, eff. 6-7-23; 103-9, Article 15, Section 15-10,
11 eff. 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24;
12 revised 12-12-23.)

13 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

14 Sec. 3-10. Rate of tax. Unless otherwise provided in this
15 Section, the tax imposed by this Act is at the rate of 6.25% of
16 the selling price of tangible personal property transferred as
17 an incident to the sale of service, but, for the purpose of
18 computing this tax, in no event shall the selling price be less
19 than the cost price of the property to the serviceman.

20 Beginning on July 1, 2000 and through December 31, 2000,
21 with respect to motor fuel, as defined in Section 1.1 of the
22 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of
23 the Use Tax Act, the tax is imposed at the rate of 1.25%.

24 With respect to gasohol, as defined in the Use Tax Act, the
25 tax imposed by this Act applies to (i) 70% of the selling price

1 of property transferred as an incident to the sale of service
2 on or after January 1, 1990, and before July 1, 2003, (ii) 80%
3 of the selling price of property transferred as an incident to
4 the sale of service on or after July 1, 2003 and on or before
5 July 1, 2017, (iii) 100% of the selling price of property
6 transferred as an incident to the sale of service after July 1,
7 2017 and before January 1, 2024, (iv) 90% of the selling price
8 of property transferred as an incident to the sale of service
9 on or after January 1, 2024 and on or before December 31, 2028,
10 and (v) 100% of the selling price of property transferred as an
11 incident to the sale of service after December 31, 2028. If, at
12 any time, however, the tax under this Act on sales of gasohol,
13 as defined in the Use Tax Act, is imposed at the rate of 1.25%,
14 then the tax imposed by this Act applies to 100% of the
15 proceeds of sales of gasohol made during that time.

16 With respect to mid-range ethanol blends, as defined in
17 Section 3-44.3 of the Use Tax Act, the tax imposed by this Act
18 applies to (i) 80% of the selling price of property
19 transferred as an incident to the sale of service on or after
20 January 1, 2024 and on or before December 31, 2028 and (ii)
21 100% of the selling price of property transferred as an
22 incident to the sale of service after December 31, 2028. If, at
23 any time, however, the tax under this Act on sales of mid-range
24 ethanol blends is imposed at the rate of 1.25%, then the tax
25 imposed by this Act applies to 100% of the selling price of
26 mid-range ethanol blends transferred as an incident to the

1 sale of service during that time.

2 With respect to majority blended ethanol fuel, as defined
3 in the Use Tax Act, the tax imposed by this Act does not apply
4 to the selling price of property transferred as an incident to
5 the sale of service on or after July 1, 2003 and on or before
6 December 31, 2028 but applies to 100% of the selling price
7 thereafter.

8 With respect to biodiesel blends, as defined in the Use
9 Tax Act, with no less than 1% and no more than 10% biodiesel,
10 the tax imposed by this Act applies to (i) 80% of the selling
11 price of property transferred as an incident to the sale of
12 service on or after July 1, 2003 and on or before December 31,
13 2018 and (ii) 100% of the proceeds of the selling price after
14 December 31, 2018 and before January 1, 2024. On and after
15 January 1, 2024 and on or before December 31, 2030, the
16 taxation of biodiesel, renewable diesel, and biodiesel blends
17 shall be as provided in Section 3-5.1 of the Use Tax Act. If,
18 at any time, however, the tax under this Act on sales of
19 biodiesel blends, as defined in the Use Tax Act, with no less
20 than 1% and no more than 10% biodiesel is imposed at the rate
21 of 1.25%, then the tax imposed by this Act applies to 100% of
22 the proceeds of sales of biodiesel blends with no less than 1%
23 and no more than 10% biodiesel made during that time.

24 With respect to biodiesel, as defined in the Use Tax Act,
25 and biodiesel blends, as defined in the Use Tax Act, with more
26 than 10% but no more than 99% biodiesel, the tax imposed by

1 this Act does not apply to the proceeds of the selling price of
2 property transferred as an incident to the sale of service on
3 or after July 1, 2003 and on or before December 31, 2023. On
4 and after January 1, 2024 and on or before December 31, 2030,
5 the taxation of biodiesel, renewable diesel, and biodiesel
6 blends shall be as provided in Section 3-5.1 of the Use Tax
7 Act.

8 At the election of any registered serviceman made for each
9 fiscal year, sales of service in which the aggregate annual
10 cost price of tangible personal property transferred as an
11 incident to the sales of service is less than 35%, or 75% in
12 the case of servicemen transferring prescription drugs or
13 servicemen engaged in graphic arts production, of the
14 aggregate annual total gross receipts from all sales of
15 service, the tax imposed by this Act shall be based on the
16 serviceman's cost price of the tangible personal property
17 transferred as an incident to the sale of those services.

18 Until July 1, 2022 and from beginning again on July 1, 2023
19 through June 30, 2024, the tax shall be imposed at the rate of
20 1% on food prepared for immediate consumption and transferred
21 incident to a sale of service subject to this Act or the
22 Service Occupation Tax Act by an entity licensed under the
23 Hospital Licensing Act, the Nursing Home Care Act, the
24 Assisted Living and Shared Housing Act, the ID/DD Community
25 Care Act, the MC/DD Act, the Specialized Mental Health
26 Rehabilitation Act of 2013, or the Child Care Act of 1969, or

1 an entity that holds a permit issued pursuant to the Life Care
2 Facilities Act. Until July 1, 2022 and beginning again on July
3 1, 2023, the tax shall also be imposed at the rate of 1% on
4 food for human consumption that is to be consumed off the
5 premises where it is sold (other than alcoholic beverages,
6 food consisting of or infused with adult use cannabis, soft
7 drinks, and food that has been prepared for immediate
8 consumption and is not otherwise included in this paragraph).

9 Beginning on July 1, 2022 and until July 1, 2023, the tax
10 shall be imposed at the rate of 0% on food prepared for
11 immediate consumption and transferred incident to a sale of
12 service subject to this Act or the Service Occupation Tax Act
13 by an entity licensed under the Hospital Licensing Act, the
14 Nursing Home Care Act, the Assisted Living and Shared Housing
15 Act, the ID/DD Community Care Act, the MC/DD Act, the
16 Specialized Mental Health Rehabilitation Act of 2013, or the
17 Child Care Act of 1969, or an entity that holds a permit issued
18 pursuant to the Life Care Facilities Act. Beginning on July 1,
19 2022 and until July 1, 2023, the tax shall also be imposed at
20 the rate of 0% on food for human consumption that is to be
21 consumed off the premises where it is sold (other than
22 alcoholic beverages, food consisting of or infused with adult
23 use cannabis, soft drinks, and food that has been prepared for
24 immediate consumption and is not otherwise included in this
25 paragraph).

26 Through June 30, 2024, the ~~The~~ tax shall also be imposed at

1 the rate of 1% on prescription and nonprescription medicines,
2 drugs, medical appliances, products classified as Class III
3 medical devices by the United States Food and Drug
4 Administration that are used for cancer treatment pursuant to
5 a prescription, as well as any accessories and components
6 related to those devices, modifications to a motor vehicle for
7 the purpose of rendering it usable by a person with a
8 disability, and insulin, blood sugar testing materials,
9 syringes, and needles used by human diabetics. For the
10 purposes of this Section, until September 1, 2009: the term
11 "soft drinks" means any complete, finished, ready-to-use,
12 non-alcoholic drink, whether carbonated or not, including, but
13 not limited to, soda water, cola, fruit juice, vegetable
14 juice, carbonated water, and all other preparations commonly
15 known as soft drinks of whatever kind or description that are
16 contained in any closed or sealed bottle, can, carton, or
17 container, regardless of size; but "soft drinks" does not
18 include coffee, tea, non-carbonated water, infant formula,
19 milk or milk products as defined in the Grade A Pasteurized
20 Milk and Milk Products Act, or drinks containing 50% or more
21 natural fruit or vegetable juice.

22 Notwithstanding any other provisions of this Act,
23 beginning September 1, 2009, "soft drinks" means non-alcoholic
24 beverages that contain natural or artificial sweeteners. "Soft
25 drinks" does not include beverages that contain milk or milk
26 products, soy, rice or similar milk substitutes, or greater

1 than 50% of vegetable or fruit juice by volume.

2 Until August 1, 2009, and notwithstanding any other
3 provisions of this Act, "food for human consumption that is to
4 be consumed off the premises where it is sold" includes all
5 food sold through a vending machine, except soft drinks and
6 food products that are dispensed hot from a vending machine,
7 regardless of the location of the vending machine. Beginning
8 August 1, 2009, and notwithstanding any other provisions of
9 this Act, "food for human consumption that is to be consumed
10 off the premises where it is sold" includes all food sold
11 through a vending machine, except soft drinks, candy, and food
12 products that are dispensed hot from a vending machine,
13 regardless of the location of the vending machine.

14 Notwithstanding any other provisions of this Act,
15 beginning September 1, 2009, "food for human consumption that
16 is to be consumed off the premises where it is sold" does not
17 include candy. For purposes of this Section, "candy" means a
18 preparation of sugar, honey, or other natural or artificial
19 sweeteners in combination with chocolate, fruits, nuts or
20 other ingredients or flavorings in the form of bars, drops, or
21 pieces. "Candy" does not include any preparation that contains
22 flour or requires refrigeration.

23 Notwithstanding any other provisions of this Act,
24 beginning September 1, 2009, "nonprescription medicines and
25 drugs" does not include grooming and hygiene products. For
26 purposes of this Section, "grooming and hygiene products"

1 includes, but is not limited to, soaps and cleaning solutions,
2 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
3 lotions and screens, unless those products are available by
4 prescription only, regardless of whether the products meet the
5 definition of "over-the-counter-drugs". For the purposes of
6 this paragraph, "over-the-counter-drug" means a drug for human
7 use that contains a label that identifies the product as a drug
8 as required by 21 CFR 201.66. The "over-the-counter-drug"
9 label includes:

10 (A) a "Drug Facts" panel; or

11 (B) a statement of the "active ingredient(s)" with a
12 list of those ingredients contained in the compound,
13 substance or preparation.

14 Beginning on January 1, 2014 (the effective date of Public
15 Act 98-122), "prescription and nonprescription medicines and
16 drugs" includes medical cannabis purchased from a registered
17 dispensing organization under the Compassionate Use of Medical
18 Cannabis Program Act.

19 As used in this Section, "adult use cannabis" means
20 cannabis subject to tax under the Cannabis Cultivation
21 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
22 and does not include cannabis subject to tax under the
23 Compassionate Use of Medical Cannabis Program Act.

24 If the property that is acquired from a serviceman is
25 acquired outside Illinois and used outside Illinois before
26 being brought to Illinois for use here and is taxable under

1 this Act, the "selling price" on which the tax is computed
2 shall be reduced by an amount that represents a reasonable
3 allowance for depreciation for the period of prior
4 out-of-state use.

5 (Source: P.A. 102-4, eff. 4-27-21; 102-16, eff. 6-17-21;
6 102-700, Article 20, Section 20-10, eff. 4-19-22; 102-700,
7 Article 60, Section 60-20, eff. 4-19-22; 103-9, eff. 6-7-23;
8 103-154, eff. 6-30-23.)

9 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

10 Sec. 9. Each serviceman required or authorized to collect
11 the tax herein imposed shall pay to the Department the amount
12 of such tax (except as otherwise provided) at the time when he
13 is required to file his return for the period during which such
14 tax was collected, less a discount of 2.1% prior to January 1,
15 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar
16 year, whichever is greater, which is allowed to reimburse the
17 serviceman for expenses incurred in collecting the tax,
18 keeping records, preparing and filing returns, remitting the
19 tax and supplying data to the Department on request. When
20 determining the discount allowed under this Section,
21 servicemen shall include the amount of tax that would have
22 been due at the 1% rate but for the 0% rate imposed under this
23 amendatory Act of the 102nd General Assembly. The discount
24 under this Section is not allowed for the 1.25% portion of
25 taxes paid on aviation fuel that is subject to the revenue use

1 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133. The
2 discount allowed under this Section is allowed only for
3 returns that are filed in the manner required by this Act. The
4 Department may disallow the discount for servicemen whose
5 certificate of registration is revoked at the time the return
6 is filed, but only if the Department's decision to revoke the
7 certificate of registration has become final. A serviceman
8 need not remit that part of any tax collected by him to the
9 extent that he is required to pay and does pay the tax imposed
10 by the Service Occupation Tax Act with respect to his sale of
11 service involving the incidental transfer by him of the same
12 property.

13 Except as provided hereinafter in this Section, on or
14 before the twentieth day of each calendar month, such
15 serviceman shall file a return for the preceding calendar
16 month in accordance with reasonable Rules and Regulations to
17 be promulgated by the Department. Such return shall be filed
18 on a form prescribed by the Department and shall contain such
19 information as the Department may reasonably require. The
20 return shall include the gross receipts which were received
21 during the preceding calendar month or quarter on the
22 following items upon which tax would have been due but for the
23 0% rate imposed under this amendatory Act of the 102nd General
24 Assembly: (i) food for human consumption that is to be
25 consumed off the premises where it is sold (other than
26 alcoholic beverages, food consisting of or infused with adult

1 use cannabis, soft drinks, and food that has been prepared for
2 immediate consumption); and (ii) food prepared for immediate
3 consumption and transferred incident to a sale of service
4 subject to this Act or the Service Occupation Tax Act by an
5 entity licensed under the Hospital Licensing Act, the Nursing
6 Home Care Act, the Assisted Living and Shared Housing Act, the
7 ID/DD Community Care Act, the MC/DD Act, the Specialized
8 Mental Health Rehabilitation Act of 2013, or the Child Care
9 Act of 1969, or an entity that holds a permit issued pursuant
10 to the Life Care Facilities Act. The return shall also include
11 the amount of tax that would have been due on the items listed
12 in the previous sentence but for the 0% rate imposed under this
13 amendatory Act of the 102nd General Assembly.

14 On and after January 1, 2018, with respect to servicemen
15 whose annual gross receipts average \$20,000 or more, all
16 returns required to be filed pursuant to this Act shall be
17 filed electronically. Servicemen who demonstrate that they do
18 not have access to the Internet or demonstrate hardship in
19 filing electronically may petition the Department to waive the
20 electronic filing requirement.

21 The Department may require returns to be filed on a
22 quarterly basis. If so required, a return for each calendar
23 quarter shall be filed on or before the twentieth day of the
24 calendar month following the end of such calendar quarter. The
25 taxpayer shall also file a return with the Department for each
26 of the first two months of each calendar quarter, on or before

1 the twentieth day of the following calendar month, stating:

2 1. The name of the seller;

3 2. The address of the principal place of business from
4 which he engages in business as a serviceman in this
5 State;

6 3. The total amount of taxable receipts received by
7 him during the preceding calendar month, including
8 receipts from charge and time sales, but less all
9 deductions allowed by law;

10 4. The amount of credit provided in Section 2d of this
11 Act;

12 5. The amount of tax due;

13 5-5. The signature of the taxpayer; and

14 6. Such other reasonable information as the Department
15 may require.

16 Each serviceman required or authorized to collect the tax
17 imposed by this Act on aviation fuel transferred as an
18 incident of a sale of service in this State during the
19 preceding calendar month shall, instead of reporting and
20 paying tax on aviation fuel as otherwise required by this
21 Section, report and pay such tax on a separate aviation fuel
22 tax return. The requirements related to the return shall be as
23 otherwise provided in this Section. Notwithstanding any other
24 provisions of this Act to the contrary, servicemen collecting
25 tax on aviation fuel shall file all aviation fuel tax returns
26 and shall make all aviation fuel tax payments by electronic

1 means in the manner and form required by the Department. For
2 purposes of this Section, "aviation fuel" means jet fuel and
3 aviation gasoline.

4 If a taxpayer fails to sign a return within 30 days after
5 the proper notice and demand for signature by the Department,
6 the return shall be considered valid and any amount shown to be
7 due on the return shall be deemed assessed.

8 Notwithstanding any other provision of this Act to the
9 contrary, servicemen subject to tax on cannabis shall file all
10 cannabis tax returns and shall make all cannabis tax payments
11 by electronic means in the manner and form required by the
12 Department.

13 Beginning October 1, 1993, a taxpayer who has an average
14 monthly tax liability of \$150,000 or more shall make all
15 payments required by rules of the Department by electronic
16 funds transfer. Beginning October 1, 1994, a taxpayer who has
17 an average monthly tax liability of \$100,000 or more shall
18 make all payments required by rules of the Department by
19 electronic funds transfer. Beginning October 1, 1995, a
20 taxpayer who has an average monthly tax liability of \$50,000
21 or more shall make all payments required by rules of the
22 Department by electronic funds transfer. Beginning October 1,
23 2000, a taxpayer who has an annual tax liability of \$200,000 or
24 more shall make all payments required by rules of the
25 Department by electronic funds transfer. The term "annual tax
26 liability" shall be the sum of the taxpayer's liabilities

1 under this Act, and under all other State and local occupation
2 and use tax laws administered by the Department, for the
3 immediately preceding calendar year. The term "average monthly
4 tax liability" means the sum of the taxpayer's liabilities
5 under this Act, and under all other State and local occupation
6 and use tax laws administered by the Department, for the
7 immediately preceding calendar year divided by 12. Beginning
8 on October 1, 2002, a taxpayer who has a tax liability in the
9 amount set forth in subsection (b) of Section 2505-210 of the
10 Department of Revenue Law shall make all payments required by
11 rules of the Department by electronic funds transfer.

12 Before August 1 of each year beginning in 1993, the
13 Department shall notify all taxpayers required to make
14 payments by electronic funds transfer. All taxpayers required
15 to make payments by electronic funds transfer shall make those
16 payments for a minimum of one year beginning on October 1.

17 Any taxpayer not required to make payments by electronic
18 funds transfer may make payments by electronic funds transfer
19 with the permission of the Department.

20 All taxpayers required to make payment by electronic funds
21 transfer and any taxpayers authorized to voluntarily make
22 payments by electronic funds transfer shall make those
23 payments in the manner authorized by the Department.

24 The Department shall adopt such rules as are necessary to
25 effectuate a program of electronic funds transfer and the
26 requirements of this Section.

1 If the serviceman is otherwise required to file a monthly
2 return and if the serviceman's average monthly tax liability
3 to the Department does not exceed \$200, the Department may
4 authorize his returns to be filed on a quarter annual basis,
5 with the return for January, February and March of a given year
6 being due by April 20 of such year; with the return for April,
7 May and June of a given year being due by July 20 of such year;
8 with the return for July, August and September of a given year
9 being due by October 20 of such year, and with the return for
10 October, November and December of a given year being due by
11 January 20 of the following year.

12 If the serviceman is otherwise required to file a monthly
13 or quarterly return and if the serviceman's average monthly
14 tax liability to the Department does not exceed \$50, the
15 Department may authorize his returns to be filed on an annual
16 basis, with the return for a given year being due by January 20
17 of the following year.

18 Such quarter annual and annual returns, as to form and
19 substance, shall be subject to the same requirements as
20 monthly returns.

21 Notwithstanding any other provision in this Act concerning
22 the time within which a serviceman may file his return, in the
23 case of any serviceman who ceases to engage in a kind of
24 business which makes him responsible for filing returns under
25 this Act, such serviceman shall file a final return under this
26 Act with the Department not more than 1 month after

1 discontinuing such business.

2 Where a serviceman collects the tax with respect to the
3 selling price of property which he sells and the purchaser
4 thereafter returns such property and the serviceman refunds
5 the selling price thereof to the purchaser, such serviceman
6 shall also refund, to the purchaser, the tax so collected from
7 the purchaser. When filing his return for the period in which
8 he refunds such tax to the purchaser, the serviceman may
9 deduct the amount of the tax so refunded by him to the
10 purchaser from any other Service Use Tax, Service Occupation
11 Tax, retailers' occupation tax or use tax which such
12 serviceman may be required to pay or remit to the Department,
13 as shown by such return, provided that the amount of the tax to
14 be deducted shall previously have been remitted to the
15 Department by such serviceman. If the serviceman shall not
16 previously have remitted the amount of such tax to the
17 Department, he shall be entitled to no deduction hereunder
18 upon refunding such tax to the purchaser.

19 Any serviceman filing a return hereunder shall also
20 include the total tax upon the selling price of tangible
21 personal property purchased for use by him as an incident to a
22 sale of service, and such serviceman shall remit the amount of
23 such tax to the Department when filing such return.

24 If experience indicates such action to be practicable, the
25 Department may prescribe and furnish a combination or joint
26 return which will enable servicemen, who are required to file

1 returns hereunder and also under the Service Occupation Tax
2 Act, to furnish all the return information required by both
3 Acts on the one form.

4 Where the serviceman has more than one business registered
5 with the Department under separate registration hereunder,
6 such serviceman shall not file each return that is due as a
7 single return covering all such registered businesses, but
8 shall file separate returns for each such registered business.

9 Beginning January 1, 1990 and until August 1, 2024, each
10 month the Department shall pay into the State and Local Tax
11 Reform Fund, a special fund in the State Treasury, the net
12 revenue realized for the preceding month from the 1% tax
13 imposed under this Act.

14 Beginning on August 1, 2024, the State Comptroller shall
15 order transferred and the State Treasurer shall transfer from
16 the General Revenue Fund to the State and Local Sales Tax
17 Reform Fund, the amount deposited into the State and Local
18 Sales Tax Reform Fund for the same month in calendar year 2021
19 from items that were subject to a 1% rate of tax in calendar
20 year 2021. On August 1 of each year thereafter, the amount
21 transferred from the General Revenue Fund to the State and
22 Local Sales Tax Reform Fund under this paragraph shall be
23 increased by the percentage change, if any, in the Consumer
24 Price Index for All Urban Consumers as issued by the United
25 States Department of Labor for the most recent 12-month period
26 for which data is available.

1 Beginning January 1, 1990, each month the Department shall
2 pay into the State and Local Sales Tax Reform Fund 20% of the
3 net revenue realized for the preceding month from the 6.25%
4 general rate on transfers of tangible personal property, other
5 than (i) tangible personal property which is purchased outside
6 Illinois at retail from a retailer and which is titled or
7 registered by an agency of this State's government and (ii)
8 aviation fuel sold on or after December 1, 2019. This
9 exception for aviation fuel only applies for so long as the
10 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
11 47133 are binding on the State.

12 For aviation fuel sold on or after December 1, 2019, each
13 month the Department shall pay into the State Aviation Program
14 Fund 20% of the net revenue realized for the preceding month
15 from the 6.25% general rate on the selling price of aviation
16 fuel, less an amount estimated by the Department to be
17 required for refunds of the 20% portion of the tax on aviation
18 fuel under this Act, which amount shall be deposited into the
19 Aviation Fuel Sales Tax Refund Fund. The Department shall only
20 pay moneys into the State Aviation Program Fund and the
21 Aviation Fuel Sales Tax Refund Fund under this Act for so long
22 as the revenue use requirements of 49 U.S.C. 47107(b) and 49
23 U.S.C. 47133 are binding on the State.

24 Beginning August 1, 2000, each month the Department shall
25 pay into the State and Local Sales Tax Reform Fund 100% of the
26 net revenue realized for the preceding month from the 1.25%

1 rate on the selling price of motor fuel and gasohol.

2 Beginning October 1, 2009, each month the Department shall
3 pay into the Capital Projects Fund an amount that is equal to
4 an amount estimated by the Department to represent 80% of the
5 net revenue realized for the preceding month from the sale of
6 candy, grooming and hygiene products, and soft drinks that had
7 been taxed at a rate of 1% prior to September 1, 2009 but that
8 are now taxed at 6.25%.

9 Beginning July 1, 2013, each month the Department shall
10 pay into the Underground Storage Tank Fund from the proceeds
11 collected under this Act, the Use Tax Act, the Service
12 Occupation Tax Act, and the Retailers' Occupation Tax Act an
13 amount equal to the average monthly deficit in the Underground
14 Storage Tank Fund during the prior year, as certified annually
15 by the Illinois Environmental Protection Agency, but the total
16 payment into the Underground Storage Tank Fund under this Act,
17 the Use Tax Act, the Service Occupation Tax Act, and the
18 Retailers' Occupation Tax Act shall not exceed \$18,000,000 in
19 any State fiscal year. As used in this paragraph, the "average
20 monthly deficit" shall be equal to the difference between the
21 average monthly claims for payment by the fund and the average
22 monthly revenues deposited into the fund, excluding payments
23 made pursuant to this paragraph.

24 Beginning July 1, 2015, of the remainder of the moneys
25 received by the Department under the Use Tax Act, this Act, the
26 Service Occupation Tax Act, and the Retailers' Occupation Tax

1 Act, each month the Department shall deposit \$500,000 into the
2 State Crime Laboratory Fund.

3 Of the remainder of the moneys received by the Department
4 pursuant to this Act, (a) 1.75% thereof shall be paid into the
5 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
6 and after July 1, 1989, 3.8% thereof shall be paid into the
7 Build Illinois Fund; provided, however, that if in any fiscal
8 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
9 may be, of the moneys received by the Department and required
10 to be paid into the Build Illinois Fund pursuant to Section 3
11 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax
12 Act, Section 9 of the Service Use Tax Act, and Section 9 of the
13 Service Occupation Tax Act, such Acts being hereinafter called
14 the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case
15 may be, of moneys being hereinafter called the "Tax Act
16 Amount", and (2) the amount transferred to the Build Illinois
17 Fund from the State and Local Sales Tax Reform Fund shall be
18 less than the Annual Specified Amount (as defined in Section 3
19 of the Retailers' Occupation Tax Act), an amount equal to the
20 difference shall be immediately paid into the Build Illinois
21 Fund from other moneys received by the Department pursuant to
22 the Tax Acts; and further provided, that if on the last
23 business day of any month the sum of (1) the Tax Act Amount
24 required to be deposited into the Build Illinois Bond Account
25 in the Build Illinois Fund during such month and (2) the amount
26 transferred during such month to the Build Illinois Fund from

1 the State and Local Sales Tax Reform Fund shall have been less
2 than 1/12 of the Annual Specified Amount, an amount equal to
3 the difference shall be immediately paid into the Build
4 Illinois Fund from other moneys received by the Department
5 pursuant to the Tax Acts; and, further provided, that in no
6 event shall the payments required under the preceding proviso
7 result in aggregate payments into the Build Illinois Fund
8 pursuant to this clause (b) for any fiscal year in excess of
9 the greater of (i) the Tax Act Amount or (ii) the Annual
10 Specified Amount for such fiscal year; and, further provided,
11 that the amounts payable into the Build Illinois Fund under
12 this clause (b) shall be payable only until such time as the
13 aggregate amount on deposit under each trust indenture
14 securing Bonds issued and outstanding pursuant to the Build
15 Illinois Bond Act is sufficient, taking into account any
16 future investment income, to fully provide, in accordance with
17 such indenture, for the defeasance of or the payment of the
18 principal of, premium, if any, and interest on the Bonds
19 secured by such indenture and on any Bonds expected to be
20 issued thereafter and all fees and costs payable with respect
21 thereto, all as certified by the Director of the Bureau of the
22 Budget (now Governor's Office of Management and Budget). If on
23 the last business day of any month in which Bonds are
24 outstanding pursuant to the Build Illinois Bond Act, the
25 aggregate of the moneys deposited in the Build Illinois Bond
26 Account in the Build Illinois Fund in such month shall be less

1 than the amount required to be transferred in such month from
2 the Build Illinois Bond Account to the Build Illinois Bond
3 Retirement and Interest Fund pursuant to Section 13 of the
4 Build Illinois Bond Act, an amount equal to such deficiency
5 shall be immediately paid from other moneys received by the
6 Department pursuant to the Tax Acts to the Build Illinois
7 Fund; provided, however, that any amounts paid to the Build
8 Illinois Fund in any fiscal year pursuant to this sentence
9 shall be deemed to constitute payments pursuant to clause (b)
10 of the preceding sentence and shall reduce the amount
11 otherwise payable for such fiscal year pursuant to clause (b)
12 of the preceding sentence. The moneys received by the
13 Department pursuant to this Act and required to be deposited
14 into the Build Illinois Fund are subject to the pledge, claim
15 and charge set forth in Section 12 of the Build Illinois Bond
16 Act.

17 Subject to payment of amounts into the Build Illinois Fund
18 as provided in the preceding paragraph or in any amendment
19 thereto hereafter enacted, the following specified monthly
20 installment of the amount requested in the certificate of the
21 Chairman of the Metropolitan Pier and Exposition Authority
22 provided under Section 8.25f of the State Finance Act, but not
23 in excess of the sums designated as "Total Deposit", shall be
24 deposited in the aggregate from collections under Section 9 of
25 the Use Tax Act, Section 9 of the Service Use Tax Act, Section
26 9 of the Service Occupation Tax Act, and Section 3 of the

1 Retailers' Occupation Tax Act into the McCormick Place
2 Expansion Project Fund in the specified fiscal years.

3	Fiscal Year	Total Deposit
4	1993	\$0
5	1994	53,000,000
6	1995	58,000,000
7	1996	61,000,000
8	1997	64,000,000
9	1998	68,000,000
10	1999	71,000,000
11	2000	75,000,000
12	2001	80,000,000
13	2002	93,000,000
14	2003	99,000,000
15	2004	103,000,000
16	2005	108,000,000
17	2006	113,000,000
18	2007	119,000,000
19	2008	126,000,000
20	2009	132,000,000
21	2010	139,000,000
22	2011	146,000,000
23	2012	153,000,000
24	2013	161,000,000
25	2014	170,000,000

1	2015	179,000,000
2	2016	189,000,000
3	2017	199,000,000
4	2018	210,000,000
5	2019	221,000,000
6	2020	233,000,000
7	2021	300,000,000
8	2022	300,000,000
9	2023	300,000,000
10	2024	300,000,000
11	2025	300,000,000
12	2026	300,000,000
13	2027	375,000,000
14	2028	375,000,000
15	2029	375,000,000
16	2030	375,000,000
17	2031	375,000,000
18	2032	375,000,000
19	2033	375,000,000
20	2034	375,000,000
21	2035	375,000,000
22	2036	450,000,000

23 and
24 each fiscal year
25 thereafter that bonds
26 are outstanding under

1 Section 13.2 of the
2 Metropolitan Pier and
3 Exposition Authority Act,
4 but not after fiscal year 2060.

5 Beginning July 20, 1993 and in each month of each fiscal
6 year thereafter, one-eighth of the amount requested in the
7 certificate of the Chairman of the Metropolitan Pier and
8 Exposition Authority for that fiscal year, less the amount
9 deposited into the McCormick Place Expansion Project Fund by
10 the State Treasurer in the respective month under subsection
11 (g) of Section 13 of the Metropolitan Pier and Exposition
12 Authority Act, plus cumulative deficiencies in the deposits
13 required under this Section for previous months and years,
14 shall be deposited into the McCormick Place Expansion Project
15 Fund, until the full amount requested for the fiscal year, but
16 not in excess of the amount specified above as "Total
17 Deposit", has been deposited.

18 Subject to payment of amounts into the Capital Projects
19 Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,
20 and the McCormick Place Expansion Project Fund pursuant to the
21 preceding paragraphs or in any amendments thereto hereafter
22 enacted, for aviation fuel sold on or after December 1, 2019,
23 the Department shall each month deposit into the Aviation Fuel
24 Sales Tax Refund Fund an amount estimated by the Department to
25 be required for refunds of the 80% portion of the tax on
26 aviation fuel under this Act. The Department shall only

1 deposit moneys into the Aviation Fuel Sales Tax Refund Fund
2 under this paragraph for so long as the revenue use
3 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
4 binding on the State.

5 Subject to payment of amounts into the Build Illinois Fund
6 and the McCormick Place Expansion Project Fund pursuant to the
7 preceding paragraphs or in any amendments thereto hereafter
8 enacted, beginning July 1, 1993 and ending on September 30,
9 2013, the Department shall each month pay into the Illinois
10 Tax Increment Fund 0.27% of 80% of the net revenue realized for
11 the preceding month from the 6.25% general rate on the selling
12 price of tangible personal property.

13 Subject to payment of amounts into the Build Illinois
14 Fund, the McCormick Place Expansion Project Fund, the Illinois
15 Tax Increment Fund, pursuant to the preceding paragraphs or in
16 any amendments to this Section hereafter enacted, beginning on
17 the first day of the first calendar month to occur on or after
18 August 26, 2014 (the effective date of Public Act 98-1098),
19 each month, from the collections made under Section 9 of the
20 Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of
21 the Service Occupation Tax Act, and Section 3 of the
22 Retailers' Occupation Tax Act, the Department shall pay into
23 the Tax Compliance and Administration Fund, to be used,
24 subject to appropriation, to fund additional auditors and
25 compliance personnel at the Department of Revenue, an amount
26 equal to 1/12 of 5% of 80% of the cash receipts collected

1 during the preceding fiscal year by the Audit Bureau of the
2 Department under the Use Tax Act, the Service Use Tax Act, the
3 Service Occupation Tax Act, the Retailers' Occupation Tax Act,
4 and associated local occupation and use taxes administered by
5 the Department.

6 Subject to payments of amounts into the Build Illinois
7 Fund, the McCormick Place Expansion Project Fund, the Illinois
8 Tax Increment Fund, and the Tax Compliance and Administration
9 Fund as provided in this Section, beginning on July 1, 2018 the
10 Department shall pay each month into the Downstate Public
11 Transportation Fund the moneys required to be so paid under
12 Section 2-3 of the Downstate Public Transportation Act.

13 Subject to successful execution and delivery of a
14 public-private agreement between the public agency and private
15 entity and completion of the civic build, beginning on July 1,
16 2023, of the remainder of the moneys received by the
17 Department under the Use Tax Act, the Service Use Tax Act, the
18 Service Occupation Tax Act, and this Act, the Department shall
19 deposit the following specified deposits in the aggregate from
20 collections under the Use Tax Act, the Service Use Tax Act, the
21 Service Occupation Tax Act, and the Retailers' Occupation Tax
22 Act, as required under Section 8.25g of the State Finance Act
23 for distribution consistent with the Public-Private
24 Partnership for Civic and Transit Infrastructure Project Act.
25 The moneys received by the Department pursuant to this Act and
26 required to be deposited into the Civic and Transit

1 Infrastructure Fund are subject to the pledge, claim, and
 2 charge set forth in Section 25-55 of the Public-Private
 3 Partnership for Civic and Transit Infrastructure Project Act.
 4 As used in this paragraph, "civic build", "private entity",
 5 "public-private agreement", and "public agency" have the
 6 meanings provided in Section 25-10 of the Public-Private
 7 Partnership for Civic and Transit Infrastructure Project Act.

8	Fiscal Year.....	Total Deposit
9	2024	\$200,000,000
10	2025	\$206,000,000
11	2026	\$212,200,000
12	2027	\$218,500,000
13	2028	\$225,100,000
14	2029	\$288,700,000
15	2030	\$298,900,000
16	2031	\$309,300,000
17	2032	\$320,100,000
18	2033	\$331,200,000
19	2034	\$341,200,000
20	2035	\$351,400,000
21	2036	\$361,900,000
22	2037	\$372,800,000
23	2038	\$384,000,000
24	2039	\$395,500,000
25	2040	\$407,400,000
26	2041	\$419,600,000

1 2042 \$432,200,000

2 2043 \$445,100,000

3 Beginning July 1, 2021 and until July 1, 2022, subject to
4 the payment of amounts into the State and Local Sales Tax
5 Reform Fund, the Build Illinois Fund, the McCormick Place
6 Expansion Project Fund, the Energy Infrastructure Fund, and
7 the Tax Compliance and Administration Fund as provided in this
8 Section, the Department shall pay each month into the Road
9 Fund the amount estimated to represent 16% of the net revenue
10 realized from the taxes imposed on motor fuel and gasohol.

11 Beginning July 1, 2022 and until July 1, 2023, subject to the
12 payment of amounts into the State and Local Sales Tax Reform
13 Fund, the Build Illinois Fund, the McCormick Place Expansion
14 Project Fund, the Illinois Tax Increment Fund, and the Tax
15 Compliance and Administration Fund as provided in this
16 Section, the Department shall pay each month into the Road
17 Fund the amount estimated to represent 32% of the net revenue
18 realized from the taxes imposed on motor fuel and gasohol.

19 Beginning July 1, 2023 and until July 1, 2024, subject to the
20 payment of amounts into the State and Local Sales Tax Reform
21 Fund, the Build Illinois Fund, the McCormick Place Expansion
22 Project Fund, the Illinois Tax Increment Fund, and the Tax
23 Compliance and Administration Fund as provided in this
24 Section, the Department shall pay each month into the Road
25 Fund the amount estimated to represent 48% of the net revenue
26 realized from the taxes imposed on motor fuel and gasohol.

1 Beginning July 1, 2024 and until July 1, 2025, subject to the
2 payment of amounts into the State and Local Sales Tax Reform
3 Fund, the Build Illinois Fund, the McCormick Place Expansion
4 Project Fund, the Illinois Tax Increment Fund, and the Tax
5 Compliance and Administration Fund as provided in this
6 Section, the Department shall pay each month into the Road
7 Fund the amount estimated to represent 64% of the net revenue
8 realized from the taxes imposed on motor fuel and gasohol.
9 Beginning on July 1, 2025, subject to the payment of amounts
10 into the State and Local Sales Tax Reform Fund, the Build
11 Illinois Fund, the McCormick Place Expansion Project Fund, the
12 Illinois Tax Increment Fund, and the Tax Compliance and
13 Administration Fund as provided in this Section, the
14 Department shall pay each month into the Road Fund the amount
15 estimated to represent 80% of the net revenue realized from
16 the taxes imposed on motor fuel and gasohol. As used in this
17 paragraph "motor fuel" has the meaning given to that term in
18 Section 1.1 of the Motor Fuel Tax Law, and "gasohol" has the
19 meaning given to that term in Section 3-40 of the Use Tax Act.

20 Of the remainder of the moneys received by the Department
21 pursuant to this Act, 75% thereof shall be paid into the
22 General Revenue Fund of the State Treasury and 25% shall be
23 reserved in a special account and used only for the transfer to
24 the Common School Fund as part of the monthly transfer from the
25 General Revenue Fund in accordance with Section 8a of the
26 State Finance Act.

1 As soon as possible after the first day of each month, upon
2 certification of the Department of Revenue, the Comptroller
3 shall order transferred and the Treasurer shall transfer from
4 the General Revenue Fund to the Motor Fuel Tax Fund an amount
5 equal to 1.7% of 80% of the net revenue realized under this Act
6 for the second preceding month. Beginning April 1, 2000, this
7 transfer is no longer required and shall not be made.

8 Net revenue realized for a month shall be the revenue
9 collected by the State pursuant to this Act, less the amount
10 paid out during that month as refunds to taxpayers for
11 overpayment of liability.

12 (Source: P.A. 102-700, eff. 4-19-22; 103-363, eff. 7-28-23.)

13 Section 15. The Service Occupation Tax Act is amended by
14 changing Sections 3-5, 3-10, and 9 as follows:

15 (35 ILCS 115/3-5)

16 Sec. 3-5. Exemptions. The following tangible personal
17 property is exempt from the tax imposed by this Act:

18 (1) Personal property sold by a corporation, society,
19 association, foundation, institution, or organization, other
20 than a limited liability company, that is organized and
21 operated as a not-for-profit service enterprise for the
22 benefit of persons 65 years of age or older if the personal
23 property was not purchased by the enterprise for the purpose
24 of resale by the enterprise.

1 (2) Personal property purchased by a not-for-profit
2 Illinois county fair association for use in conducting,
3 operating, or promoting the county fair.

4 (3) Personal property purchased by any not-for-profit arts
5 or cultural organization that establishes, by proof required
6 by the Department by rule, that it has received an exemption
7 under Section 501(c)(3) of the Internal Revenue Code and that
8 is organized and operated primarily for the presentation or
9 support of arts or cultural programming, activities, or
10 services. These organizations include, but are not limited to,
11 music and dramatic arts organizations such as symphony
12 orchestras and theatrical groups, arts and cultural service
13 organizations, local arts councils, visual arts organizations,
14 and media arts organizations. On and after July 1, 2001 (the
15 effective date of Public Act 92-35), however, an entity
16 otherwise eligible for this exemption shall not make tax-free
17 purchases unless it has an active identification number issued
18 by the Department.

19 (4) Legal tender, currency, medallions, or gold or silver
20 coinage issued by the State of Illinois, the government of the
21 United States of America, or the government of any foreign
22 country, and bullion.

23 (5) Until July 1, 2003 and beginning again on September 1,
24 2004 through August 30, 2014, graphic arts machinery and
25 equipment, including repair and replacement parts, both new
26 and used, and including that manufactured on special order or

1 purchased for lease, certified by the purchaser to be used
2 primarily for graphic arts production. Equipment includes
3 chemicals or chemicals acting as catalysts but only if the
4 chemicals or chemicals acting as catalysts effect a direct and
5 immediate change upon a graphic arts product. Beginning on
6 July 1, 2017, graphic arts machinery and equipment is included
7 in the manufacturing and assembling machinery and equipment
8 exemption under Section 2 of this Act.

9 (6) Personal property sold by a teacher-sponsored student
10 organization affiliated with an elementary or secondary school
11 located in Illinois.

12 (7) Farm machinery and equipment, both new and used,
13 including that manufactured on special order, certified by the
14 purchaser to be used primarily for production agriculture or
15 State or federal agricultural programs, including individual
16 replacement parts for the machinery and equipment, including
17 machinery and equipment purchased for lease, and including
18 implements of husbandry defined in Section 1-130 of the
19 Illinois Vehicle Code, farm machinery and agricultural
20 chemical and fertilizer spreaders, and nurse wagons required
21 to be registered under Section 3-809 of the Illinois Vehicle
22 Code, but excluding other motor vehicles required to be
23 registered under the Illinois Vehicle Code. Horticultural
24 polyhouses or hoop houses used for propagating, growing, or
25 overwintering plants shall be considered farm machinery and
26 equipment under this item (7). Agricultural chemical tender

1 tanks and dry boxes shall include units sold separately from a
2 motor vehicle required to be licensed and units sold mounted
3 on a motor vehicle required to be licensed if the selling price
4 of the tender is separately stated.

5 Farm machinery and equipment shall include precision
6 farming equipment that is installed or purchased to be
7 installed on farm machinery and equipment, including, but not
8 limited to, tractors, harvesters, sprayers, planters, seeders,
9 or spreaders. Precision farming equipment includes, but is not
10 limited to, soil testing sensors, computers, monitors,
11 software, global positioning and mapping systems, and other
12 such equipment.

13 Farm machinery and equipment also includes computers,
14 sensors, software, and related equipment used primarily in the
15 computer-assisted operation of production agriculture
16 facilities, equipment, and activities such as, but not limited
17 to, the collection, monitoring, and correlation of animal and
18 crop data for the purpose of formulating animal diets and
19 agricultural chemicals.

20 Beginning on January 1, 2024, farm machinery and equipment
21 also includes electrical power generation equipment used
22 primarily for production agriculture.

23 This item (7) is exempt from the provisions of Section
24 3-55.

25 (8) Until June 30, 2013, fuel and petroleum products sold
26 to or used by an air common carrier, certified by the carrier

1 to be used for consumption, shipment, or storage in the
2 conduct of its business as an air common carrier, for a flight
3 destined for or returning from a location or locations outside
4 the United States without regard to previous or subsequent
5 domestic stopovers.

6 Beginning July 1, 2013, fuel and petroleum products sold
7 to or used by an air carrier, certified by the carrier to be
8 used for consumption, shipment, or storage in the conduct of
9 its business as an air common carrier, for a flight that (i) is
10 engaged in foreign trade or is engaged in trade between the
11 United States and any of its possessions and (ii) transports
12 at least one individual or package for hire from the city of
13 origination to the city of final destination on the same
14 aircraft, without regard to a change in the flight number of
15 that aircraft.

16 (9) Proceeds of mandatory service charges separately
17 stated on customers' bills for the purchase and consumption of
18 food and beverages, to the extent that the proceeds of the
19 service charge are in fact turned over as tips or as a
20 substitute for tips to the employees who participate directly
21 in preparing, serving, hosting or cleaning up the food or
22 beverage function with respect to which the service charge is
23 imposed.

24 (10) Until July 1, 2003, oil field exploration, drilling,
25 and production equipment, including (i) rigs and parts of
26 rigs, rotary rigs, cable tool rigs, and workover rigs, (ii)

1 pipe and tubular goods, including casing and drill strings,
2 (iii) pumps and pump-jack units, (iv) storage tanks and flow
3 lines, (v) any individual replacement part for oil field
4 exploration, drilling, and production equipment, and (vi)
5 machinery and equipment purchased for lease; but excluding
6 motor vehicles required to be registered under the Illinois
7 Vehicle Code.

8 (11) Photoprocessing machinery and equipment, including
9 repair and replacement parts, both new and used, including
10 that manufactured on special order, certified by the purchaser
11 to be used primarily for photoprocessing, and including
12 photoprocessing machinery and equipment purchased for lease.

13 (12) Until July 1, 2028, coal and aggregate exploration,
14 mining, off-highway hauling, processing, maintenance, and
15 reclamation equipment, including replacement parts and
16 equipment, and including equipment purchased for lease, but
17 excluding motor vehicles required to be registered under the
18 Illinois Vehicle Code. The changes made to this Section by
19 Public Act 97-767 apply on and after July 1, 2003, but no claim
20 for credit or refund is allowed on or after August 16, 2013
21 (the effective date of Public Act 98-456) for such taxes paid
22 during the period beginning July 1, 2003 and ending on August
23 16, 2013 (the effective date of Public Act 98-456).

24 (13) Beginning January 1, 1992 and through June 30, 2016,
25 food for human consumption that is to be consumed off the
26 premises where it is sold (other than alcoholic beverages,

1 soft drinks and food that has been prepared for immediate
2 consumption) and prescription and non-prescription medicines,
3 drugs, medical appliances, and insulin, urine testing
4 materials, syringes, and needles used by diabetics, for human
5 use, when purchased for use by a person receiving medical
6 assistance under Article V of the Illinois Public Aid Code who
7 resides in a licensed long-term care facility, as defined in
8 the Nursing Home Care Act, or in a licensed facility as defined
9 in the ID/DD Community Care Act, the MC/DD Act, or the
10 Specialized Mental Health Rehabilitation Act of 2013.

11 (14) Semen used for artificial insemination of livestock
12 for direct agricultural production.

13 (15) Horses, or interests in horses, registered with and
14 meeting the requirements of any of the Arabian Horse Club
15 Registry of America, Appaloosa Horse Club, American Quarter
16 Horse Association, United States Trotting Association, or
17 Jockey Club, as appropriate, used for purposes of breeding or
18 racing for prizes. This item (15) is exempt from the
19 provisions of Section 3-55, and the exemption provided for
20 under this item (15) applies for all periods beginning May 30,
21 1995, but no claim for credit or refund is allowed on or after
22 January 1, 2008 (the effective date of Public Act 95-88) for
23 such taxes paid during the period beginning May 30, 2000 and
24 ending on January 1, 2008 (the effective date of Public Act
25 95-88).

26 (16) Computers and communications equipment utilized for

1 any hospital purpose and equipment used in the diagnosis,
2 analysis, or treatment of hospital patients sold to a lessor
3 who leases the equipment, under a lease of one year or longer
4 executed or in effect at the time of the purchase, to a
5 hospital that has been issued an active tax exemption
6 identification number by the Department under Section 1g of
7 the Retailers' Occupation Tax Act.

8 (17) Personal property sold to a lessor who leases the
9 property, under a lease of one year or longer executed or in
10 effect at the time of the purchase, to a governmental body that
11 has been issued an active tax exemption identification number
12 by the Department under Section 1g of the Retailers'
13 Occupation Tax Act.

14 (18) Beginning with taxable years ending on or after
15 December 31, 1995 and ending with taxable years ending on or
16 before December 31, 2004, personal property that is donated
17 for disaster relief to be used in a State or federally declared
18 disaster area in Illinois or bordering Illinois by a
19 manufacturer or retailer that is registered in this State to a
20 corporation, society, association, foundation, or institution
21 that has been issued a sales tax exemption identification
22 number by the Department that assists victims of the disaster
23 who reside within the declared disaster area.

24 (19) Beginning with taxable years ending on or after
25 December 31, 1995 and ending with taxable years ending on or
26 before December 31, 2004, personal property that is used in

1 the performance of infrastructure repairs in this State,
2 including, but not limited to, municipal roads and streets,
3 access roads, bridges, sidewalks, waste disposal systems,
4 water and sewer line extensions, water distribution and
5 purification facilities, storm water drainage and retention
6 facilities, and sewage treatment facilities, resulting from a
7 State or federally declared disaster in Illinois or bordering
8 Illinois when such repairs are initiated on facilities located
9 in the declared disaster area within 6 months after the
10 disaster.

11 (20) Beginning July 1, 1999, game or game birds sold at a
12 "game breeding and hunting preserve area" as that term is used
13 in the Wildlife Code. This paragraph is exempt from the
14 provisions of Section 3-55.

15 (21) A motor vehicle, as that term is defined in Section
16 1-146 of the Illinois Vehicle Code, that is donated to a
17 corporation, limited liability company, society, association,
18 foundation, or institution that is determined by the
19 Department to be organized and operated exclusively for
20 educational purposes. For purposes of this exemption, "a
21 corporation, limited liability company, society, association,
22 foundation, or institution organized and operated exclusively
23 for educational purposes" means all tax-supported public
24 schools, private schools that offer systematic instruction in
25 useful branches of learning by methods common to public
26 schools and that compare favorably in their scope and

1 intensity with the course of study presented in tax-supported
2 schools, and vocational or technical schools or institutes
3 organized and operated exclusively to provide a course of
4 study of not less than 6 weeks duration and designed to prepare
5 individuals to follow a trade or to pursue a manual,
6 technical, mechanical, industrial, business, or commercial
7 occupation.

8 (22) Beginning January 1, 2000, personal property,
9 including food, purchased through fundraising events for the
10 benefit of a public or private elementary or secondary school,
11 a group of those schools, or one or more school districts if
12 the events are sponsored by an entity recognized by the school
13 district that consists primarily of volunteers and includes
14 parents and teachers of the school children. This paragraph
15 does not apply to fundraising events (i) for the benefit of
16 private home instruction or (ii) for which the fundraising
17 entity purchases the personal property sold at the events from
18 another individual or entity that sold the property for the
19 purpose of resale by the fundraising entity and that profits
20 from the sale to the fundraising entity. This paragraph is
21 exempt from the provisions of Section 3-55.

22 (23) Beginning January 1, 2000 and through December 31,
23 2001, new or used automatic vending machines that prepare and
24 serve hot food and beverages, including coffee, soup, and
25 other items, and replacement parts for these machines.
26 Beginning January 1, 2002 and through June 30, 2003, machines

1 and parts for machines used in commercial, coin-operated
2 amusement and vending business if a use or occupation tax is
3 paid on the gross receipts derived from the use of the
4 commercial, coin-operated amusement and vending machines. This
5 paragraph is exempt from the provisions of Section 3-55.

6 (24) Beginning on August 2, 2001 (the effective date of
7 Public Act 92-227), computers and communications equipment
8 utilized for any hospital purpose and equipment used in the
9 diagnosis, analysis, or treatment of hospital patients sold to
10 a lessor who leases the equipment, under a lease of one year or
11 longer executed or in effect at the time of the purchase, to a
12 hospital that has been issued an active tax exemption
13 identification number by the Department under Section 1g of
14 the Retailers' Occupation Tax Act. This paragraph is exempt
15 from the provisions of Section 3-55.

16 (25) Beginning on August 2, 2001 (the effective date of
17 Public Act 92-227), personal property sold to a lessor who
18 leases the property, under a lease of one year or longer
19 executed or in effect at the time of the purchase, to a
20 governmental body that has been issued an active tax exemption
21 identification number by the Department under Section 1g of
22 the Retailers' Occupation Tax Act. This paragraph is exempt
23 from the provisions of Section 3-55.

24 (26) Beginning on January 1, 2002 and through June 30,
25 2016, tangible personal property purchased from an Illinois
26 retailer by a taxpayer engaged in centralized purchasing

1 activities in Illinois who will, upon receipt of the property
2 in Illinois, temporarily store the property in Illinois (i)
3 for the purpose of subsequently transporting it outside this
4 State for use or consumption thereafter solely outside this
5 State or (ii) for the purpose of being processed, fabricated,
6 or manufactured into, attached to, or incorporated into other
7 tangible personal property to be transported outside this
8 State and thereafter used or consumed solely outside this
9 State. The Director of Revenue shall, pursuant to rules
10 adopted in accordance with the Illinois Administrative
11 Procedure Act, issue a permit to any taxpayer in good standing
12 with the Department who is eligible for the exemption under
13 this paragraph (26). The permit issued under this paragraph
14 (26) shall authorize the holder, to the extent and in the
15 manner specified in the rules adopted under this Act, to
16 purchase tangible personal property from a retailer exempt
17 from the taxes imposed by this Act. Taxpayers shall maintain
18 all necessary books and records to substantiate the use and
19 consumption of all such tangible personal property outside of
20 the State of Illinois.

21 (27) Beginning January 1, 2008, tangible personal property
22 used in the construction or maintenance of a community water
23 supply, as defined under Section 3.145 of the Environmental
24 Protection Act, that is operated by a not-for-profit
25 corporation that holds a valid water supply permit issued
26 under Title IV of the Environmental Protection Act. This

1 paragraph is exempt from the provisions of Section 3-55.

2 (28) Tangible personal property sold to a
3 public-facilities corporation, as described in Section
4 11-65-10 of the Illinois Municipal Code, for purposes of
5 constructing or furnishing a municipal convention hall, but
6 only if the legal title to the municipal convention hall is
7 transferred to the municipality without any further
8 consideration by or on behalf of the municipality at the time
9 of the completion of the municipal convention hall or upon the
10 retirement or redemption of any bonds or other debt
11 instruments issued by the public-facilities corporation in
12 connection with the development of the municipal convention
13 hall. This exemption includes existing public-facilities
14 corporations as provided in Section 11-65-25 of the Illinois
15 Municipal Code. This paragraph is exempt from the provisions
16 of Section 3-55.

17 (29) Beginning January 1, 2010 and continuing through
18 December 31, 2029, materials, parts, equipment, components,
19 and furnishings incorporated into or upon an aircraft as part
20 of the modification, refurbishment, completion, replacement,
21 repair, or maintenance of the aircraft. This exemption
22 includes consumable supplies used in the modification,
23 refurbishment, completion, replacement, repair, and
24 maintenance of aircraft. However, until January 1, 2024, this
25 exemption excludes any materials, parts, equipment,
26 components, and consumable supplies used in the modification,

1 replacement, repair, and maintenance of aircraft engines or
2 power plants, whether such engines or power plants are
3 installed or uninstalled upon any such aircraft. "Consumable
4 supplies" include, but are not limited to, adhesive, tape,
5 sandpaper, general purpose lubricants, cleaning solution,
6 latex gloves, and protective films.

7 Beginning January 1, 2010 and continuing through December
8 31, 2023, this exemption applies only to the transfer of
9 qualifying tangible personal property incident to the
10 modification, refurbishment, completion, replacement, repair,
11 or maintenance of an aircraft by persons who (i) hold an Air
12 Agency Certificate and are empowered to operate an approved
13 repair station by the Federal Aviation Administration, (ii)
14 have a Class IV Rating, and (iii) conduct operations in
15 accordance with Part 145 of the Federal Aviation Regulations.
16 The exemption does not include aircraft operated by a
17 commercial air carrier providing scheduled passenger air
18 service pursuant to authority issued under Part 121 or Part
19 129 of the Federal Aviation Regulations. From January 1, 2024
20 through December 31, 2029, this exemption applies only to the
21 use of qualifying tangible personal property by: (A) persons
22 who modify, refurbish, complete, repair, replace, or maintain
23 aircraft and who (i) hold an Air Agency Certificate and are
24 empowered to operate an approved repair station by the Federal
25 Aviation Administration, (ii) have a Class IV Rating, and
26 (iii) conduct operations in accordance with Part 145 of the

1 Federal Aviation Regulations; and (B) persons who engage in
2 the modification, replacement, repair, and maintenance of
3 aircraft engines or power plants without regard to whether or
4 not those persons meet the qualifications of item (A).

5 The changes made to this paragraph (29) by Public Act
6 98-534 are declarative of existing law. It is the intent of the
7 General Assembly that the exemption under this paragraph (29)
8 applies continuously from January 1, 2010 through December 31,
9 2024; however, no claim for credit or refund is allowed for
10 taxes paid as a result of the disallowance of this exemption on
11 or after January 1, 2015 and prior to February 5, 2020 (the
12 effective date of Public Act 101-629).

13 (30) Beginning January 1, 2017 and through December 31,
14 2026, menstrual pads, tampons, and menstrual cups.

15 (31) Tangible personal property transferred to a purchaser
16 who is exempt from tax by operation of federal law. This
17 paragraph is exempt from the provisions of Section 3-55.

18 (32) Qualified tangible personal property used in the
19 construction or operation of a data center that has been
20 granted a certificate of exemption by the Department of
21 Commerce and Economic Opportunity, whether that tangible
22 personal property is purchased by the owner, operator, or
23 tenant of the data center or by a contractor or subcontractor
24 of the owner, operator, or tenant. Data centers that would
25 have qualified for a certificate of exemption prior to January
26 1, 2020 had Public Act 101-31 been in effect, may apply for and

1 obtain an exemption for subsequent purchases of computer
2 equipment or enabling software purchased or leased to upgrade,
3 supplement, or replace computer equipment or enabling software
4 purchased or leased in the original investment that would have
5 qualified.

6 The Department of Commerce and Economic Opportunity shall
7 grant a certificate of exemption under this item (32) to
8 qualified data centers as defined by Section 605-1025 of the
9 Department of Commerce and Economic Opportunity Law of the
10 Civil Administrative Code of Illinois.

11 For the purposes of this item (32):

12 "Data center" means a building or a series of
13 buildings rehabilitated or constructed to house working
14 servers in one physical location or multiple sites within
15 the State of Illinois.

16 "Qualified tangible personal property" means:
17 electrical systems and equipment; climate control and
18 chilling equipment and systems; mechanical systems and
19 equipment; monitoring and secure systems; emergency
20 generators; hardware; computers; servers; data storage
21 devices; network connectivity equipment; racks; cabinets;
22 telecommunications cabling infrastructure; raised floor
23 systems; peripheral components or systems; software;
24 mechanical, electrical, or plumbing systems; battery
25 systems; cooling systems and towers; temperature control
26 systems; other cabling; and other data center

1 infrastructure equipment and systems necessary to operate
2 qualified tangible personal property, including fixtures;
3 and component parts of any of the foregoing, including
4 installation, maintenance, repair, refurbishment, and
5 replacement of qualified tangible personal property to
6 generate, transform, transmit, distribute, or manage
7 electricity necessary to operate qualified tangible
8 personal property; and all other tangible personal
9 property that is essential to the operations of a computer
10 data center. The term "qualified tangible personal
11 property" also includes building materials physically
12 incorporated into ~~in to~~ the qualifying data center. To
13 document the exemption allowed under this Section, the
14 retailer must obtain from the purchaser a copy of the
15 certificate of eligibility issued by the Department of
16 Commerce and Economic Opportunity.

17 This item (32) is exempt from the provisions of Section
18 3-55.

19 (33) Beginning July 1, 2022, breast pumps, breast pump
20 collection and storage supplies, and breast pump kits. This
21 item (33) is exempt from the provisions of Section 3-55. As
22 used in this item (33):

23 "Breast pump" means an electrically controlled or
24 manually controlled pump device designed or marketed to be
25 used to express milk from a human breast during lactation,
26 including the pump device and any battery, AC adapter, or

1 other power supply unit that is used to power the pump
2 device and is packaged and sold with the pump device at the
3 time of sale.

4 "Breast pump collection and storage supplies" means
5 items of tangible personal property designed or marketed
6 to be used in conjunction with a breast pump to collect
7 milk expressed from a human breast and to store collected
8 milk until it is ready for consumption.

9 "Breast pump collection and storage supplies"
10 includes, but is not limited to: breast shields and breast
11 shield connectors; breast pump tubes and tubing adapters;
12 breast pump valves and membranes; backflow protectors and
13 backflow protector adaptors; bottles and bottle caps
14 specific to the operation of the breast pump; and breast
15 milk storage bags.

16 "Breast pump collection and storage supplies" does not
17 include: (1) bottles and bottle caps not specific to the
18 operation of the breast pump; (2) breast pump travel bags
19 and other similar carrying accessories, including ice
20 packs, labels, and other similar products; (3) breast pump
21 cleaning supplies; (4) nursing bras, bra pads, breast
22 shells, and other similar products; and (5) creams,
23 ointments, and other similar products that relieve
24 breastfeeding-related symptoms or conditions of the
25 breasts or nipples, unless sold as part of a breast pump
26 kit that is pre-packaged by the breast pump manufacturer

1 or distributor.

2 "Breast pump kit" means a kit that: (1) contains no
3 more than a breast pump, breast pump collection and
4 storage supplies, a rechargeable battery for operating the
5 breast pump, a breastmilk cooler, bottle stands, ice
6 packs, and a breast pump carrying case; and (2) is
7 pre-packaged as a breast pump kit by the breast pump
8 manufacturer or distributor.

9 (34) Tangible personal property sold by or on behalf of
10 the State Treasurer pursuant to the Revised Uniform Unclaimed
11 Property Act. This item (34) is exempt from the provisions of
12 Section 3-55.

13 (35) Beginning on January 1, 2024, tangible personal
14 property purchased by an active duty member of the armed
15 forces of the United States who presents valid military
16 identification and purchases the property using a form of
17 payment where the federal government is the payor. The member
18 of the armed forces must complete, at the point of sale, a form
19 prescribed by the Department of Revenue documenting that the
20 transaction is eligible for the exemption under this
21 paragraph. Retailers must keep the form as documentation of
22 the exemption in their records for a period of not less than 6
23 years. "Armed forces of the United States" means the United
24 States Army, Navy, Air Force, Marine Corps, or Coast Guard.
25 This paragraph is exempt from the provisions of Section 3-55.

26 (36) Beginning on July 1, 2024, as defined in Section

1 3-10, food prepared for immediate consumption and transferred
2 incident to a sale of service subject to this Act or the
3 Service Occupation Tax Act by an entity licensed under the
4 Hospital Licensing Act, the Nursing Home Care Act, the
5 Assisted Living and Shared Housing Act, the ID/DD Community
6 Care Act, the MC/DD Act, the Specialized Mental Health
7 Rehabilitation Act of 2013, or the Child Care Act of 1969, or
8 an entity that holds a permit issued pursuant to the Life Care
9 Facilities Act. This item (36) is exempt from the provisions
10 of Section 3-55.

11 (37) Beginning on July 1, 2024, as defined in Section
12 3-10, food for human consumption that is to be consumed off the
13 premises where it is sold (other than alcoholic beverages,
14 food consisting of or infused with adult use cannabis, soft
15 drinks, and food that has been prepared for immediate
16 consumption). This item (37) is exempt from the provisions of
17 Section 3-55.

18 (38) Beginning on July 1, 2024, the following items, as
19 defined in Section 3-10:

20 (A) prescription and nonprescription medicines, drugs,
21 and medical appliances;

22 (B) products classified as Class III medical devices
23 by the United States Food and Drug Administration that are
24 used for cancer treatment pursuant to a prescription, as
25 well as any accessories and components related to those
26 devices;

1 (C) modifications to a motor vehicle for the purpose
2 of rendering it usable by a person with a disability; and

3 (D) insulin, blood sugar testing materials, syringes,
4 and needles used by human diabetics.

5 This item (38) is exempt from the provisions of Section
6 3-55.

7 (Source: P.A. 102-16, eff. 6-17-21; 102-700, Article 70,
8 Section 70-15, eff. 4-19-22; 102-700, Article 75, Section
9 75-15, eff. 4-19-22; 102-1026, eff. 5-27-22; 103-9, Article 5,
10 Section 5-15, eff. 6-7-23; 103-9, Article 15, Section 15-15,
11 eff. 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24;
12 revised 12-12-23.)

13 (35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

14 Sec. 3-10. Rate of tax. Unless otherwise provided in this
15 Section, the tax imposed by this Act is at the rate of 6.25% of
16 the "selling price", as defined in Section 2 of the Service Use
17 Tax Act, of the tangible personal property. For the purpose of
18 computing this tax, in no event shall the "selling price" be
19 less than the cost price to the serviceman of the tangible
20 personal property transferred. The selling price of each item
21 of tangible personal property transferred as an incident of a
22 sale of service may be shown as a distinct and separate item on
23 the serviceman's billing to the service customer. If the
24 selling price is not so shown, the selling price of the
25 tangible personal property is deemed to be 50% of the

1 serviceman's entire billing to the service customer. When,
2 however, a serviceman contracts to design, develop, and
3 produce special order machinery or equipment, the tax imposed
4 by this Act shall be based on the serviceman's cost price of
5 the tangible personal property transferred incident to the
6 completion of the contract.

7 Beginning on July 1, 2000 and through December 31, 2000,
8 with respect to motor fuel, as defined in Section 1.1 of the
9 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of
10 the Use Tax Act, the tax is imposed at the rate of 1.25%.

11 With respect to gasohol, as defined in the Use Tax Act, the
12 tax imposed by this Act shall apply to (i) 70% of the cost
13 price of property transferred as an incident to the sale of
14 service on or after January 1, 1990, and before July 1, 2003,
15 (ii) 80% of the selling price of property transferred as an
16 incident to the sale of service on or after July 1, 2003 and on
17 or before July 1, 2017, (iii) 100% of the selling price of
18 property transferred as an incident to the sale of service
19 after July 1, 2017 and prior to January 1, 2024, (iv) 90% of
20 the selling price of property transferred as an incident to
21 the sale of service on or after January 1, 2024 and on or
22 before December 31, 2028, and (v) 100% of the selling price of
23 property transferred as an incident to the sale of service
24 after December 31, 2028. If, at any time, however, the tax
25 under this Act on sales of gasohol, as defined in the Use Tax
26 Act, is imposed at the rate of 1.25%, then the tax imposed by

1 this Act applies to 100% of the proceeds of sales of gasohol
2 made during that time.

3 With respect to mid-range ethanol blends, as defined in
4 Section 3-44.3 of the Use Tax Act, the tax imposed by this Act
5 applies to (i) 80% of the selling price of property
6 transferred as an incident to the sale of service on or after
7 January 1, 2024 and on or before December 31, 2028 and (ii)
8 100% of the selling price of property transferred as an
9 incident to the sale of service after December 31, 2028. If, at
10 any time, however, the tax under this Act on sales of mid-range
11 ethanol blends is imposed at the rate of 1.25%, then the tax
12 imposed by this Act applies to 100% of the selling price of
13 mid-range ethanol blends transferred as an incident to the
14 sale of service during that time.

15 With respect to majority blended ethanol fuel, as defined
16 in the Use Tax Act, the tax imposed by this Act does not apply
17 to the selling price of property transferred as an incident to
18 the sale of service on or after July 1, 2003 and on or before
19 December 31, 2028 but applies to 100% of the selling price
20 thereafter.

21 With respect to biodiesel blends, as defined in the Use
22 Tax Act, with no less than 1% and no more than 10% biodiesel,
23 the tax imposed by this Act applies to (i) 80% of the selling
24 price of property transferred as an incident to the sale of
25 service on or after July 1, 2003 and on or before December 31,
26 2018 and (ii) 100% of the proceeds of the selling price after

1 December 31, 2018 and before January 1, 2024. On and after
2 January 1, 2024 and on or before December 31, 2030, the
3 taxation of biodiesel, renewable diesel, and biodiesel blends
4 shall be as provided in Section 3-5.1 of the Use Tax Act. If,
5 at any time, however, the tax under this Act on sales of
6 biodiesel blends, as defined in the Use Tax Act, with no less
7 than 1% and no more than 10% biodiesel is imposed at the rate
8 of 1.25%, then the tax imposed by this Act applies to 100% of
9 the proceeds of sales of biodiesel blends with no less than 1%
10 and no more than 10% biodiesel made during that time.

11 With respect to biodiesel, as defined in the Use Tax Act,
12 and biodiesel blends, as defined in the Use Tax Act, with more
13 than 10% but no more than 99% biodiesel material, the tax
14 imposed by this Act does not apply to the proceeds of the
15 selling price of property transferred as an incident to the
16 sale of service on or after July 1, 2003 and on or before
17 December 31, 2023. On and after January 1, 2024 and on or
18 before December 31, 2030, the taxation of biodiesel, renewable
19 diesel, and biodiesel blends shall be as provided in Section
20 3-5.1 of the Use Tax Act.

21 At the election of any registered serviceman made for each
22 fiscal year, sales of service in which the aggregate annual
23 cost price of tangible personal property transferred as an
24 incident to the sales of service is less than 35%, or 75% in
25 the case of servicemen transferring prescription drugs or
26 servicemen engaged in graphic arts production, of the

1 aggregate annual total gross receipts from all sales of
2 service, the tax imposed by this Act shall be based on the
3 serviceman's cost price of the tangible personal property
4 transferred incident to the sale of those services.

5 Until July 1, 2022 and from beginning again on July 1, 2023
6 through June 30, 2024, the tax shall be imposed at the rate of
7 1% on food prepared for immediate consumption and transferred
8 incident to a sale of service subject to this Act or the
9 Service Use Tax Act by an entity licensed under the Hospital
10 Licensing Act, the Nursing Home Care Act, the Assisted Living
11 and Shared Housing Act, the ID/DD Community Care Act, the
12 MC/DD Act, the Specialized Mental Health Rehabilitation Act of
13 2013, or the Child Care Act of 1969, or an entity that holds a
14 permit issued pursuant to the Life Care Facilities Act. Until
15 July 1, 2022 and from beginning again on July 1, 2023 through
16 June 30, 2024, the tax shall also be imposed at the rate of 1%
17 on food for human consumption that is to be consumed off the
18 premises where it is sold (other than alcoholic beverages,
19 food consisting of or infused with adult use cannabis, soft
20 drinks, and food that has been prepared for immediate
21 consumption and is not otherwise included in this paragraph).

22 Beginning on July 1, 2022 and until July 1, 2023, the tax
23 shall be imposed at the rate of 0% on food prepared for
24 immediate consumption and transferred incident to a sale of
25 service subject to this Act or the Service Use Tax Act by an
26 entity licensed under the Hospital Licensing Act, the Nursing

1 Home Care Act, the Assisted Living and Shared Housing Act, the
2 ID/DD Community Care Act, the MC/DD Act, the Specialized
3 Mental Health Rehabilitation Act of 2013, or the Child Care
4 Act of 1969, or an entity that holds a permit issued pursuant
5 to the Life Care Facilities Act. Beginning July 1, 2022 and
6 until July 1, 2023, the tax shall also be imposed at the rate
7 of 0% on food for human consumption that is to be consumed off
8 the premises where it is sold (other than alcoholic beverages,
9 food consisting of or infused with adult use cannabis, soft
10 drinks, and food that has been prepared for immediate
11 consumption and is not otherwise included in this paragraph).

12 Through June 30, 2024, the ~~The~~ tax shall also be imposed at
13 the rate of 1% on prescription and nonprescription medicines,
14 drugs, medical appliances, products classified as Class III
15 medical devices by the United States Food and Drug
16 Administration that are used for cancer treatment pursuant to
17 a prescription, as well as any accessories and components
18 related to those devices, modifications to a motor vehicle for
19 the purpose of rendering it usable by a person with a
20 disability, and insulin, blood sugar testing materials,
21 syringes, and needles used by human diabetics. For the
22 purposes of this Section, until September 1, 2009: the term
23 "soft drinks" means any complete, finished, ready-to-use,
24 non-alcoholic drink, whether carbonated or not, including, but
25 not limited to, soda water, cola, fruit juice, vegetable
26 juice, carbonated water, and all other preparations commonly

1 known as soft drinks of whatever kind or description that are
2 contained in any closed or sealed can, carton, or container,
3 regardless of size; but "soft drinks" does not include coffee,
4 tea, non-carbonated water, infant formula, milk or milk
5 products as defined in the Grade A Pasteurized Milk and Milk
6 Products Act, or drinks containing 50% or more natural fruit
7 or vegetable juice.

8 Notwithstanding any other provisions of this Act,
9 beginning September 1, 2009, "soft drinks" means non-alcoholic
10 beverages that contain natural or artificial sweeteners. "Soft
11 drinks" does not include beverages that contain milk or milk
12 products, soy, rice or similar milk substitutes, or greater
13 than 50% of vegetable or fruit juice by volume.

14 Until August 1, 2009, and notwithstanding any other
15 provisions of this Act, "food for human consumption that is to
16 be consumed off the premises where it is sold" includes all
17 food sold through a vending machine, except soft drinks and
18 food products that are dispensed hot from a vending machine,
19 regardless of the location of the vending machine. Beginning
20 August 1, 2009, and notwithstanding any other provisions of
21 this Act, "food for human consumption that is to be consumed
22 off the premises where it is sold" includes all food sold
23 through a vending machine, except soft drinks, candy, and food
24 products that are dispensed hot from a vending machine,
25 regardless of the location of the vending machine.

26 Notwithstanding any other provisions of this Act,

1 beginning September 1, 2009, "food for human consumption that
2 is to be consumed off the premises where it is sold" does not
3 include candy. For purposes of this Section, "candy" means a
4 preparation of sugar, honey, or other natural or artificial
5 sweeteners in combination with chocolate, fruits, nuts or
6 other ingredients or flavorings in the form of bars, drops, or
7 pieces. "Candy" does not include any preparation that contains
8 flour or requires refrigeration.

9 Notwithstanding any other provisions of this Act,
10 beginning September 1, 2009, "nonprescription medicines and
11 drugs" does not include grooming and hygiene products. For
12 purposes of this Section, "grooming and hygiene products"
13 includes, but is not limited to, soaps and cleaning solutions,
14 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
15 lotions and screens, unless those products are available by
16 prescription only, regardless of whether the products meet the
17 definition of "over-the-counter-drugs". For the purposes of
18 this paragraph, "over-the-counter-drug" means a drug for human
19 use that contains a label that identifies the product as a drug
20 as required by 21 CFR 201.66. The "over-the-counter-drug"
21 label includes:

22 (A) a "Drug Facts" panel; or

23 (B) a statement of the "active ingredient(s)" with a
24 list of those ingredients contained in the compound,
25 substance or preparation.

26 Beginning on January 1, 2014 (the effective date of Public

1 Act 98-122), "prescription and nonprescription medicines and
2 drugs" includes medical cannabis purchased from a registered
3 dispensing organization under the Compassionate Use of Medical
4 Cannabis Program Act.

5 As used in this Section, "adult use cannabis" means
6 cannabis subject to tax under the Cannabis Cultivation
7 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
8 and does not include cannabis subject to tax under the
9 Compassionate Use of Medical Cannabis Program Act.

10 (Source: P.A. 102-4, eff. 4-27-21; 102-16, eff. 6-17-21;
11 102-700, Article 20, Section 20-15, eff. 4-19-22; 102-700,
12 Article 60, Section 60-25, eff. 4-19-22; 103-9, eff. 6-7-23;
13 103-154, eff. 6-30-23.)

14 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

15 Sec. 9. Each serviceman required or authorized to collect
16 the tax herein imposed shall pay to the Department the amount
17 of such tax at the time when he is required to file his return
18 for the period during which such tax was collectible, less a
19 discount of 2.1% prior to January 1, 1990, and 1.75% on and
20 after January 1, 1990, or \$5 per calendar year, whichever is
21 greater, which is allowed to reimburse the serviceman for
22 expenses incurred in collecting the tax, keeping records,
23 preparing and filing returns, remitting the tax, and supplying
24 data to the Department on request. When determining the
25 discount allowed under this Section, servicemen shall include

1 the amount of tax that would have been due at the 1% rate but
2 for the 0% rate imposed under Public Act 102-700 ~~this~~
3 ~~amendatory Act of the 102nd General Assembly~~. The discount
4 under this Section is not allowed for the 1.25% portion of
5 taxes paid on aviation fuel that is subject to the revenue use
6 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133. The
7 discount allowed under this Section is allowed only for
8 returns that are filed in the manner required by this Act. The
9 Department may disallow the discount for servicemen whose
10 certificate of registration is revoked at the time the return
11 is filed, but only if the Department's decision to revoke the
12 certificate of registration has become final.

13 Where such tangible personal property is sold under a
14 conditional sales contract, or under any other form of sale
15 wherein the payment of the principal sum, or a part thereof, is
16 extended beyond the close of the period for which the return is
17 filed, the serviceman, in collecting the tax may collect, for
18 each tax return period, only the tax applicable to the part of
19 the selling price actually received during such tax return
20 period.

21 Except as provided hereinafter in this Section, on or
22 before the twentieth day of each calendar month, such
23 serviceman shall file a return for the preceding calendar
24 month in accordance with reasonable rules and regulations to
25 be promulgated by the Department of Revenue. Such return shall
26 be filed on a form prescribed by the Department and shall

1 contain such information as the Department may reasonably
2 require. The return shall include the gross receipts which
3 were received during the preceding calendar month or quarter
4 on the following items upon which tax would have been due but
5 for the 0% rate imposed under Public Act 102-700 ~~this~~
6 ~~amendatory Act of the 102nd General Assembly~~: (i) food for
7 human consumption that is to be consumed off the premises
8 where it is sold (other than alcoholic beverages, food
9 consisting of or infused with adult use cannabis, soft drinks,
10 and food that has been prepared for immediate consumption);
11 and (ii) food prepared for immediate consumption and
12 transferred incident to a sale of service subject to this Act
13 or the Service Use Tax Act by an entity licensed under the
14 Hospital Licensing Act, the Nursing Home Care Act, the
15 Assisted Living and Shared Housing Act, the ID/DD Community
16 Care Act, the MC/DD Act, the Specialized Mental Health
17 Rehabilitation Act of 2013, or the Child Care Act of 1969, or
18 an entity that holds a permit issued pursuant to the Life Care
19 Facilities Act. The return shall also include the amount of
20 tax that would have been due on the items listed in the
21 previous sentence but for the 0% rate imposed under Public Act
22 102-700 ~~this amendatory Act of the 102nd General Assembly~~.

23 On and after January 1, 2018, with respect to servicemen
24 whose annual gross receipts average \$20,000 or more, all
25 returns required to be filed pursuant to this Act shall be
26 filed electronically. Servicemen who demonstrate that they do

1 not have access to the Internet or demonstrate hardship in
2 filing electronically may petition the Department to waive the
3 electronic filing requirement.

4 The Department may require returns to be filed on a
5 quarterly basis. If so required, a return for each calendar
6 quarter shall be filed on or before the twentieth day of the
7 calendar month following the end of such calendar quarter. The
8 taxpayer shall also file a return with the Department for each
9 of the first two months of each calendar quarter, on or before
10 the twentieth day of the following calendar month, stating:

- 11 1. The name of the seller;
- 12 2. The address of the principal place of business from
13 which he engages in business as a serviceman in this
14 State;
- 15 3. The total amount of taxable receipts received by
16 him during the preceding calendar month, including
17 receipts from charge and time sales, but less all
18 deductions allowed by law;
- 19 4. The amount of credit provided in Section 2d of this
20 Act;
- 21 5. The amount of tax due;
- 22 5-5. The signature of the taxpayer; and
- 23 6. Such other reasonable information as the Department
24 may require.

25 Each serviceman required or authorized to collect the tax
26 herein imposed on aviation fuel acquired as an incident to the

1 purchase of a service in this State during the preceding
2 calendar month shall, instead of reporting and paying tax as
3 otherwise required by this Section, report and pay such tax on
4 a separate aviation fuel tax return. The requirements related
5 to the return shall be as otherwise provided in this Section.
6 Notwithstanding any other provisions of this Act to the
7 contrary, servicemen transferring aviation fuel incident to
8 sales of service shall file all aviation fuel tax returns and
9 shall make all aviation fuel tax payments by electronic means
10 in the manner and form required by the Department. For
11 purposes of this Section, "aviation fuel" means jet fuel and
12 aviation gasoline.

13 If a taxpayer fails to sign a return within 30 days after
14 the proper notice and demand for signature by the Department,
15 the return shall be considered valid and any amount shown to be
16 due on the return shall be deemed assessed.

17 Notwithstanding any other provision of this Act to the
18 contrary, servicemen subject to tax on cannabis shall file all
19 cannabis tax returns and shall make all cannabis tax payments
20 by electronic means in the manner and form required by the
21 Department.

22 Prior to October 1, 2003, and on and after September 1,
23 2004 a serviceman may accept a Manufacturer's Purchase Credit
24 certification from a purchaser in satisfaction of Service Use
25 Tax as provided in Section 3-70 of the Service Use Tax Act if
26 the purchaser provides the appropriate documentation as

1 required by Section 3-70 of the Service Use Tax Act. A
2 Manufacturer's Purchase Credit certification, accepted prior
3 to October 1, 2003 or on or after September 1, 2004 by a
4 serviceman as provided in Section 3-70 of the Service Use Tax
5 Act, may be used by that serviceman to satisfy Service
6 Occupation Tax liability in the amount claimed in the
7 certification, not to exceed 6.25% of the receipts subject to
8 tax from a qualifying purchase. A Manufacturer's Purchase
9 Credit reported on any original or amended return filed under
10 this Act after October 20, 2003 for reporting periods prior to
11 September 1, 2004 shall be disallowed. Manufacturer's Purchase
12 Credit reported on annual returns due on or after January 1,
13 2005 will be disallowed for periods prior to September 1,
14 2004. No Manufacturer's Purchase Credit may be used after
15 September 30, 2003 through August 31, 2004 to satisfy any tax
16 liability imposed under this Act, including any audit
17 liability.

18 Beginning on July 1, 2023 and through December 31, 2032, a
19 serviceman may accept a Sustainable Aviation Fuel Purchase
20 Credit certification from an air common carrier-purchaser in
21 satisfaction of Service Use Tax as provided in Section 3-72 of
22 the Service Use Tax Act if the purchaser provides the
23 appropriate documentation as required by Section 3-72 of the
24 Service Use Tax Act. A Sustainable Aviation Fuel Purchase
25 Credit certification accepted by a serviceman in accordance
26 with this paragraph may be used by that serviceman to satisfy

1 service occupation tax liability (but not in satisfaction of
2 penalty or interest) in the amount claimed in the
3 certification, not to exceed 6.25% of the receipts subject to
4 tax from a sale of aviation fuel. In addition, for a sale of
5 aviation fuel to qualify to earn the Sustainable Aviation Fuel
6 Purchase Credit, servicemen must retain in their books and
7 records a certification from the producer of the aviation fuel
8 that the aviation fuel sold by the serviceman and for which a
9 sustainable aviation fuel purchase credit was earned meets the
10 definition of sustainable aviation fuel under Section 3-72 of
11 the Service Use Tax Act. The documentation must include detail
12 sufficient for the Department to determine the number of
13 gallons of sustainable aviation fuel sold.

14 If the serviceman's average monthly tax liability to the
15 Department does not exceed \$200, the Department may authorize
16 his returns to be filed on a quarter annual basis, with the
17 return for January, February, and March of a given year being
18 due by April 20 of such year; with the return for April, May,
19 and June of a given year being due by July 20 of such year;
20 with the return for July, August, and September of a given year
21 being due by October 20 of such year, and with the return for
22 October, November, and December of a given year being due by
23 January 20 of the following year.

24 If the serviceman's average monthly tax liability to the
25 Department does not exceed \$50, the Department may authorize
26 his returns to be filed on an annual basis, with the return for

1 a given year being due by January 20 of the following year.

2 Such quarter annual and annual returns, as to form and
3 substance, shall be subject to the same requirements as
4 monthly returns.

5 Notwithstanding any other provision in this Act concerning
6 the time within which a serviceman may file his return, in the
7 case of any serviceman who ceases to engage in a kind of
8 business which makes him responsible for filing returns under
9 this Act, such serviceman shall file a final return under this
10 Act with the Department not more than one ± month after
11 discontinuing such business.

12 Beginning October 1, 1993, a taxpayer who has an average
13 monthly tax liability of \$150,000 or more shall make all
14 payments required by rules of the Department by electronic
15 funds transfer. Beginning October 1, 1994, a taxpayer who has
16 an average monthly tax liability of \$100,000 or more shall
17 make all payments required by rules of the Department by
18 electronic funds transfer. Beginning October 1, 1995, a
19 taxpayer who has an average monthly tax liability of \$50,000
20 or more shall make all payments required by rules of the
21 Department by electronic funds transfer. Beginning October 1,
22 2000, a taxpayer who has an annual tax liability of \$200,000 or
23 more shall make all payments required by rules of the
24 Department by electronic funds transfer. The term "annual tax
25 liability" shall be the sum of the taxpayer's liabilities
26 under this Act, and under all other State and local occupation

1 and use tax laws administered by the Department, for the
2 immediately preceding calendar year. The term "average monthly
3 tax liability" means the sum of the taxpayer's liabilities
4 under this Act, and under all other State and local occupation
5 and use tax laws administered by the Department, for the
6 immediately preceding calendar year divided by 12. Beginning
7 on October 1, 2002, a taxpayer who has a tax liability in the
8 amount set forth in subsection (b) of Section 2505-210 of the
9 Department of Revenue Law shall make all payments required by
10 rules of the Department by electronic funds transfer.

11 Before August 1 of each year beginning in 1993, the
12 Department shall notify all taxpayers required to make
13 payments by electronic funds transfer. All taxpayers required
14 to make payments by electronic funds transfer shall make those
15 payments for a minimum of one year beginning on October 1.

16 Any taxpayer not required to make payments by electronic
17 funds transfer may make payments by electronic funds transfer
18 with the permission of the Department.

19 All taxpayers required to make payment by electronic funds
20 transfer and any taxpayers authorized to voluntarily make
21 payments by electronic funds transfer shall make those
22 payments in the manner authorized by the Department.

23 The Department shall adopt such rules as are necessary to
24 effectuate a program of electronic funds transfer and the
25 requirements of this Section.

26 Where a serviceman collects the tax with respect to the

1 selling price of tangible personal property which he sells and
2 the purchaser thereafter returns such tangible personal
3 property and the serviceman refunds the selling price thereof
4 to the purchaser, such serviceman shall also refund, to the
5 purchaser, the tax so collected from the purchaser. When
6 filing his return for the period in which he refunds such tax
7 to the purchaser, the serviceman may deduct the amount of the
8 tax so refunded by him to the purchaser from any other Service
9 Occupation Tax, Service Use Tax, Retailers' Occupation Tax, or
10 Use Tax which such serviceman may be required to pay or remit
11 to the Department, as shown by such return, provided that the
12 amount of the tax to be deducted shall previously have been
13 remitted to the Department by such serviceman. If the
14 serviceman shall not previously have remitted the amount of
15 such tax to the Department, he shall be entitled to no
16 deduction hereunder upon refunding such tax to the purchaser.

17 If experience indicates such action to be practicable, the
18 Department may prescribe and furnish a combination or joint
19 return which will enable servicemen, who are required to file
20 returns hereunder and also under the Retailers' Occupation Tax
21 Act, the Use Tax Act, or the Service Use Tax Act, to furnish
22 all the return information required by all said Acts on the one
23 form.

24 Where the serviceman has more than one business registered
25 with the Department under separate registrations hereunder,
26 such serviceman shall file separate returns for each

1 registered business.

2 Beginning January 1, 1990 and until August 1, 2024, each
3 month the Department shall pay into the Local Government Tax
4 Fund the revenue realized for the preceding month from the 1%
5 tax imposed under this Act.

6 Beginning August 1, 2024, the State Comptroller shall
7 order transferred and the State Treasurer shall transfer from
8 the General Revenue Fund to the Local Government Tax Fund, the
9 amount deposited into the Local Government Tax Fund for the
10 same month in calendar year 2021 from items that were subject
11 to a 1% rate of tax in calendar year 2021. On August 1 of each
12 year thereafter, the amount transferred from the General
13 Revenue Fund to the Local Government Tax Fund under this
14 paragraph shall be increased by the percentage change, if any,
15 in the Consumer Price Index for All Urban Consumers as issued
16 by the United States Department of Labor for the most recent
17 12-month period for which data is available.

18 Beginning January 1, 1990, each month the Department shall
19 pay into the County and Mass Transit District Fund 4% of the
20 revenue realized for the preceding month from the 6.25%
21 general rate on sales of tangible personal property other than
22 aviation fuel sold on or after December 1, 2019. This
23 exception for aviation fuel only applies for so long as the
24 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
25 47133 are binding on the State.

26 Beginning August 1, 2000, each month the Department shall

1 pay into the County and Mass Transit District Fund 20% of the
2 net revenue realized for the preceding month from the 1.25%
3 rate on the selling price of motor fuel and gasohol.

4 Beginning January 1, 1990, each month the Department shall
5 pay into the Local Government Tax Fund 16% of the revenue
6 realized for the preceding month from the 6.25% general rate
7 on transfers of tangible personal property other than aviation
8 fuel sold on or after December 1, 2019. This exception for
9 aviation fuel only applies for so long as the revenue use
10 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
11 binding on the State.

12 For aviation fuel sold on or after December 1, 2019, each
13 month the Department shall pay into the State Aviation Program
14 Fund 20% of the net revenue realized for the preceding month
15 from the 6.25% general rate on the selling price of aviation
16 fuel, less an amount estimated by the Department to be
17 required for refunds of the 20% portion of the tax on aviation
18 fuel under this Act, which amount shall be deposited into the
19 Aviation Fuel Sales Tax Refund Fund. The Department shall only
20 pay moneys into the State Aviation Program Fund and the
21 Aviation Fuel Sales Tax Refund Fund under this Act for so long
22 as the revenue use requirements of 49 U.S.C. 47107(b) and 49
23 U.S.C. 47133 are binding on the State.

24 Beginning August 1, 2000, each month the Department shall
25 pay into the Local Government Tax Fund 80% of the net revenue
26 realized for the preceding month from the 1.25% rate on the

1 selling price of motor fuel and gasohol.

2 Beginning October 1, 2009, each month the Department shall
3 pay into the Capital Projects Fund an amount that is equal to
4 an amount estimated by the Department to represent 80% of the
5 net revenue realized for the preceding month from the sale of
6 candy, grooming and hygiene products, and soft drinks that had
7 been taxed at a rate of 1% prior to September 1, 2009 but that
8 are now taxed at 6.25%.

9 Beginning July 1, 2013, each month the Department shall
10 pay into the Underground Storage Tank Fund from the proceeds
11 collected under this Act, the Use Tax Act, the Service Use Tax
12 Act, and the Retailers' Occupation Tax Act an amount equal to
13 the average monthly deficit in the Underground Storage Tank
14 Fund during the prior year, as certified annually by the
15 Illinois Environmental Protection Agency, but the total
16 payment into the Underground Storage Tank Fund under this Act,
17 the Use Tax Act, the Service Use Tax Act, and the Retailers'
18 Occupation Tax Act shall not exceed \$18,000,000 in any State
19 fiscal year. As used in this paragraph, the "average monthly
20 deficit" shall be equal to the difference between the average
21 monthly claims for payment by the fund and the average monthly
22 revenues deposited into the fund, excluding payments made
23 pursuant to this paragraph.

24 Beginning July 1, 2015, of the remainder of the moneys
25 received by the Department under the Use Tax Act, the Service
26 Use Tax Act, this Act, and the Retailers' Occupation Tax Act,

1 each month the Department shall deposit \$500,000 into the
2 State Crime Laboratory Fund.

3 Of the remainder of the moneys received by the Department
4 pursuant to this Act, (a) 1.75% thereof shall be paid into the
5 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
6 and after July 1, 1989, 3.8% thereof shall be paid into the
7 Build Illinois Fund; provided, however, that if in any fiscal
8 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
9 may be, of the moneys received by the Department and required
10 to be paid into the Build Illinois Fund pursuant to Section 3
11 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax
12 Act, Section 9 of the Service Use Tax Act, and Section 9 of the
13 Service Occupation Tax Act, such Acts being hereinafter called
14 the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case
15 may be, of moneys being hereinafter called the "Tax Act
16 Amount", and (2) the amount transferred to the Build Illinois
17 Fund from the State and Local Sales Tax Reform Fund shall be
18 less than the Annual Specified Amount (as defined in Section 3
19 of the Retailers' Occupation Tax Act), an amount equal to the
20 difference shall be immediately paid into the Build Illinois
21 Fund from other moneys received by the Department pursuant to
22 the Tax Acts; and further provided, that if on the last
23 business day of any month the sum of (1) the Tax Act Amount
24 required to be deposited into the Build Illinois Account in
25 the Build Illinois Fund during such month and (2) the amount
26 transferred during such month to the Build Illinois Fund from

1 the State and Local Sales Tax Reform Fund shall have been less
2 than 1/12 of the Annual Specified Amount, an amount equal to
3 the difference shall be immediately paid into the Build
4 Illinois Fund from other moneys received by the Department
5 pursuant to the Tax Acts; and, further provided, that in no
6 event shall the payments required under the preceding proviso
7 result in aggregate payments into the Build Illinois Fund
8 pursuant to this clause (b) for any fiscal year in excess of
9 the greater of (i) the Tax Act Amount or (ii) the Annual
10 Specified Amount for such fiscal year; and, further provided,
11 that the amounts payable into the Build Illinois Fund under
12 this clause (b) shall be payable only until such time as the
13 aggregate amount on deposit under each trust indenture
14 securing Bonds issued and outstanding pursuant to the Build
15 Illinois Bond Act is sufficient, taking into account any
16 future investment income, to fully provide, in accordance with
17 such indenture, for the defeasance of or the payment of the
18 principal of, premium, if any, and interest on the Bonds
19 secured by such indenture and on any Bonds expected to be
20 issued thereafter and all fees and costs payable with respect
21 thereto, all as certified by the Director of the Bureau of the
22 Budget (now Governor's Office of Management and Budget). If on
23 the last business day of any month in which Bonds are
24 outstanding pursuant to the Build Illinois Bond Act, the
25 aggregate of the moneys deposited in the Build Illinois Bond
26 Account in the Build Illinois Fund in such month shall be less

1 than the amount required to be transferred in such month from
2 the Build Illinois Bond Account to the Build Illinois Bond
3 Retirement and Interest Fund pursuant to Section 13 of the
4 Build Illinois Bond Act, an amount equal to such deficiency
5 shall be immediately paid from other moneys received by the
6 Department pursuant to the Tax Acts to the Build Illinois
7 Fund; provided, however, that any amounts paid to the Build
8 Illinois Fund in any fiscal year pursuant to this sentence
9 shall be deemed to constitute payments pursuant to clause (b)
10 of the preceding sentence and shall reduce the amount
11 otherwise payable for such fiscal year pursuant to clause (b)
12 of the preceding sentence. The moneys received by the
13 Department pursuant to this Act and required to be deposited
14 into the Build Illinois Fund are subject to the pledge, claim
15 and charge set forth in Section 12 of the Build Illinois Bond
16 Act.

17 Subject to payment of amounts into the Build Illinois Fund
18 as provided in the preceding paragraph or in any amendment
19 thereto hereafter enacted, the following specified monthly
20 installment of the amount requested in the certificate of the
21 Chairman of the Metropolitan Pier and Exposition Authority
22 provided under Section 8.25f of the State Finance Act, but not
23 in excess of the sums designated as "Total Deposit", shall be
24 deposited in the aggregate from collections under Section 9 of
25 the Use Tax Act, Section 9 of the Service Use Tax Act, Section
26 9 of the Service Occupation Tax Act, and Section 3 of the

1 Retailers' Occupation Tax Act into the McCormick Place
2 Expansion Project Fund in the specified fiscal years.

3	Fiscal Year	Total Deposit
4	1993	\$0
5	1994	53,000,000
6	1995	58,000,000
7	1996	61,000,000
8	1997	64,000,000
9	1998	68,000,000
10	1999	71,000,000
11	2000	75,000,000
12	2001	80,000,000
13	2002	93,000,000
14	2003	99,000,000
15	2004	103,000,000
16	2005	108,000,000
17	2006	113,000,000
18	2007	119,000,000
19	2008	126,000,000
20	2009	132,000,000
21	2010	139,000,000
22	2011	146,000,000
23	2012	153,000,000
24	2013	161,000,000
25	2014	170,000,000

1	2015	179,000,000
2	2016	189,000,000
3	2017	199,000,000
4	2018	210,000,000
5	2019	221,000,000
6	2020	233,000,000
7	2021	300,000,000
8	2022	300,000,000
9	2023	300,000,000
10	2024	300,000,000
11	2025	300,000,000
12	2026	300,000,000
13	2027	375,000,000
14	2028	375,000,000
15	2029	375,000,000
16	2030	375,000,000
17	2031	375,000,000
18	2032	375,000,000
19	2033	375,000,000
20	2034	375,000,000
21	2035	375,000,000
22	2036	450,000,000

23 and
24 each fiscal year
25 thereafter that bonds
26 are outstanding under

1 Section 13.2 of the
2 Metropolitan Pier and
3 Exposition Authority Act,
4 but not after fiscal year 2060.

5 Beginning July 20, 1993 and in each month of each fiscal
6 year thereafter, one-eighth of the amount requested in the
7 certificate of the Chairman of the Metropolitan Pier and
8 Exposition Authority for that fiscal year, less the amount
9 deposited into the McCormick Place Expansion Project Fund by
10 the State Treasurer in the respective month under subsection
11 (g) of Section 13 of the Metropolitan Pier and Exposition
12 Authority Act, plus cumulative deficiencies in the deposits
13 required under this Section for previous months and years,
14 shall be deposited into the McCormick Place Expansion Project
15 Fund, until the full amount requested for the fiscal year, but
16 not in excess of the amount specified above as "Total
17 Deposit", has been deposited.

18 Subject to payment of amounts into the Capital Projects
19 Fund, the Build Illinois Fund, and the McCormick Place
20 Expansion Project Fund pursuant to the preceding paragraphs or
21 in any amendments thereto hereafter enacted, for aviation fuel
22 sold on or after December 1, 2019, the Department shall each
23 month deposit into the Aviation Fuel Sales Tax Refund Fund an
24 amount estimated by the Department to be required for refunds
25 of the 80% portion of the tax on aviation fuel under this Act.
26 The Department shall only deposit moneys into the Aviation

1 Fuel Sales Tax Refund Fund under this paragraph for so long as
2 the revenue use requirements of 49 U.S.C. 47107(b) and 49
3 U.S.C. 47133 are binding on the State.

4 Subject to payment of amounts into the Build Illinois Fund
5 and the McCormick Place Expansion Project Fund pursuant to the
6 preceding paragraphs or in any amendments thereto hereafter
7 enacted, beginning July 1, 1993 and ending on September 30,
8 2013, the Department shall each month pay into the Illinois
9 Tax Increment Fund 0.27% of 80% of the net revenue realized for
10 the preceding month from the 6.25% general rate on the selling
11 price of tangible personal property.

12 Subject to payment of amounts into the Build Illinois
13 Fund, the McCormick Place Expansion Project Fund, and the
14 Illinois Tax Increment Fund pursuant to the preceding
15 paragraphs or in any amendments to this Section hereafter
16 enacted, beginning on the first day of the first calendar
17 month to occur on or after August 26, 2014 (the effective date
18 of Public Act 98-1098), each month, from the collections made
19 under Section 9 of the Use Tax Act, Section 9 of the Service
20 Use Tax Act, Section 9 of the Service Occupation Tax Act, and
21 Section 3 of the Retailers' Occupation Tax Act, the Department
22 shall pay into the Tax Compliance and Administration Fund, to
23 be used, subject to appropriation, to fund additional auditors
24 and compliance personnel at the Department of Revenue, an
25 amount equal to 1/12 of 5% of 80% of the cash receipts
26 collected during the preceding fiscal year by the Audit Bureau

1 of the Department under the Use Tax Act, the Service Use Tax
2 Act, the Service Occupation Tax Act, the Retailers' Occupation
3 Tax Act, and associated local occupation and use taxes
4 administered by the Department.

5 Subject to payments of amounts into the Build Illinois
6 Fund, the McCormick Place Expansion Project Fund, the Illinois
7 Tax Increment Fund, and the Tax Compliance and Administration
8 Fund as provided in this Section, beginning on July 1, 2018 the
9 Department shall pay each month into the Downstate Public
10 Transportation Fund the moneys required to be so paid under
11 Section 2-3 of the Downstate Public Transportation Act.

12 Subject to successful execution and delivery of a
13 public-private agreement between the public agency and private
14 entity and completion of the civic build, beginning on July 1,
15 2023, of the remainder of the moneys received by the
16 Department under the Use Tax Act, the Service Use Tax Act, the
17 Service Occupation Tax Act, and this Act, the Department shall
18 deposit the following specified deposits in the aggregate from
19 collections under the Use Tax Act, the Service Use Tax Act, the
20 Service Occupation Tax Act, and the Retailers' Occupation Tax
21 Act, as required under Section 8.25g of the State Finance Act
22 for distribution consistent with the Public-Private
23 Partnership for Civic and Transit Infrastructure Project Act.
24 The moneys received by the Department pursuant to this Act and
25 required to be deposited into the Civic and Transit
26 Infrastructure Fund are subject to the pledge, claim and

1 charge set forth in Section 25-55 of the Public-Private
 2 Partnership for Civic and Transit Infrastructure Project Act.
 3 As used in this paragraph, "civic build", "private entity",
 4 "public-private agreement", and "public agency" have the
 5 meanings provided in Section 25-10 of the Public-Private
 6 Partnership for Civic and Transit Infrastructure Project Act.

	Fiscal Year.....	Total Deposit
8	2024	\$200,000,000
9	2025	\$206,000,000
10	2026	\$212,200,000
11	2027	\$218,500,000
12	2028	\$225,100,000
13	2029	\$288,700,000
14	2030	\$298,900,000
15	2031	\$309,300,000
16	2032	\$320,100,000
17	2033	\$331,200,000
18	2034	\$341,200,000
19	2035	\$351,400,000
20	2036	\$361,900,000
21	2037	\$372,800,000
22	2038	\$384,000,000
23	2039	\$395,500,000
24	2040	\$407,400,000
25	2041	\$419,600,000
26	2042	\$432,200,000

1 2043 \$445,100,000

2 Beginning July 1, 2021 and until July 1, 2022, subject to
3 the payment of amounts into the County and Mass Transit
4 District Fund, the Local Government Tax Fund, the Build
5 Illinois Fund, the McCormick Place Expansion Project Fund, the
6 Illinois Tax Increment Fund, and the Tax Compliance and
7 Administration Fund as provided in this Section, the
8 Department shall pay each month into the Road Fund the amount
9 estimated to represent 16% of the net revenue realized from
10 the taxes imposed on motor fuel and gasohol. Beginning July 1,
11 2022 and until July 1, 2023, subject to the payment of amounts
12 into the County and Mass Transit District Fund, the Local
13 Government Tax Fund, the Build Illinois Fund, the McCormick
14 Place Expansion Project Fund, the Illinois Tax Increment Fund,
15 and the Tax Compliance and Administration Fund as provided in
16 this Section, the Department shall pay each month into the
17 Road Fund the amount estimated to represent 32% of the net
18 revenue realized from the taxes imposed on motor fuel and
19 gasohol. Beginning July 1, 2023 and until July 1, 2024,
20 subject to the payment of amounts into the County and Mass
21 Transit District Fund, the Local Government Tax Fund, the
22 Build Illinois Fund, the McCormick Place Expansion Project
23 Fund, the Illinois Tax Increment Fund, and the Tax Compliance
24 and Administration Fund as provided in this Section, the
25 Department shall pay each month into the Road Fund the amount
26 estimated to represent 48% of the net revenue realized from

1 the taxes imposed on motor fuel and gasohol. Beginning July 1,
2 2024 and until July 1, 2025, subject to the payment of amounts
3 into the County and Mass Transit District Fund, the Local
4 Government Tax Fund, the Build Illinois Fund, the McCormick
5 Place Expansion Project Fund, the Illinois Tax Increment Fund,
6 and the Tax Compliance and Administration Fund as provided in
7 this Section, the Department shall pay each month into the
8 Road Fund the amount estimated to represent 64% of the net
9 revenue realized from the taxes imposed on motor fuel and
10 gasohol. Beginning on July 1, 2025, subject to the payment of
11 amounts into the County and Mass Transit District Fund, the
12 Local Government Tax Fund, the Build Illinois Fund, the
13 McCormick Place Expansion Project Fund, the Illinois Tax
14 Increment Fund, and the Tax Compliance and Administration Fund
15 as provided in this Section, the Department shall pay each
16 month into the Road Fund the amount estimated to represent 80%
17 of the net revenue realized from the taxes imposed on motor
18 fuel and gasohol. As used in this paragraph "motor fuel" has
19 the meaning given to that term in Section 1.1 of the Motor Fuel
20 Tax Law, and "gasohol" has the meaning given to that term in
21 Section 3-40 of the Use Tax Act.

22 Of the remainder of the moneys received by the Department
23 pursuant to this Act, 75% shall be paid into the General
24 Revenue Fund of the State treasury ~~Treasury~~ and 25% shall be
25 reserved in a special account and used only for the transfer to
26 the Common School Fund as part of the monthly transfer from the

1 General Revenue Fund in accordance with Section 8a of the
2 State Finance Act.

3 The Department may, upon separate written notice to a
4 taxpayer, require the taxpayer to prepare and file with the
5 Department on a form prescribed by the Department within not
6 less than 60 days after receipt of the notice an annual
7 information return for the tax year specified in the notice.
8 Such annual return to the Department shall include a statement
9 of gross receipts as shown by the taxpayer's last federal
10 ~~Federal~~ income tax return. If the total receipts of the
11 business as reported in the federal ~~Federal~~ income tax return
12 do not agree with the gross receipts reported to the
13 Department of Revenue for the same period, the taxpayer shall
14 attach to his annual return a schedule showing a
15 reconciliation of the 2 amounts and the reasons for the
16 difference. The taxpayer's annual return to the Department
17 shall also disclose the cost of goods sold by the taxpayer
18 during the year covered by such return, opening and closing
19 inventories of such goods for such year, cost of goods used
20 from stock or taken from stock and given away by the taxpayer
21 during such year, pay roll information of the taxpayer's
22 business during such year and any additional reasonable
23 information which the Department deems would be helpful in
24 determining the accuracy of the monthly, quarterly or annual
25 returns filed by such taxpayer as hereinbefore provided for in
26 this Section.

1 If the annual information return required by this Section
2 is not filed when and as required, the taxpayer shall be liable
3 as follows:

4 (i) Until January 1, 1994, the taxpayer shall be
5 liable for a penalty equal to 1/6 of 1% of the tax due from
6 such taxpayer under this Act during the period to be
7 covered by the annual return for each month or fraction of
8 a month until such return is filed as required, the
9 penalty to be assessed and collected in the same manner as
10 any other penalty provided for in this Act.

11 (ii) On and after January 1, 1994, the taxpayer shall
12 be liable for a penalty as described in Section 3-4 of the
13 Uniform Penalty and Interest Act.

14 The chief executive officer, proprietor, owner, or highest
15 ranking manager shall sign the annual return to certify the
16 accuracy of the information contained therein. Any person who
17 willfully signs the annual return containing false or
18 inaccurate information shall be guilty of perjury and punished
19 accordingly. The annual return form prescribed by the
20 Department shall include a warning that the person signing the
21 return may be liable for perjury.

22 The foregoing portion of this Section concerning the
23 filing of an annual information return shall not apply to a
24 serviceman who is not required to file an income tax return
25 with the United States Government.

26 As soon as possible after the first day of each month, upon

1 certification of the Department of Revenue, the Comptroller
2 shall order transferred and the Treasurer shall transfer from
3 the General Revenue Fund to the Motor Fuel Tax Fund an amount
4 equal to 1.7% of 80% of the net revenue realized under this Act
5 for the second preceding month. Beginning April 1, 2000, this
6 transfer is no longer required and shall not be made.

7 Net revenue realized for a month shall be the revenue
8 collected by the State pursuant to this Act, less the amount
9 paid out during that month as refunds to taxpayers for
10 overpayment of liability.

11 For greater simplicity of administration, it shall be
12 permissible for manufacturers, importers and wholesalers whose
13 products are sold by numerous servicemen in Illinois, and who
14 wish to do so, to assume the responsibility for accounting and
15 paying to the Department all tax accruing under this Act with
16 respect to such sales, if the servicemen who are affected do
17 not make written objection to the Department to this
18 arrangement.

19 (Source: P.A. 102-700, eff. 4-19-22; 103-9, eff. 6-7-23;
20 103-363, eff. 7-28-23; revised 9-25-23.)

21 Section 20. The Retailers' Occupation Tax Act is amended
22 by changing Sections 2-5, 2-10, and 3 as follows:

23 (35 ILCS 120/2-5)

24 Sec. 2-5. Exemptions. Gross receipts from proceeds from

1 the sale of the following tangible personal property are
2 exempt from the tax imposed by this Act:

3 (1) Farm chemicals.

4 (2) Farm machinery and equipment, both new and used,
5 including that manufactured on special order, certified by
6 the purchaser to be used primarily for production
7 agriculture or State or federal agricultural programs,
8 including individual replacement parts for the machinery
9 and equipment, including machinery and equipment purchased
10 for lease, and including implements of husbandry defined
11 in Section 1-130 of the Illinois Vehicle Code, farm
12 machinery and agricultural chemical and fertilizer
13 spreaders, and nurse wagons required to be registered
14 under Section 3-809 of the Illinois Vehicle Code, but
15 excluding other motor vehicles required to be registered
16 under the Illinois Vehicle Code. Horticultural polyhouses
17 or hoop houses used for propagating, growing, or
18 overwintering plants shall be considered farm machinery
19 and equipment under this item (2). Agricultural chemical
20 tender tanks and dry boxes shall include units sold
21 separately from a motor vehicle required to be licensed
22 and units sold mounted on a motor vehicle required to be
23 licensed, if the selling price of the tender is separately
24 stated.

25 Farm machinery and equipment shall include precision
26 farming equipment that is installed or purchased to be

1 installed on farm machinery and equipment including, but
2 not limited to, tractors, harvesters, sprayers, planters,
3 seeders, or spreaders. Precision farming equipment
4 includes, but is not limited to, soil testing sensors,
5 computers, monitors, software, global positioning and
6 mapping systems, and other such equipment.

7 Farm machinery and equipment also includes computers,
8 sensors, software, and related equipment used primarily in
9 the computer-assisted operation of production agriculture
10 facilities, equipment, and activities such as, but not
11 limited to, the collection, monitoring, and correlation of
12 animal and crop data for the purpose of formulating animal
13 diets and agricultural chemicals.

14 Beginning on January 1, 2024, farm machinery and
15 equipment also includes electrical power generation
16 equipment used primarily for production agriculture.

17 This item (2) is exempt from the provisions of Section
18 2-70.

19 (3) Until July 1, 2003, distillation machinery and
20 equipment, sold as a unit or kit, assembled or installed
21 by the retailer, certified by the user to be used only for
22 the production of ethyl alcohol that will be used for
23 consumption as motor fuel or as a component of motor fuel
24 for the personal use of the user, and not subject to sale
25 or resale.

26 (4) Until July 1, 2003 and beginning again September

1 1, 2004 through August 30, 2014, graphic arts machinery
2 and equipment, including repair and replacement parts,
3 both new and used, and including that manufactured on
4 special order or purchased for lease, certified by the
5 purchaser to be used primarily for graphic arts
6 production. Equipment includes chemicals or chemicals
7 acting as catalysts but only if the chemicals or chemicals
8 acting as catalysts effect a direct and immediate change
9 upon a graphic arts product. Beginning on July 1, 2017,
10 graphic arts machinery and equipment is included in the
11 manufacturing and assembling machinery and equipment
12 exemption under paragraph (14).

13 (5) A motor vehicle that is used for automobile
14 renting, as defined in the Automobile Renting Occupation
15 and Use Tax Act. This paragraph is exempt from the
16 provisions of Section 2-70.

17 (6) Personal property sold by a teacher-sponsored
18 student organization affiliated with an elementary or
19 secondary school located in Illinois.

20 (7) Until July 1, 2003, proceeds of that portion of
21 the selling price of a passenger car the sale of which is
22 subject to the Replacement Vehicle Tax.

23 (8) Personal property sold to an Illinois county fair
24 association for use in conducting, operating, or promoting
25 the county fair.

26 (9) Personal property sold to a not-for-profit arts or

1 cultural organization that establishes, by proof required
2 by the Department by rule, that it has received an
3 exemption under Section 501(c)(3) of the Internal Revenue
4 Code and that is organized and operated primarily for the
5 presentation or support of arts or cultural programming,
6 activities, or services. These organizations include, but
7 are not limited to, music and dramatic arts organizations
8 such as symphony orchestras and theatrical groups, arts
9 and cultural service organizations, local arts councils,
10 visual arts organizations, and media arts organizations.
11 On and after July 1, 2001 (the effective date of Public Act
12 92-35), however, an entity otherwise eligible for this
13 exemption shall not make tax-free purchases unless it has
14 an active identification number issued by the Department.

15 (10) Personal property sold by a corporation, society,
16 association, foundation, institution, or organization,
17 other than a limited liability company, that is organized
18 and operated as a not-for-profit service enterprise for
19 the benefit of persons 65 years of age or older if the
20 personal property was not purchased by the enterprise for
21 the purpose of resale by the enterprise.

22 (11) Except as otherwise provided in this Section,
23 personal property sold to a governmental body, to a
24 corporation, society, association, foundation, or
25 institution organized and operated exclusively for
26 charitable, religious, or educational purposes, or to a

1 not-for-profit corporation, society, association,
2 foundation, institution, or organization that has no
3 compensated officers or employees and that is organized
4 and operated primarily for the recreation of persons 55
5 years of age or older. A limited liability company may
6 qualify for the exemption under this paragraph only if the
7 limited liability company is organized and operated
8 exclusively for educational purposes. On and after July 1,
9 1987, however, no entity otherwise eligible for this
10 exemption shall make tax-free purchases unless it has an
11 active identification number issued by the Department.

12 (12) (Blank).

13 (12-5) On and after July 1, 2003 and through June 30,
14 2004, motor vehicles of the second division with a gross
15 vehicle weight in excess of 8,000 pounds that are subject
16 to the commercial distribution fee imposed under Section
17 3-815.1 of the Illinois Vehicle Code. Beginning on July 1,
18 2004 and through June 30, 2005, the use in this State of
19 motor vehicles of the second division: (i) with a gross
20 vehicle weight rating in excess of 8,000 pounds; (ii) that
21 are subject to the commercial distribution fee imposed
22 under Section 3-815.1 of the Illinois Vehicle Code; and
23 (iii) that are primarily used for commercial purposes.
24 Through June 30, 2005, this exemption applies to repair
25 and replacement parts added after the initial purchase of
26 such a motor vehicle if that motor vehicle is used in a

1 manner that would qualify for the rolling stock exemption
2 otherwise provided for in this Act. For purposes of this
3 paragraph, "used for commercial purposes" means the
4 transportation of persons or property in furtherance of
5 any commercial or industrial enterprise whether for-hire
6 or not.

7 (13) Proceeds from sales to owners, lessors, or
8 shippers of tangible personal property that is utilized by
9 interstate carriers for hire for use as rolling stock
10 moving in interstate commerce and equipment operated by a
11 telecommunications provider, licensed as a common carrier
12 by the Federal Communications Commission, which is
13 permanently installed in or affixed to aircraft moving in
14 interstate commerce.

15 (14) Machinery and equipment that will be used by the
16 purchaser, or a lessee of the purchaser, primarily in the
17 process of manufacturing or assembling tangible personal
18 property for wholesale or retail sale or lease, whether
19 the sale or lease is made directly by the manufacturer or
20 by some other person, whether the materials used in the
21 process are owned by the manufacturer or some other
22 person, or whether the sale or lease is made apart from or
23 as an incident to the seller's engaging in the service
24 occupation of producing machines, tools, dies, jigs,
25 patterns, gauges, or other similar items of no commercial
26 value on special order for a particular purchaser. The

1 exemption provided by this paragraph (14) does not include
2 machinery and equipment used in (i) the generation of
3 electricity for wholesale or retail sale; (ii) the
4 generation or treatment of natural or artificial gas for
5 wholesale or retail sale that is delivered to customers
6 through pipes, pipelines, or mains; or (iii) the treatment
7 of water for wholesale or retail sale that is delivered to
8 customers through pipes, pipelines, or mains. The
9 provisions of Public Act 98-583 are declaratory of
10 existing law as to the meaning and scope of this
11 exemption. Beginning on July 1, 2017, the exemption
12 provided by this paragraph (14) includes, but is not
13 limited to, graphic arts machinery and equipment, as
14 defined in paragraph (4) of this Section.

15 (15) Proceeds of mandatory service charges separately
16 stated on customers' bills for purchase and consumption of
17 food and beverages, to the extent that the proceeds of the
18 service charge are in fact turned over as tips or as a
19 substitute for tips to the employees who participate
20 directly in preparing, serving, hosting or cleaning up the
21 food or beverage function with respect to which the
22 service charge is imposed.

23 (16) Tangible personal property sold to a purchaser if
24 the purchaser is exempt from use tax by operation of
25 federal law. This paragraph is exempt from the provisions
26 of Section 2-70.

1 (17) Tangible personal property sold to a common
2 carrier by rail or motor that receives the physical
3 possession of the property in Illinois and that transports
4 the property, or shares with another common carrier in the
5 transportation of the property, out of Illinois on a
6 standard uniform bill of lading showing the seller of the
7 property as the shipper or consignor of the property to a
8 destination outside Illinois, for use outside Illinois.

9 (18) Legal tender, currency, medallions, or gold or
10 silver coinage issued by the State of Illinois, the
11 government of the United States of America, or the
12 government of any foreign country, and bullion.

13 (19) Until July 1, 2003, oil field exploration,
14 drilling, and production equipment, including (i) rigs and
15 parts of rigs, rotary rigs, cable tool rigs, and workover
16 rigs, (ii) pipe and tubular goods, including casing and
17 drill strings, (iii) pumps and pump-jack units, (iv)
18 storage tanks and flow lines, (v) any individual
19 replacement part for oil field exploration, drilling, and
20 production equipment, and (vi) machinery and equipment
21 purchased for lease; but excluding motor vehicles required
22 to be registered under the Illinois Vehicle Code.

23 (20) Photoprocessing machinery and equipment,
24 including repair and replacement parts, both new and used,
25 including that manufactured on special order, certified by
26 the purchaser to be used primarily for photoprocessing,

1 and including photoprocessing machinery and equipment
2 purchased for lease.

3 (21) Until July 1, 2028, coal and aggregate
4 exploration, mining, off-highway hauling, processing,
5 maintenance, and reclamation equipment, including
6 replacement parts and equipment, and including equipment
7 purchased for lease, but excluding motor vehicles required
8 to be registered under the Illinois Vehicle Code. The
9 changes made to this Section by Public Act 97-767 apply on
10 and after July 1, 2003, but no claim for credit or refund
11 is allowed on or after August 16, 2013 (the effective date
12 of Public Act 98-456) for such taxes paid during the
13 period beginning July 1, 2003 and ending on August 16,
14 2013 (the effective date of Public Act 98-456).

15 (22) Until June 30, 2013, fuel and petroleum products
16 sold to or used by an air carrier, certified by the carrier
17 to be used for consumption, shipment, or storage in the
18 conduct of its business as an air common carrier, for a
19 flight destined for or returning from a location or
20 locations outside the United States without regard to
21 previous or subsequent domestic stopovers.

22 Beginning July 1, 2013, fuel and petroleum products
23 sold to or used by an air carrier, certified by the carrier
24 to be used for consumption, shipment, or storage in the
25 conduct of its business as an air common carrier, for a
26 flight that (i) is engaged in foreign trade or is engaged

1 in trade between the United States and any of its
2 possessions and (ii) transports at least one individual or
3 package for hire from the city of origination to the city
4 of final destination on the same aircraft, without regard
5 to a change in the flight number of that aircraft.

6 (23) A transaction in which the purchase order is
7 received by a florist who is located outside Illinois, but
8 who has a florist located in Illinois deliver the property
9 to the purchaser or the purchaser's donee in Illinois.

10 (24) Fuel consumed or used in the operation of ships,
11 barges, or vessels that are used primarily in or for the
12 transportation of property or the conveyance of persons
13 for hire on rivers bordering on this State if the fuel is
14 delivered by the seller to the purchaser's barge, ship, or
15 vessel while it is afloat upon that bordering river.

16 (25) Except as provided in item (25-5) of this
17 Section, a motor vehicle sold in this State to a
18 nonresident even though the motor vehicle is delivered to
19 the nonresident in this State, if the motor vehicle is not
20 to be titled in this State, and if a drive-away permit is
21 issued to the motor vehicle as provided in Section 3-603
22 of the Illinois Vehicle Code or if the nonresident
23 purchaser has vehicle registration plates to transfer to
24 the motor vehicle upon returning to his or her home state.
25 The issuance of the drive-away permit or having the
26 out-of-state registration plates to be transferred is

1 prima facie evidence that the motor vehicle will not be
2 titled in this State.

3 (25-5) The exemption under item (25) does not apply if
4 the state in which the motor vehicle will be titled does
5 not allow a reciprocal exemption for a motor vehicle sold
6 and delivered in that state to an Illinois resident but
7 titled in Illinois. The tax collected under this Act on
8 the sale of a motor vehicle in this State to a resident of
9 another state that does not allow a reciprocal exemption
10 shall be imposed at a rate equal to the state's rate of tax
11 on taxable property in the state in which the purchaser is
12 a resident, except that the tax shall not exceed the tax
13 that would otherwise be imposed under this Act. At the
14 time of the sale, the purchaser shall execute a statement,
15 signed under penalty of perjury, of his or her intent to
16 title the vehicle in the state in which the purchaser is a
17 resident within 30 days after the sale and of the fact of
18 the payment to the State of Illinois of tax in an amount
19 equivalent to the state's rate of tax on taxable property
20 in his or her state of residence and shall submit the
21 statement to the appropriate tax collection agency in his
22 or her state of residence. In addition, the retailer must
23 retain a signed copy of the statement in his or her
24 records. Nothing in this item shall be construed to
25 require the removal of the vehicle from this state
26 following the filing of an intent to title the vehicle in

1 the purchaser's state of residence if the purchaser titles
2 the vehicle in his or her state of residence within 30 days
3 after the date of sale. The tax collected under this Act in
4 accordance with this item (25-5) shall be proportionately
5 distributed as if the tax were collected at the 6.25%
6 general rate imposed under this Act.

7 (25-7) Beginning on July 1, 2007, no tax is imposed
8 under this Act on the sale of an aircraft, as defined in
9 Section 3 of the Illinois Aeronautics Act, if all of the
10 following conditions are met:

11 (1) the aircraft leaves this State within 15 days
12 after the later of either the issuance of the final
13 billing for the sale of the aircraft, or the
14 authorized approval for return to service, completion
15 of the maintenance record entry, and completion of the
16 test flight and ground test for inspection, as
17 required by 14 CFR 91.407;

18 (2) the aircraft is not based or registered in
19 this State after the sale of the aircraft; and

20 (3) the seller retains in his or her books and
21 records and provides to the Department a signed and
22 dated certification from the purchaser, on a form
23 prescribed by the Department, certifying that the
24 requirements of this item (25-7) are met. The
25 certificate must also include the name and address of
26 the purchaser, the address of the location where the

1 aircraft is to be titled or registered, the address of
2 the primary physical location of the aircraft, and
3 other information that the Department may reasonably
4 require.

5 For purposes of this item (25-7):

6 "Based in this State" means hangared, stored, or
7 otherwise used, excluding post-sale customizations as
8 defined in this Section, for 10 or more days in each
9 12-month period immediately following the date of the sale
10 of the aircraft.

11 "Registered in this State" means an aircraft
12 registered with the Department of Transportation,
13 Aeronautics Division, or titled or registered with the
14 Federal Aviation Administration to an address located in
15 this State.

16 This paragraph (25-7) is exempt from the provisions of
17 Section 2-70.

18 (26) Semen used for artificial insemination of
19 livestock for direct agricultural production.

20 (27) Horses, or interests in horses, registered with
21 and meeting the requirements of any of the Arabian Horse
22 Club Registry of America, Appaloosa Horse Club, American
23 Quarter Horse Association, United States Trotting
24 Association, or Jockey Club, as appropriate, used for
25 purposes of breeding or racing for prizes. This item (27)
26 is exempt from the provisions of Section 2-70, and the

1 exemption provided for under this item (27) applies for
2 all periods beginning May 30, 1995, but no claim for
3 credit or refund is allowed on or after January 1, 2008
4 (the effective date of Public Act 95-88) for such taxes
5 paid during the period beginning May 30, 2000 and ending
6 on January 1, 2008 (the effective date of Public Act
7 95-88).

8 (28) Computers and communications equipment utilized
9 for any hospital purpose and equipment used in the
10 diagnosis, analysis, or treatment of hospital patients
11 sold to a lessor who leases the equipment, under a lease of
12 one year or longer executed or in effect at the time of the
13 purchase, to a hospital that has been issued an active tax
14 exemption identification number by the Department under
15 Section 1g of this Act.

16 (29) Personal property sold to a lessor who leases the
17 property, under a lease of one year or longer executed or
18 in effect at the time of the purchase, to a governmental
19 body that has been issued an active tax exemption
20 identification number by the Department under Section 1g
21 of this Act.

22 (30) Beginning with taxable years ending on or after
23 December 31, 1995 and ending with taxable years ending on
24 or before December 31, 2004, personal property that is
25 donated for disaster relief to be used in a State or
26 federally declared disaster area in Illinois or bordering

1 Illinois by a manufacturer or retailer that is registered
2 in this State to a corporation, society, association,
3 foundation, or institution that has been issued a sales
4 tax exemption identification number by the Department that
5 assists victims of the disaster who reside within the
6 declared disaster area.

7 (31) Beginning with taxable years ending on or after
8 December 31, 1995 and ending with taxable years ending on
9 or before December 31, 2004, personal property that is
10 used in the performance of infrastructure repairs in this
11 State, including, l but not limited to, l municipal roads and
12 streets, access roads, bridges, sidewalks, waste disposal
13 systems, water and sewer line extensions, water
14 distribution and purification facilities, storm water
15 drainage and retention facilities, and sewage treatment
16 facilities, resulting from a State or federally declared
17 disaster in Illinois or bordering Illinois when such
18 repairs are initiated on facilities located in the
19 declared disaster area within 6 months after the disaster.

20 (32) Beginning July 1, 1999, game or game birds sold
21 at a "game breeding and hunting preserve area" as that
22 term is used in the Wildlife Code. This paragraph is
23 exempt from the provisions of Section 2-70.

24 (33) A motor vehicle, as that term is defined in
25 Section 1-146 of the Illinois Vehicle Code, that is
26 donated to a corporation, limited liability company,

1 society, association, foundation, or institution that is
2 determined by the Department to be organized and operated
3 exclusively for educational purposes. For purposes of this
4 exemption, "a corporation, limited liability company,
5 society, association, foundation, or institution organized
6 and operated exclusively for educational purposes" means
7 all tax-supported public schools, private schools that
8 offer systematic instruction in useful branches of
9 learning by methods common to public schools and that
10 compare favorably in their scope and intensity with the
11 course of study presented in tax-supported schools, and
12 vocational or technical schools or institutes organized
13 and operated exclusively to provide a course of study of
14 not less than 6 weeks duration and designed to prepare
15 individuals to follow a trade or to pursue a manual,
16 technical, mechanical, industrial, business, or commercial
17 occupation.

18 (34) Beginning January 1, 2000, personal property,
19 including food, purchased through fundraising events for
20 the benefit of a public or private elementary or secondary
21 school, a group of those schools, or one or more school
22 districts if the events are sponsored by an entity
23 recognized by the school district that consists primarily
24 of volunteers and includes parents and teachers of the
25 school children. This paragraph does not apply to
26 fundraising events (i) for the benefit of private home

1 instruction or (ii) for which the fundraising entity
2 purchases the personal property sold at the events from
3 another individual or entity that sold the property for
4 the purpose of resale by the fundraising entity and that
5 profits from the sale to the fundraising entity. This
6 paragraph is exempt from the provisions of Section 2-70.

7 (35) Beginning January 1, 2000 and through December
8 31, 2001, new or used automatic vending machines that
9 prepare and serve hot food and beverages, including
10 coffee, soup, and other items, and replacement parts for
11 these machines. Beginning January 1, 2002 and through June
12 30, 2003, machines and parts for machines used in
13 commercial, coin-operated amusement and vending business
14 if a use or occupation tax is paid on the gross receipts
15 derived from the use of the commercial, coin-operated
16 amusement and vending machines. This paragraph is exempt
17 from the provisions of Section 2-70.

18 (35-5) Beginning August 23, 2001 and through June 30,
19 2016, food for human consumption that is to be consumed
20 off the premises where it is sold (other than alcoholic
21 beverages, soft drinks, and food that has been prepared
22 for immediate consumption) and prescription and
23 nonprescription medicines, drugs, medical appliances, and
24 insulin, urine testing materials, syringes, and needles
25 used by diabetics, for human use, when purchased for use
26 by a person receiving medical assistance under Article V

1 of the Illinois Public Aid Code who resides in a licensed
2 long-term care facility, as defined in the Nursing Home
3 Care Act, or a licensed facility as defined in the ID/DD
4 Community Care Act, the MC/DD Act, or the Specialized
5 Mental Health Rehabilitation Act of 2013.

6 (36) Beginning August 2, 2001, computers and
7 communications equipment utilized for any hospital purpose
8 and equipment used in the diagnosis, analysis, or
9 treatment of hospital patients sold to a lessor who leases
10 the equipment, under a lease of one year or longer
11 executed or in effect at the time of the purchase, to a
12 hospital that has been issued an active tax exemption
13 identification number by the Department under Section 1g
14 of this Act. This paragraph is exempt from the provisions
15 of Section 2-70.

16 (37) Beginning August 2, 2001, personal property sold
17 to a lessor who leases the property, under a lease of one
18 year or longer executed or in effect at the time of the
19 purchase, to a governmental body that has been issued an
20 active tax exemption identification number by the
21 Department under Section 1g of this Act. This paragraph is
22 exempt from the provisions of Section 2-70.

23 (38) Beginning on January 1, 2002 and through June 30,
24 2016, tangible personal property purchased from an
25 Illinois retailer by a taxpayer engaged in centralized
26 purchasing activities in Illinois who will, upon receipt

1 of the property in Illinois, temporarily store the
2 property in Illinois (i) for the purpose of subsequently
3 transporting it outside this State for use or consumption
4 thereafter solely outside this State or (ii) for the
5 purpose of being processed, fabricated, or manufactured
6 into, attached to, or incorporated into other tangible
7 personal property to be transported outside this State and
8 thereafter used or consumed solely outside this State. The
9 Director of Revenue shall, pursuant to rules adopted in
10 accordance with the Illinois Administrative Procedure Act,
11 issue a permit to any taxpayer in good standing with the
12 Department who is eligible for the exemption under this
13 paragraph (38). The permit issued under this paragraph
14 (38) shall authorize the holder, to the extent and in the
15 manner specified in the rules adopted under this Act, to
16 purchase tangible personal property from a retailer exempt
17 from the taxes imposed by this Act. Taxpayers shall
18 maintain all necessary books and records to substantiate
19 the use and consumption of all such tangible personal
20 property outside of the State of Illinois.

21 (39) Beginning January 1, 2008, tangible personal
22 property used in the construction or maintenance of a
23 community water supply, as defined under Section 3.145 of
24 the Environmental Protection Act, that is operated by a
25 not-for-profit corporation that holds a valid water supply
26 permit issued under Title IV of the Environmental

1 Protection Act. This paragraph is exempt from the
2 provisions of Section 2-70.

3 (40) Beginning January 1, 2010 and continuing through
4 December 31, 2029, materials, parts, equipment,
5 components, and furnishings incorporated into or upon an
6 aircraft as part of the modification, refurbishment,
7 completion, replacement, repair, or maintenance of the
8 aircraft. This exemption includes consumable supplies used
9 in the modification, refurbishment, completion,
10 replacement, repair, and maintenance of aircraft. However,
11 until January 1, 2024, this exemption excludes any
12 materials, parts, equipment, components, and consumable
13 supplies used in the modification, replacement, repair,
14 and maintenance of aircraft engines or power plants,
15 whether such engines or power plants are installed or
16 uninstalled upon any such aircraft. "Consumable supplies"
17 include, but are not limited to, adhesive, tape,
18 sandpaper, general purpose lubricants, cleaning solution,
19 latex gloves, and protective films.

20 Beginning January 1, 2010 and continuing through
21 December 31, 2023, this exemption applies only to the sale
22 of qualifying tangible personal property to persons who
23 modify, refurbish, complete, replace, or maintain an
24 aircraft and who (i) hold an Air Agency Certificate and
25 are empowered to operate an approved repair station by the
26 Federal Aviation Administration, (ii) have a Class IV

1 Rating, and (iii) conduct operations in accordance with
2 Part 145 of the Federal Aviation Regulations. The
3 exemption does not include aircraft operated by a
4 commercial air carrier providing scheduled passenger air
5 service pursuant to authority issued under Part 121 or
6 Part 129 of the Federal Aviation Regulations. From January
7 1, 2024 through December 31, 2029, this exemption applies
8 only to the use of qualifying tangible personal property
9 by: (A) persons who modify, refurbish, complete, repair,
10 replace, or maintain aircraft and who (i) hold an Air
11 Agency Certificate and are empowered to operate an
12 approved repair station by the Federal Aviation
13 Administration, (ii) have a Class IV Rating, and (iii)
14 conduct operations in accordance with Part 145 of the
15 Federal Aviation Regulations; and (B) persons who engage
16 in the modification, replacement, repair, and maintenance
17 of aircraft engines or power plants without regard to
18 whether or not those persons meet the qualifications of
19 item (A).

20 The changes made to this paragraph (40) by Public Act
21 98-534 are declarative of existing law. It is the intent
22 of the General Assembly that the exemption under this
23 paragraph (40) applies continuously from January 1, 2010
24 through December 31, 2024; however, no claim for credit or
25 refund is allowed for taxes paid as a result of the
26 disallowance of this exemption on or after January 1, 2015

1 and prior to February 5, 2020 (the effective date of
2 Public Act 101-629).

3 (41) Tangible personal property sold to a
4 public-facilities corporation, as described in Section
5 11-65-10 of the Illinois Municipal Code, for purposes of
6 constructing or furnishing a municipal convention hall,
7 but only if the legal title to the municipal convention
8 hall is transferred to the municipality without any
9 further consideration by or on behalf of the municipality
10 at the time of the completion of the municipal convention
11 hall or upon the retirement or redemption of any bonds or
12 other debt instruments issued by the public-facilities
13 corporation in connection with the development of the
14 municipal convention hall. This exemption includes
15 existing public-facilities corporations as provided in
16 Section 11-65-25 of the Illinois Municipal Code. This
17 paragraph is exempt from the provisions of Section 2-70.

18 (42) Beginning January 1, 2017 and through December
19 31, 2026, menstrual pads, tampons, and menstrual cups.

20 (43) Merchandise that is subject to the Rental
21 Purchase Agreement Occupation and Use Tax. The purchaser
22 must certify that the item is purchased to be rented
23 subject to a rental-purchase ~~rental-purchase~~ agreement, as
24 defined in the Rental-Purchase ~~Rental-Purchase~~ Agreement
25 Act, and provide proof of registration under the Rental
26 Purchase Agreement Occupation and Use Tax Act. This

1 paragraph is exempt from the provisions of Section 2-70.

2 (44) Qualified tangible personal property used in the
3 construction or operation of a data center that has been
4 granted a certificate of exemption by the Department of
5 Commerce and Economic Opportunity, whether that tangible
6 personal property is purchased by the owner, operator, or
7 tenant of the data center or by a contractor or
8 subcontractor of the owner, operator, or tenant. Data
9 centers that would have qualified for a certificate of
10 exemption prior to January 1, 2020 had Public Act 101-31
11 been in effect, may apply for and obtain an exemption for
12 subsequent purchases of computer equipment or enabling
13 software purchased or leased to upgrade, supplement, or
14 replace computer equipment or enabling software purchased
15 or leased in the original investment that would have
16 qualified.

17 The Department of Commerce and Economic Opportunity
18 shall grant a certificate of exemption under this item
19 (44) to qualified data centers as defined by Section
20 605-1025 of the Department of Commerce and Economic
21 Opportunity Law of the Civil Administrative Code of
22 Illinois.

23 For the purposes of this item (44):

24 "Data center" means a building or a series of
25 buildings rehabilitated or constructed to house
26 working servers in one physical location or multiple

1 sites within the State of Illinois.

2 "Qualified tangible personal property" means:
3 electrical systems and equipment; climate control and
4 chilling equipment and systems; mechanical systems and
5 equipment; monitoring and secure systems; emergency
6 generators; hardware; computers; servers; data storage
7 devices; network connectivity equipment; racks;
8 cabinets; telecommunications cabling infrastructure;
9 raised floor systems; peripheral components or
10 systems; software; mechanical, electrical, or plumbing
11 systems; battery systems; cooling systems and towers;
12 temperature control systems; other cabling; and other
13 data center infrastructure equipment and systems
14 necessary to operate qualified tangible personal
15 property, including fixtures; and component parts of
16 any of the foregoing, including installation,
17 maintenance, repair, refurbishment, and replacement of
18 qualified tangible personal property to generate,
19 transform, transmit, distribute, or manage electricity
20 necessary to operate qualified tangible personal
21 property; and all other tangible personal property
22 that is essential to the operations of a computer data
23 center. The term "qualified tangible personal
24 property" also includes building materials physically
25 incorporated into the qualifying data center. To
26 document the exemption allowed under this Section, the

1 retailer must obtain from the purchaser a copy of the
2 certificate of eligibility issued by the Department of
3 Commerce and Economic Opportunity.

4 This item (44) is exempt from the provisions of
5 Section 2-70.

6 (45) Beginning January 1, 2020 and through December
7 31, 2020, sales of tangible personal property made by a
8 marketplace seller over a marketplace for which tax is due
9 under this Act but for which use tax has been collected and
10 remitted to the Department by a marketplace facilitator
11 under Section 2d of the Use Tax Act are exempt from tax
12 under this Act. A marketplace seller claiming this
13 exemption shall maintain books and records demonstrating
14 that the use tax on such sales has been collected and
15 remitted by a marketplace facilitator. Marketplace sellers
16 that have properly remitted tax under this Act on such
17 sales may file a claim for credit as provided in Section 6
18 of this Act. No claim is allowed, however, for such taxes
19 for which a credit or refund has been issued to the
20 marketplace facilitator under the Use Tax Act, or for
21 which the marketplace facilitator has filed a claim for
22 credit or refund under the Use Tax Act.

23 (46) Beginning July 1, 2022, breast pumps, breast pump
24 collection and storage supplies, and breast pump kits.
25 This item (46) is exempt from the provisions of Section
26 2-70. As used in this item (46):

1 "Breast pump" means an electrically controlled or
2 manually controlled pump device designed or marketed to be
3 used to express milk from a human breast during lactation,
4 including the pump device and any battery, AC adapter, or
5 other power supply unit that is used to power the pump
6 device and is packaged and sold with the pump device at the
7 time of sale.

8 "Breast pump collection and storage supplies" means
9 items of tangible personal property designed or marketed
10 to be used in conjunction with a breast pump to collect
11 milk expressed from a human breast and to store collected
12 milk until it is ready for consumption.

13 "Breast pump collection and storage supplies"
14 includes, but is not limited to: breast shields and breast
15 shield connectors; breast pump tubes and tubing adapters;
16 breast pump valves and membranes; backflow protectors and
17 backflow protector adaptors; bottles and bottle caps
18 specific to the operation of the breast pump; and breast
19 milk storage bags.

20 "Breast pump collection and storage supplies" does not
21 include: (1) bottles and bottle caps not specific to the
22 operation of the breast pump; (2) breast pump travel bags
23 and other similar carrying accessories, including ice
24 packs, labels, and other similar products; (3) breast pump
25 cleaning supplies; (4) nursing bras, bra pads, breast
26 shells, and other similar products; and (5) creams,

1 ointments, and other similar products that relieve
2 breastfeeding-related symptoms or conditions of the
3 breasts or nipples, unless sold as part of a breast pump
4 kit that is pre-packaged by the breast pump manufacturer
5 or distributor.

6 "Breast pump kit" means a kit that: (1) contains no
7 more than a breast pump, breast pump collection and
8 storage supplies, a rechargeable battery for operating the
9 breast pump, a breastmilk cooler, bottle stands, ice
10 packs, and a breast pump carrying case; and (2) is
11 pre-packaged as a breast pump kit by the breast pump
12 manufacturer or distributor.

13 (47) Tangible personal property sold by or on behalf
14 of the State Treasurer pursuant to the Revised Uniform
15 Unclaimed Property Act. This item (47) is exempt from the
16 provisions of Section 2-70.

17 (48) Beginning on January 1, 2024, tangible personal
18 property purchased by an active duty member of the armed
19 forces of the United States who presents valid military
20 identification and purchases the property using a form of
21 payment where the federal government is the payor. The
22 member of the armed forces must complete, at the point of
23 sale, a form prescribed by the Department of Revenue
24 documenting that the transaction is eligible for the
25 exemption under this paragraph. Retailers must keep the
26 form as documentation of the exemption in their records

1 for a period of not less than 6 years. "Armed forces of the
2 United States" means the United States Army, Navy, Air
3 Force, Marine Corps, or Coast Guard. This paragraph is
4 exempt from the provisions of Section 2-70.

5 (49) Beginning on July 1, 2024, as defined in Section
6 2-10, food for human consumption that is to be consumed off the
7 premises where it is sold (other than alcoholic beverages,
8 food consisting of or infused with adult use cannabis, soft
9 drinks, and food that has been prepared for immediate
10 consumption). This item (49) is exempt from the provisions of
11 Section 2-70.

12 (50) Beginning on July 1, 2024, the following items, as
13 defined in Section 2-10:

14 (A) prescription and nonprescription medicines, drugs,
15 and medical appliances;

16 (B) products classified as Class III medical devices
17 by the United States Food and Drug Administration that are
18 used for cancer treatment pursuant to a prescription, as
19 well as any accessories and components related to those
20 devices;

21 (C) modifications to a motor vehicle for the purpose
22 of rendering it usable by a person with a disability; and

23 (D) insulin, blood sugar testing materials, syringes,
24 and needles used by human diabetics.

25 This item (50) is exempt from the provisions of Section
26 2-70.

1 (Source: P.A. 102-16, eff. 6-17-21; 102-634, eff. 8-27-21;
2 102-700, Article 70, Section 70-20, eff. 4-19-22; 102-700,
3 Article 75, Section 75-20, eff. 4-19-22; 102-813, eff.
4 5-13-22; 102-1026, eff. 5-27-22; 103-9, Article 5, Section
5 5-20, eff. 6-7-23; 103-9, Article 15, Section 15-20, eff.
6 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24; revised
7 12-12-23.)

8 (35 ILCS 120/2-10)

9 Sec. 2-10. Rate of tax. Unless otherwise provided in this
10 Section, the tax imposed by this Act is at the rate of 6.25% of
11 gross receipts from sales of tangible personal property made
12 in the course of business.

13 Beginning on July 1, 2000 and through December 31, 2000,
14 with respect to motor fuel, as defined in Section 1.1 of the
15 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of
16 the Use Tax Act, the tax is imposed at the rate of 1.25%.

17 Beginning on August 6, 2010 through August 15, 2010, and
18 beginning again on August 5, 2022 through August 14, 2022,
19 with respect to sales tax holiday items as defined in Section
20 2-8 of this Act, the tax is imposed at the rate of 1.25%.

21 Within 14 days after July 1, 2000 (the effective date of
22 Public Act 91-872), each retailer of motor fuel and gasohol
23 shall cause the following notice to be posted in a prominently
24 visible place on each retail dispensing device that is used to
25 dispense motor fuel or gasohol in the State of Illinois: "As of

1 July 1, 2000, the State of Illinois has eliminated the State's
2 share of sales tax on motor fuel and gasohol through December
3 31, 2000. The price on this pump should reflect the
4 elimination of the tax." The notice shall be printed in bold
5 print on a sign that is no smaller than 4 inches by 8 inches.
6 The sign shall be clearly visible to customers. Any retailer
7 who fails to post or maintain a required sign through December
8 31, 2000 is guilty of a petty offense for which the fine shall
9 be \$500 per day per each retail premises where a violation
10 occurs.

11 With respect to gasohol, as defined in the Use Tax Act, the
12 tax imposed by this Act applies to (i) 70% of the proceeds of
13 sales made on or after January 1, 1990, and before July 1,
14 2003, (ii) 80% of the proceeds of sales made on or after July
15 1, 2003 and on or before July 1, 2017, (iii) 100% of the
16 proceeds of sales made after July 1, 2017 and prior to January
17 1, 2024, (iv) 90% of the proceeds of sales made on or after
18 January 1, 2024 and on or before December 31, 2028, and (v)
19 100% of the proceeds of sales made after December 31, 2028. If,
20 at any time, however, the tax under this Act on sales of
21 gasohol, as defined in the Use Tax Act, is imposed at the rate
22 of 1.25%, then the tax imposed by this Act applies to 100% of
23 the proceeds of sales of gasohol made during that time.

24 With respect to mid-range ethanol blends, as defined in
25 Section 3-44.3 of the Use Tax Act, the tax imposed by this Act
26 applies to (i) 80% of the proceeds of sales made on or after

1 January 1, 2024 and on or before December 31, 2028 and (ii)
2 100% of the proceeds of sales made after December 31, 2028. If,
3 at any time, however, the tax under this Act on sales of
4 mid-range ethanol blends is imposed at the rate of 1.25%, then
5 the tax imposed by this Act applies to 100% of the proceeds of
6 sales of mid-range ethanol blends made during that time.

7 With respect to majority blended ethanol fuel, as defined
8 in the Use Tax Act, the tax imposed by this Act does not apply
9 to the proceeds of sales made on or after July 1, 2003 and on
10 or before December 31, 2028 but applies to 100% of the proceeds
11 of sales made thereafter.

12 With respect to biodiesel blends, as defined in the Use
13 Tax Act, with no less than 1% and no more than 10% biodiesel,
14 the tax imposed by this Act applies to (i) 80% of the proceeds
15 of sales made on or after July 1, 2003 and on or before
16 December 31, 2018 and (ii) 100% of the proceeds of sales made
17 after December 31, 2018 and before January 1, 2024. On and
18 after January 1, 2024 and on or before December 31, 2030, the
19 taxation of biodiesel, renewable diesel, and biodiesel blends
20 shall be as provided in Section 3-5.1 of the Use Tax Act. If,
21 at any time, however, the tax under this Act on sales of
22 biodiesel blends, as defined in the Use Tax Act, with no less
23 than 1% and no more than 10% biodiesel is imposed at the rate
24 of 1.25%, then the tax imposed by this Act applies to 100% of
25 the proceeds of sales of biodiesel blends with no less than 1%
26 and no more than 10% biodiesel made during that time.

1 With respect to biodiesel, as defined in the Use Tax Act,
2 and biodiesel blends, as defined in the Use Tax Act, with more
3 than 10% but no more than 99% biodiesel, the tax imposed by
4 this Act does not apply to the proceeds of sales made on or
5 after July 1, 2003 and on or before December 31, 2023. On and
6 after January 1, 2024 and on or before December 31, 2030, the
7 taxation of biodiesel, renewable diesel, and biodiesel blends
8 shall be as provided in Section 3-5.1 of the Use Tax Act.

9 Until July 1, 2022 and from ~~beginning again on~~ July 1, 2023
10 through June 30, 2024, with respect to food for human
11 consumption that is to be consumed off the premises where it is
12 sold (other than alcoholic beverages, food consisting of or
13 infused with adult use cannabis, soft drinks, and food that
14 has been prepared for immediate consumption), the tax is
15 imposed at the rate of 1%. Beginning July 1, 2022 and until
16 July 1, 2023, with respect to food for human consumption that
17 is to be consumed off the premises where it is sold (other than
18 alcoholic beverages, food consisting of or infused with adult
19 use cannabis, soft drinks, and food that has been prepared for
20 immediate consumption), the tax is imposed at the rate of 0%.

21 Through June 30, 2024, with ~~With~~ respect to prescription
22 and nonprescription medicines, drugs, medical appliances,
23 products classified as Class III medical devices by the United
24 States Food and Drug Administration that are used for cancer
25 treatment pursuant to a prescription, as well as any
26 accessories and components related to those devices,

1 modifications to a motor vehicle for the purpose of rendering
2 it usable by a person with a disability, and insulin, blood
3 sugar testing materials, syringes, and needles used by human
4 diabetics, the tax is imposed at the rate of 1%. For the
5 purposes of this Section, until September 1, 2009: the term
6 "soft drinks" means any complete, finished, ready-to-use,
7 non-alcoholic drink, whether carbonated or not, including, but
8 not limited to, soda water, cola, fruit juice, vegetable
9 juice, carbonated water, and all other preparations commonly
10 known as soft drinks of whatever kind or description that are
11 contained in any closed or sealed bottle, can, carton, or
12 container, regardless of size; but "soft drinks" does not
13 include coffee, tea, non-carbonated water, infant formula,
14 milk or milk products as defined in the Grade A Pasteurized
15 Milk and Milk Products Act, or drinks containing 50% or more
16 natural fruit or vegetable juice.

17 Notwithstanding any other provisions of this Act,
18 beginning September 1, 2009, "soft drinks" means non-alcoholic
19 beverages that contain natural or artificial sweeteners. "Soft
20 drinks" does not include beverages that contain milk or milk
21 products, soy, rice or similar milk substitutes, or greater
22 than 50% of vegetable or fruit juice by volume.

23 Until August 1, 2009, and notwithstanding any other
24 provisions of this Act, "food for human consumption that is to
25 be consumed off the premises where it is sold" includes all
26 food sold through a vending machine, except soft drinks and

1 food products that are dispensed hot from a vending machine,
2 regardless of the location of the vending machine. Beginning
3 August 1, 2009, and notwithstanding any other provisions of
4 this Act, "food for human consumption that is to be consumed
5 off the premises where it is sold" includes all food sold
6 through a vending machine, except soft drinks, candy, and food
7 products that are dispensed hot from a vending machine,
8 regardless of the location of the vending machine.

9 Notwithstanding any other provisions of this Act,
10 beginning September 1, 2009, "food for human consumption that
11 is to be consumed off the premises where it is sold" does not
12 include candy. For purposes of this Section, "candy" means a
13 preparation of sugar, honey, or other natural or artificial
14 sweeteners in combination with chocolate, fruits, nuts or
15 other ingredients or flavorings in the form of bars, drops, or
16 pieces. "Candy" does not include any preparation that contains
17 flour or requires refrigeration.

18 Notwithstanding any other provisions of this Act,
19 beginning September 1, 2009, "nonprescription medicines and
20 drugs" does not include grooming and hygiene products. For
21 purposes of this Section, "grooming and hygiene products"
22 includes, but is not limited to, soaps and cleaning solutions,
23 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
24 lotions and screens, unless those products are available by
25 prescription only, regardless of whether the products meet the
26 definition of "over-the-counter-drugs". For the purposes of

1 this paragraph, "over-the-counter-drug" means a drug for human
2 use that contains a label that identifies the product as a drug
3 as required by 21 CFR 201.66. The "over-the-counter-drug"
4 label includes:

5 (A) a "Drug Facts" panel; or

6 (B) a statement of the "active ingredient(s)" with a
7 list of those ingredients contained in the compound,
8 substance or preparation.

9 Beginning on January 1, 2014 (the effective date of Public
10 Act 98-122), "prescription and nonprescription medicines and
11 drugs" includes medical cannabis purchased from a registered
12 dispensing organization under the Compassionate Use of Medical
13 Cannabis Program Act.

14 As used in this Section, "adult use cannabis" means
15 cannabis subject to tax under the Cannabis Cultivation
16 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
17 and does not include cannabis subject to tax under the
18 Compassionate Use of Medical Cannabis Program Act.

19 (Source: P.A. 102-4, eff. 4-27-21; 102-700, Article 20,
20 Section 20-20, eff. 4-19-22; 102-700, Article 60, Section
21 60-30, eff. 4-19-22; 102-700, Article 65, Section 65-10, eff.
22 4-19-22; 103-9, eff. 6-7-23; 103-154, eff. 6-30-23.)

23 (35 ILCS 120/3) (from Ch. 120, par. 442)

24 Sec. 3. Except as provided in this Section, on or before
25 the twentieth day of each calendar month, every person engaged

1 in the business of selling tangible personal property at
2 retail in this State during the preceding calendar month shall
3 file a return with the Department, stating:

4 1. The name of the seller;

5 2. His residence address and the address of his
6 principal place of business and the address of the
7 principal place of business (if that is a different
8 address) from which he engages in the business of selling
9 tangible personal property at retail in this State;

10 3. Total amount of receipts received by him during the
11 preceding calendar month or quarter, as the case may be,
12 from sales of tangible personal property, and from
13 services furnished, by him during such preceding calendar
14 month or quarter;

15 4. Total amount received by him during the preceding
16 calendar month or quarter on charge and time sales of
17 tangible personal property, and from services furnished,
18 by him prior to the month or quarter for which the return
19 is filed;

20 5. Deductions allowed by law;

21 6. Gross receipts which were received by him during
22 the preceding calendar month or quarter and upon the basis
23 of which the tax is imposed, including gross receipts on
24 food for human consumption that is to be consumed off the
25 premises where it is sold (other than alcoholic beverages,
26 food consisting of or infused with adult use cannabis,

1 soft drinks, and food that has been prepared for immediate
2 consumption) which were received during the preceding
3 calendar month or quarter and upon which tax would have
4 been due but for the 0% rate imposed under Public Act
5 102-700;

6 7. The amount of credit provided in Section 2d of this
7 Act;

8 8. The amount of tax due, including the amount of tax
9 that would have been due on food for human consumption
10 that is to be consumed off the premises where it is sold
11 (other than alcoholic beverages, food consisting of or
12 infused with adult use cannabis, soft drinks, and food
13 that has been prepared for immediate consumption) but for
14 the 0% rate imposed under Public Act 102-700;

15 9. The signature of the taxpayer; and

16 10. Such other reasonable information as the
17 Department may require.

18 On and after January 1, 2018, except for returns required
19 to be filed prior to January 1, 2023 for motor vehicles,
20 watercraft, aircraft, and trailers that are required to be
21 registered with an agency of this State, with respect to
22 retailers whose annual gross receipts average \$20,000 or more,
23 all returns required to be filed pursuant to this Act shall be
24 filed electronically. On and after January 1, 2023, with
25 respect to retailers whose annual gross receipts average
26 \$20,000 or more, all returns required to be filed pursuant to

1 this Act, including, but not limited to, returns for motor
2 vehicles, watercraft, aircraft, and trailers that are required
3 to be registered with an agency of this State, shall be filed
4 electronically. Retailers who demonstrate that they do not
5 have access to the Internet or demonstrate hardship in filing
6 electronically may petition the Department to waive the
7 electronic filing requirement.

8 If a taxpayer fails to sign a return within 30 days after
9 the proper notice and demand for signature by the Department,
10 the return shall be considered valid and any amount shown to be
11 due on the return shall be deemed assessed.

12 Each return shall be accompanied by the statement of
13 prepaid tax issued pursuant to Section 2e for which credit is
14 claimed.

15 Prior to October 1, 2003~~7~~ and on and after September 1,
16 2004₄, a retailer may accept a Manufacturer's Purchase Credit
17 certification from a purchaser in satisfaction of Use Tax as
18 provided in Section 3-85 of the Use Tax Act if the purchaser
19 provides the appropriate documentation as required by Section
20 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit
21 certification, accepted by a retailer prior to October 1, 2003
22 and on and after September 1, 2004 as provided in Section 3-85
23 of the Use Tax Act, may be used by that retailer to satisfy
24 Retailers' Occupation Tax liability in the amount claimed in
25 the certification, not to exceed 6.25% of the receipts subject
26 to tax from a qualifying purchase. A Manufacturer's Purchase

1 Credit reported on any original or amended return filed under
2 this Act after October 20, 2003 for reporting periods prior to
3 September 1, 2004 shall be disallowed. Manufacturer's Purchase
4 Credit reported on annual returns due on or after January 1,
5 2005 will be disallowed for periods prior to September 1,
6 2004. No Manufacturer's Purchase Credit may be used after
7 September 30, 2003 through August 31, 2004 to satisfy any tax
8 liability imposed under this Act, including any audit
9 liability.

10 Beginning on July 1, 2023 and through December 31, 2032, a
11 retailer may accept a Sustainable Aviation Fuel Purchase
12 Credit certification from an air common carrier-purchaser in
13 satisfaction of Use Tax on aviation fuel as provided in
14 Section 3-87 of the Use Tax Act if the purchaser provides the
15 appropriate documentation as required by Section 3-87 of the
16 Use Tax Act. A Sustainable Aviation Fuel Purchase Credit
17 certification accepted by a retailer in accordance with this
18 paragraph may be used by that retailer to satisfy Retailers'
19 Occupation Tax liability (but not in satisfaction of penalty
20 or interest) in the amount claimed in the certification, not
21 to exceed 6.25% of the receipts subject to tax from a sale of
22 aviation fuel. In addition, for a sale of aviation fuel to
23 qualify to earn the Sustainable Aviation Fuel Purchase Credit,
24 retailers must retain in their books and records a
25 certification from the producer of the aviation fuel that the
26 aviation fuel sold by the retailer and for which a sustainable

1 aviation fuel purchase credit was earned meets the definition
2 of sustainable aviation fuel under Section 3-87 of the Use Tax
3 Act. The documentation must include detail sufficient for the
4 Department to determine the number of gallons of sustainable
5 aviation fuel sold.

6 The Department may require returns to be filed on a
7 quarterly basis. If so required, a return for each calendar
8 quarter shall be filed on or before the twentieth day of the
9 calendar month following the end of such calendar quarter. The
10 taxpayer shall also file a return with the Department for each
11 of the first 2 ~~two~~ months of each calendar quarter, on or
12 before the twentieth day of the following calendar month,
13 stating:

- 14 1. The name of the seller;
- 15 2. The address of the principal place of business from
16 which he engages in the business of selling tangible
17 personal property at retail in this State;
- 18 3. The total amount of taxable receipts received by
19 him during the preceding calendar month from sales of
20 tangible personal property by him during such preceding
21 calendar month, including receipts from charge and time
22 sales, but less all deductions allowed by law;
- 23 4. The amount of credit provided in Section 2d of this
24 Act;
- 25 5. The amount of tax due; and
- 26 6. Such other reasonable information as the Department

1 may require.

2 Every person engaged in the business of selling aviation
3 fuel at retail in this State during the preceding calendar
4 month shall, instead of reporting and paying tax as otherwise
5 required by this Section, report and pay such tax on a separate
6 aviation fuel tax return. The requirements related to the
7 return shall be as otherwise provided in this Section.
8 Notwithstanding any other provisions of this Act to the
9 contrary, retailers selling aviation fuel shall file all
10 aviation fuel tax returns and shall make all aviation fuel tax
11 payments by electronic means in the manner and form required
12 by the Department. For purposes of this Section, "aviation
13 fuel" means jet fuel and aviation gasoline.

14 Beginning on October 1, 2003, any person who is not a
15 licensed distributor, importing distributor, or manufacturer,
16 as defined in the Liquor Control Act of 1934, but is engaged in
17 the business of selling, at retail, alcoholic liquor shall
18 file a statement with the Department of Revenue, in a format
19 and at a time prescribed by the Department, showing the total
20 amount paid for alcoholic liquor purchased during the
21 preceding month and such other information as is reasonably
22 required by the Department. The Department may adopt rules to
23 require that this statement be filed in an electronic or
24 telephonic format. Such rules may provide for exceptions from
25 the filing requirements of this paragraph. For the purposes of
26 this paragraph, the term "alcoholic liquor" shall have the

1 meaning prescribed in the Liquor Control Act of 1934.

2 Beginning on October 1, 2003, every distributor, importing
3 distributor, and manufacturer of alcoholic liquor as defined
4 in the Liquor Control Act of 1934, shall file a statement with
5 the Department of Revenue, no later than the 10th day of the
6 month for the preceding month during which transactions
7 occurred, by electronic means, showing the total amount of
8 gross receipts from the sale of alcoholic liquor sold or
9 distributed during the preceding month to purchasers;
10 identifying the purchaser to whom it was sold or distributed;
11 the purchaser's tax registration number; and such other
12 information reasonably required by the Department. A
13 distributor, importing distributor, or manufacturer of
14 alcoholic liquor must personally deliver, mail, or provide by
15 electronic means to each retailer listed on the monthly
16 statement a report containing a cumulative total of that
17 distributor's, importing distributor's, or manufacturer's
18 total sales of alcoholic liquor to that retailer no later than
19 the 10th day of the month for the preceding month during which
20 the transaction occurred. The distributor, importing
21 distributor, or manufacturer shall notify the retailer as to
22 the method by which the distributor, importing distributor, or
23 manufacturer will provide the sales information. If the
24 retailer is unable to receive the sales information by
25 electronic means, the distributor, importing distributor, or
26 manufacturer shall furnish the sales information by personal

1 delivery or by mail. For purposes of this paragraph, the term
2 "electronic means" includes, but is not limited to, the use of
3 a secure Internet website, e-mail, or facsimile.

4 If a total amount of less than \$1 is payable, refundable or
5 creditable, such amount shall be disregarded if it is less
6 than 50 cents and shall be increased to \$1 if it is 50 cents or
7 more.

8 Notwithstanding any other provision of this Act to the
9 contrary, retailers subject to tax on cannabis shall file all
10 cannabis tax returns and shall make all cannabis tax payments
11 by electronic means in the manner and form required by the
12 Department.

13 Beginning October 1, 1993, a taxpayer who has an average
14 monthly tax liability of \$150,000 or more shall make all
15 payments required by rules of the Department by electronic
16 funds transfer. Beginning October 1, 1994, a taxpayer who has
17 an average monthly tax liability of \$100,000 or more shall
18 make all payments required by rules of the Department by
19 electronic funds transfer. Beginning October 1, 1995, a
20 taxpayer who has an average monthly tax liability of \$50,000
21 or more shall make all payments required by rules of the
22 Department by electronic funds transfer. Beginning October 1,
23 2000, a taxpayer who has an annual tax liability of \$200,000 or
24 more shall make all payments required by rules of the
25 Department by electronic funds transfer. The term "annual tax
26 liability" shall be the sum of the taxpayer's liabilities

1 under this Act, and under all other State and local occupation
2 and use tax laws administered by the Department, for the
3 immediately preceding calendar year. The term "average monthly
4 tax liability" shall be the sum of the taxpayer's liabilities
5 under this Act, and under all other State and local occupation
6 and use tax laws administered by the Department, for the
7 immediately preceding calendar year divided by 12. Beginning
8 on October 1, 2002, a taxpayer who has a tax liability in the
9 amount set forth in subsection (b) of Section 2505-210 of the
10 Department of Revenue Law shall make all payments required by
11 rules of the Department by electronic funds transfer.

12 Before August 1 of each year beginning in 1993, the
13 Department shall notify all taxpayers required to make
14 payments by electronic funds transfer. All taxpayers required
15 to make payments by electronic funds transfer shall make those
16 payments for a minimum of one year beginning on October 1.

17 Any taxpayer not required to make payments by electronic
18 funds transfer may make payments by electronic funds transfer
19 with the permission of the Department.

20 All taxpayers required to make payment by electronic funds
21 transfer and any taxpayers authorized to voluntarily make
22 payments by electronic funds transfer shall make those
23 payments in the manner authorized by the Department.

24 The Department shall adopt such rules as are necessary to
25 effectuate a program of electronic funds transfer and the
26 requirements of this Section.

1 Any amount which is required to be shown or reported on any
2 return or other document under this Act shall, if such amount
3 is not a whole-dollar amount, be increased to the nearest
4 whole-dollar amount in any case where the fractional part of a
5 dollar is 50 cents or more, and decreased to the nearest
6 whole-dollar amount where the fractional part of a dollar is
7 less than 50 cents.

8 If the retailer is otherwise required to file a monthly
9 return and if the retailer's average monthly tax liability to
10 the Department does not exceed \$200, the Department may
11 authorize his returns to be filed on a quarter annual basis,
12 with the return for January, February, and March of a given
13 year being due by April 20 of such year; with the return for
14 April, May, and June of a given year being due by July 20 of
15 such year; with the return for July, August, and September of a
16 given year being due by October 20 of such year, and with the
17 return for October, November, and December of a given year
18 being due by January 20 of the following year.

19 If the retailer is otherwise required to file a monthly or
20 quarterly return and if the retailer's average monthly tax
21 liability with the Department does not exceed \$50, the
22 Department may authorize his returns to be filed on an annual
23 basis, with the return for a given year being due by January 20
24 of the following year.

25 Such quarter annual and annual returns, as to form and
26 substance, shall be subject to the same requirements as

1 monthly returns.

2 Notwithstanding any other provision in this Act concerning
3 the time within which a retailer may file his return, in the
4 case of any retailer who ceases to engage in a kind of business
5 which makes him responsible for filing returns under this Act,
6 such retailer shall file a final return under this Act with the
7 Department not more than one month after discontinuing such
8 business.

9 Where the same person has more than one business
10 registered with the Department under separate registrations
11 under this Act, such person may not file each return that is
12 due as a single return covering all such registered
13 businesses, but shall file separate returns for each such
14 registered business.

15 In addition, with respect to motor vehicles, watercraft,
16 aircraft, and trailers that are required to be registered with
17 an agency of this State, except as otherwise provided in this
18 Section, every retailer selling this kind of tangible personal
19 property shall file, with the Department, upon a form to be
20 prescribed and supplied by the Department, a separate return
21 for each such item of tangible personal property which the
22 retailer sells, except that if, in the same transaction, (i) a
23 retailer of aircraft, watercraft, motor vehicles, or trailers
24 transfers more than one aircraft, watercraft, motor vehicle,
25 or trailer to another aircraft, watercraft, motor vehicle
26 retailer, or trailer retailer for the purpose of resale or

1 (ii) a retailer of aircraft, watercraft, motor vehicles, or
2 trailers transfers more than one aircraft, watercraft, motor
3 vehicle, or trailer to a purchaser for use as a qualifying
4 rolling stock as provided in Section 2-5 of this Act, then that
5 seller may report the transfer of all aircraft, watercraft,
6 motor vehicles, or trailers involved in that transaction to
7 the Department on the same uniform invoice-transaction
8 reporting return form. For purposes of this Section,
9 "watercraft" means a Class 2, Class 3, or Class 4 watercraft as
10 defined in Section 3-2 of the Boat Registration and Safety
11 Act, a personal watercraft, or any boat equipped with an
12 inboard motor.

13 In addition, with respect to motor vehicles, watercraft,
14 aircraft, and trailers that are required to be registered with
15 an agency of this State, every person who is engaged in the
16 business of leasing or renting such items and who, in
17 connection with such business, sells any such item to a
18 retailer for the purpose of resale is, notwithstanding any
19 other provision of this Section to the contrary, authorized to
20 meet the return-filing requirement of this Act by reporting
21 the transfer of all the aircraft, watercraft, motor vehicles,
22 or trailers transferred for resale during a month to the
23 Department on the same uniform invoice-transaction reporting
24 return form on or before the 20th of the month following the
25 month in which the transfer takes place. Notwithstanding any
26 other provision of this Act to the contrary, all returns filed

1 under this paragraph must be filed by electronic means in the
2 manner and form as required by the Department.

3 Any retailer who sells only motor vehicles, watercraft,
4 aircraft, or trailers that are required to be registered with
5 an agency of this State, so that all retailers' occupation tax
6 liability is required to be reported, and is reported, on such
7 transaction reporting returns and who is not otherwise
8 required to file monthly or quarterly returns, need not file
9 monthly or quarterly returns. However, those retailers shall
10 be required to file returns on an annual basis.

11 The transaction reporting return, in the case of motor
12 vehicles or trailers that are required to be registered with
13 an agency of this State, shall be the same document as the
14 Uniform Invoice referred to in Section 5-402 of the Illinois
15 Vehicle Code and must show the name and address of the seller;
16 the name and address of the purchaser; the amount of the
17 selling price including the amount allowed by the retailer for
18 traded-in property, if any; the amount allowed by the retailer
19 for the traded-in tangible personal property, if any, to the
20 extent to which Section 1 of this Act allows an exemption for
21 the value of traded-in property; the balance payable after
22 deducting such trade-in allowance from the total selling
23 price; the amount of tax due from the retailer with respect to
24 such transaction; the amount of tax collected from the
25 purchaser by the retailer on such transaction (or satisfactory
26 evidence that such tax is not due in that particular instance,

1 if that is claimed to be the fact); the place and date of the
2 sale; a sufficient identification of the property sold; such
3 other information as is required in Section 5-402 of the
4 Illinois Vehicle Code, and such other information as the
5 Department may reasonably require.

6 The transaction reporting return in the case of watercraft
7 or aircraft must show the name and address of the seller; the
8 name and address of the purchaser; the amount of the selling
9 price including the amount allowed by the retailer for
10 traded-in property, if any; the amount allowed by the retailer
11 for the traded-in tangible personal property, if any, to the
12 extent to which Section 1 of this Act allows an exemption for
13 the value of traded-in property; the balance payable after
14 deducting such trade-in allowance from the total selling
15 price; the amount of tax due from the retailer with respect to
16 such transaction; the amount of tax collected from the
17 purchaser by the retailer on such transaction (or satisfactory
18 evidence that such tax is not due in that particular instance,
19 if that is claimed to be the fact); the place and date of the
20 sale, a sufficient identification of the property sold, and
21 such other information as the Department may reasonably
22 require.

23 Such transaction reporting return shall be filed not later
24 than 20 days after the day of delivery of the item that is
25 being sold, but may be filed by the retailer at any time sooner
26 than that if he chooses to do so. The transaction reporting

1 return and tax remittance or proof of exemption from the
2 Illinois use tax may be transmitted to the Department by way of
3 the State agency with which, or State officer with whom the
4 tangible personal property must be titled or registered (if
5 titling or registration is required) if the Department and
6 such agency or State officer determine that this procedure
7 will expedite the processing of applications for title or
8 registration.

9 With each such transaction reporting return, the retailer
10 shall remit the proper amount of tax due (or shall submit
11 satisfactory evidence that the sale is not taxable if that is
12 the case), to the Department or its agents, whereupon the
13 Department shall issue, in the purchaser's name, a use tax
14 receipt (or a certificate of exemption if the Department is
15 satisfied that the particular sale is tax exempt) which such
16 purchaser may submit to the agency with which, or State
17 officer with whom, he must title or register the tangible
18 personal property that is involved (if titling or registration
19 is required) in support of such purchaser's application for an
20 Illinois certificate or other evidence of title or
21 registration to such tangible personal property.

22 No retailer's failure or refusal to remit tax under this
23 Act precludes a user, who has paid the proper tax to the
24 retailer, from obtaining his certificate of title or other
25 evidence of title or registration (if titling or registration
26 is required) upon satisfying the Department that such user has

1 paid the proper tax (if tax is due) to the retailer. The
2 Department shall adopt appropriate rules to carry out the
3 mandate of this paragraph.

4 If the user who would otherwise pay tax to the retailer
5 wants the transaction reporting return filed and the payment
6 of the tax or proof of exemption made to the Department before
7 the retailer is willing to take these actions and such user has
8 not paid the tax to the retailer, such user may certify to the
9 fact of such delay by the retailer and may (upon the Department
10 being satisfied of the truth of such certification) transmit
11 the information required by the transaction reporting return
12 and the remittance for tax or proof of exemption directly to
13 the Department and obtain his tax receipt or exemption
14 determination, in which event the transaction reporting return
15 and tax remittance (if a tax payment was required) shall be
16 credited by the Department to the proper retailer's account
17 with the Department, but without the 2.1% or 1.75% discount
18 provided for in this Section being allowed. When the user pays
19 the tax directly to the Department, he shall pay the tax in the
20 same amount and in the same form in which it would be remitted
21 if the tax had been remitted to the Department by the retailer.

22 Refunds made by the seller during the preceding return
23 period to purchasers, on account of tangible personal property
24 returned to the seller, shall be allowed as a deduction under
25 subdivision 5 of his monthly or quarterly return, as the case
26 may be, in case the seller had theretofore included the

1 receipts from the sale of such tangible personal property in a
2 return filed by him and had paid the tax imposed by this Act
3 with respect to such receipts.

4 Where the seller is a corporation, the return filed on
5 behalf of such corporation shall be signed by the president,
6 vice-president, secretary, or treasurer or by the properly
7 accredited agent of such corporation.

8 Where the seller is a limited liability company, the
9 return filed on behalf of the limited liability company shall
10 be signed by a manager, member, or properly accredited agent
11 of the limited liability company.

12 Except as provided in this Section, the retailer filing
13 the return under this Section shall, at the time of filing such
14 return, pay to the Department the amount of tax imposed by this
15 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%
16 on and after January 1, 1990, or \$5 per calendar year,
17 whichever is greater, which is allowed to reimburse the
18 retailer for the expenses incurred in keeping records,
19 preparing and filing returns, remitting the tax and supplying
20 data to the Department on request. On and after January 1,
21 2021, a certified service provider, as defined in the Leveling
22 the Playing Field for Illinois Retail Act, filing the return
23 under this Section on behalf of a remote retailer shall, at the
24 time of such return, pay to the Department the amount of tax
25 imposed by this Act less a discount of 1.75%. A remote retailer
26 using a certified service provider to file a return on its

1 behalf, as provided in the Leveling the Playing Field for
2 Illinois Retail Act, is not eligible for the discount. When
3 determining the discount allowed under this Section, retailers
4 shall include the amount of tax that would have been due at the
5 1% rate but for the 0% rate imposed under Public Act 102-700.
6 When determining the discount allowed under this Section,
7 retailers shall include the amount of tax that would have been
8 due at the 6.25% rate but for the 1.25% rate imposed on sales
9 tax holiday items under Public Act 102-700. The discount under
10 this Section is not allowed for the 1.25% portion of taxes paid
11 on aviation fuel that is subject to the revenue use
12 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133. Any
13 prepayment made pursuant to Section 2d of this Act shall be
14 included in the amount on which such 2.1% or 1.75% discount is
15 computed. In the case of retailers who report and pay the tax
16 on a transaction by transaction basis, as provided in this
17 Section, such discount shall be taken with each such tax
18 remittance instead of when such retailer files his periodic
19 return. The discount allowed under this Section is allowed
20 only for returns that are filed in the manner required by this
21 Act. The Department may disallow the discount for retailers
22 whose certificate of registration is revoked at the time the
23 return is filed, but only if the Department's decision to
24 revoke the certificate of registration has become final.

25 Before October 1, 2000, if the taxpayer's average monthly
26 tax liability to the Department under this Act, the Use Tax

1 Act, the Service Occupation Tax Act, and the Service Use Tax
2 Act, excluding any liability for prepaid sales tax to be
3 remitted in accordance with Section 2d of this Act, was
4 \$10,000 or more during the preceding 4 complete calendar
5 quarters, he shall file a return with the Department each
6 month by the 20th day of the month next following the month
7 during which such tax liability is incurred and shall make
8 payments to the Department on or before the 7th, 15th, 22nd and
9 last day of the month during which such liability is incurred.
10 On and after October 1, 2000, if the taxpayer's average
11 monthly tax liability to the Department under this Act, the
12 Use Tax Act, the Service Occupation Tax Act, and the Service
13 Use Tax Act, excluding any liability for prepaid sales tax to
14 be remitted in accordance with Section 2d of this Act, was
15 \$20,000 or more during the preceding 4 complete calendar
16 quarters, he shall file a return with the Department each
17 month by the 20th day of the month next following the month
18 during which such tax liability is incurred and shall make
19 payment to the Department on or before the 7th, 15th, 22nd and
20 last day of the month during which such liability is incurred.
21 If the month during which such tax liability is incurred began
22 prior to January 1, 1985, each payment shall be in an amount
23 equal to 1/4 of the taxpayer's actual liability for the month
24 or an amount set by the Department not to exceed 1/4 of the
25 average monthly liability of the taxpayer to the Department
26 for the preceding 4 complete calendar quarters (excluding the

1 month of highest liability and the month of lowest liability
2 in such 4 quarter period). If the month during which such tax
3 liability is incurred begins on or after January 1, 1985 and
4 prior to January 1, 1987, each payment shall be in an amount
5 equal to 22.5% of the taxpayer's actual liability for the
6 month or 27.5% of the taxpayer's liability for the same
7 calendar month of the preceding year. If the month during
8 which such tax liability is incurred begins on or after
9 January 1, 1987 and prior to January 1, 1988, each payment
10 shall be in an amount equal to 22.5% of the taxpayer's actual
11 liability for the month or 26.25% of the taxpayer's liability
12 for the same calendar month of the preceding year. If the month
13 during which such tax liability is incurred begins on or after
14 January 1, 1988, and prior to January 1, 1989, or begins on or
15 after January 1, 1996, each payment shall be in an amount equal
16 to 22.5% of the taxpayer's actual liability for the month or
17 25% of the taxpayer's liability for the same calendar month of
18 the preceding year. If the month during which such tax
19 liability is incurred begins on or after January 1, 1989, and
20 prior to January 1, 1996, each payment shall be in an amount
21 equal to 22.5% of the taxpayer's actual liability for the
22 month or 25% of the taxpayer's liability for the same calendar
23 month of the preceding year or 100% of the taxpayer's actual
24 liability for the quarter monthly reporting period. The amount
25 of such quarter monthly payments shall be credited against the
26 final tax liability of the taxpayer's return for that month.

1 Before October 1, 2000, once applicable, the requirement of
2 the making of quarter monthly payments to the Department by
3 taxpayers having an average monthly tax liability of \$10,000
4 or more as determined in the manner provided above shall
5 continue until such taxpayer's average monthly liability to
6 the Department during the preceding 4 complete calendar
7 quarters (excluding the month of highest liability and the
8 month of lowest liability) is less than \$9,000, or until such
9 taxpayer's average monthly liability to the Department as
10 computed for each calendar quarter of the 4 preceding complete
11 calendar quarter period is less than \$10,000. However, if a
12 taxpayer can show the Department that a substantial change in
13 the taxpayer's business has occurred which causes the taxpayer
14 to anticipate that his average monthly tax liability for the
15 reasonably foreseeable future will fall below the \$10,000
16 threshold stated above, then such taxpayer may petition the
17 Department for a change in such taxpayer's reporting status.
18 On and after October 1, 2000, once applicable, the requirement
19 of the making of quarter monthly payments to the Department by
20 taxpayers having an average monthly tax liability of \$20,000
21 or more as determined in the manner provided above shall
22 continue until such taxpayer's average monthly liability to
23 the Department during the preceding 4 complete calendar
24 quarters (excluding the month of highest liability and the
25 month of lowest liability) is less than \$19,000 or until such
26 taxpayer's average monthly liability to the Department as

1 computed for each calendar quarter of the 4 preceding complete
2 calendar quarter period is less than \$20,000. However, if a
3 taxpayer can show the Department that a substantial change in
4 the taxpayer's business has occurred which causes the taxpayer
5 to anticipate that his average monthly tax liability for the
6 reasonably foreseeable future will fall below the \$20,000
7 threshold stated above, then such taxpayer may petition the
8 Department for a change in such taxpayer's reporting status.
9 The Department shall change such taxpayer's reporting status
10 unless it finds that such change is seasonal in nature and not
11 likely to be long term. Quarter monthly payment status shall
12 be determined under this paragraph as if the rate reduction to
13 0% in Public Act 102-700 on food for human consumption that is
14 to be consumed off the premises where it is sold (other than
15 alcoholic beverages, food consisting of or infused with adult
16 use cannabis, soft drinks, and food that has been prepared for
17 immediate consumption) had not occurred. For quarter monthly
18 payments due under this paragraph on or after July 1, 2023 and
19 through June 30, 2024, "25% of the taxpayer's liability for
20 the same calendar month of the preceding year" shall be
21 determined as if the rate reduction to 0% in Public Act 102-700
22 had not occurred. Quarter monthly payment status shall be
23 determined under this paragraph as if the rate reduction to
24 1.25% in Public Act 102-700 on sales tax holiday items had not
25 occurred. For quarter monthly payments due on or after July 1,
26 2023 and through June 30, 2024, "25% of the taxpayer's

1 liability for the same calendar month of the preceding year"
2 shall be determined as if the rate reduction to 1.25% in Public
3 Act 102-700 on sales tax holiday items had not occurred. If any
4 such quarter monthly payment is not paid at the time or in the
5 amount required by this Section, then the taxpayer shall be
6 liable for penalties and interest on the difference between
7 the minimum amount due as a payment and the amount of such
8 quarter monthly payment actually and timely paid, except
9 insofar as the taxpayer has previously made payments for that
10 month to the Department in excess of the minimum payments
11 previously due as provided in this Section. The Department
12 shall make reasonable rules and regulations to govern the
13 quarter monthly payment amount and quarter monthly payment
14 dates for taxpayers who file on other than a calendar monthly
15 basis.

16 The provisions of this paragraph apply before October 1,
17 2001. Without regard to whether a taxpayer is required to make
18 quarter monthly payments as specified above, any taxpayer who
19 is required by Section 2d of this Act to collect and remit
20 prepaid taxes and has collected prepaid taxes which average in
21 excess of \$25,000 per month during the preceding 2 complete
22 calendar quarters, shall file a return with the Department as
23 required by Section 2f and shall make payments to the
24 Department on or before the 7th, 15th, 22nd and last day of the
25 month during which such liability is incurred. If the month
26 during which such tax liability is incurred began prior to

1 September 1, 1985 (the effective date of Public Act 84-221),
2 each payment shall be in an amount not less than 22.5% of the
3 taxpayer's actual liability under Section 2d. If the month
4 during which such tax liability is incurred begins on or after
5 January 1, 1986, each payment shall be in an amount equal to
6 22.5% of the taxpayer's actual liability for the month or
7 27.5% of the taxpayer's liability for the same calendar month
8 of the preceding calendar year. If the month during which such
9 tax liability is incurred begins on or after January 1, 1987,
10 each payment shall be in an amount equal to 22.5% of the
11 taxpayer's actual liability for the month or 26.25% of the
12 taxpayer's liability for the same calendar month of the
13 preceding year. The amount of such quarter monthly payments
14 shall be credited against the final tax liability of the
15 taxpayer's return for that month filed under this Section or
16 Section 2f, as the case may be. Once applicable, the
17 requirement of the making of quarter monthly payments to the
18 Department pursuant to this paragraph shall continue until
19 such taxpayer's average monthly prepaid tax collections during
20 the preceding 2 complete calendar quarters is \$25,000 or less.
21 If any such quarter monthly payment is not paid at the time or
22 in the amount required, the taxpayer shall be liable for
23 penalties and interest on such difference, except insofar as
24 the taxpayer has previously made payments for that month in
25 excess of the minimum payments previously due.

26 The provisions of this paragraph apply on and after

1 October 1, 2001. Without regard to whether a taxpayer is
2 required to make quarter monthly payments as specified above,
3 any taxpayer who is required by Section 2d of this Act to
4 collect and remit prepaid taxes and has collected prepaid
5 taxes that average in excess of \$20,000 per month during the
6 preceding 4 complete calendar quarters shall file a return
7 with the Department as required by Section 2f and shall make
8 payments to the Department on or before the 7th, 15th, 22nd,
9 and last day of the month during which the liability is
10 incurred. Each payment shall be in an amount equal to 22.5% of
11 the taxpayer's actual liability for the month or 25% of the
12 taxpayer's liability for the same calendar month of the
13 preceding year. The amount of the quarter monthly payments
14 shall be credited against the final tax liability of the
15 taxpayer's return for that month filed under this Section or
16 Section 2f, as the case may be. Once applicable, the
17 requirement of the making of quarter monthly payments to the
18 Department pursuant to this paragraph shall continue until the
19 taxpayer's average monthly prepaid tax collections during the
20 preceding 4 complete calendar quarters (excluding the month of
21 highest liability and the month of lowest liability) is less
22 than \$19,000 or until such taxpayer's average monthly
23 liability to the Department as computed for each calendar
24 quarter of the 4 preceding complete calendar quarters is less
25 than \$20,000. If any such quarter monthly payment is not paid
26 at the time or in the amount required, the taxpayer shall be

1 liable for penalties and interest on such difference, except
2 insofar as the taxpayer has previously made payments for that
3 month in excess of the minimum payments previously due.

4 If any payment provided for in this Section exceeds the
5 taxpayer's liabilities under this Act, the Use Tax Act, the
6 Service Occupation Tax Act, and the Service Use Tax Act, as
7 shown on an original monthly return, the Department shall, if
8 requested by the taxpayer, issue to the taxpayer a credit
9 memorandum no later than 30 days after the date of payment. The
10 credit evidenced by such credit memorandum may be assigned by
11 the taxpayer to a similar taxpayer under this Act, the Use Tax
12 Act, the Service Occupation Tax Act, or the Service Use Tax
13 Act, in accordance with reasonable rules and regulations to be
14 prescribed by the Department. If no such request is made, the
15 taxpayer may credit such excess payment against tax liability
16 subsequently to be remitted to the Department under this Act,
17 the Use Tax Act, the Service Occupation Tax Act, or the Service
18 Use Tax Act, in accordance with reasonable rules and
19 regulations prescribed by the Department. If the Department
20 subsequently determined that all or any part of the credit
21 taken was not actually due to the taxpayer, the taxpayer's
22 2.1% and 1.75% vendor's discount shall be reduced by 2.1% or
23 1.75% of the difference between the credit taken and that
24 actually due, and that taxpayer shall be liable for penalties
25 and interest on such difference.

26 If a retailer of motor fuel is entitled to a credit under

1 Section 2d of this Act which exceeds the taxpayer's liability
2 to the Department under this Act for the month for which the
3 taxpayer is filing a return, the Department shall issue the
4 taxpayer a credit memorandum for the excess.

5 Beginning January 1, 1990 and until August 1, 2024, each
6 month the Department shall pay into the Local Government Tax
7 Fund, a special fund in the State treasury which is hereby
8 created, the net revenue realized for the preceding month from
9 the 1% tax imposed under this Act.

10 Beginning August 1, 2024, the State Comptroller shall
11 order transferred and the State Treasurer shall transfer from
12 the General Revenue Fund to the Local Government Tax Fund, the
13 amount deposited into the Local Government Tax Fund for the
14 same month in calendar year 2021 from items that were subject
15 to a 1% rate of tax in calendar year 2021. On August 1 of each
16 year thereafter, the amount transferred from the General
17 Revenue Fund to the Local Government Tax Fund under this
18 paragraph shall be increased by the percentage change, if any,
19 in the Consumer Price Index for All Urban Consumers as issued
20 by the United States Department of Labor for the most recent
21 12-month period for which data is available.

22 Beginning January 1, 1990, each month the Department shall
23 pay into the County and Mass Transit District Fund, a special
24 fund in the State treasury which is hereby created, 4% of the
25 net revenue realized for the preceding month from the 6.25%
26 general rate other than aviation fuel sold on or after

1 December 1, 2019. This exception for aviation fuel only
2 applies for so long as the revenue use requirements of 49
3 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

4 Beginning August 1, 2000, each month the Department shall
5 pay into the County and Mass Transit District Fund 20% of the
6 net revenue realized for the preceding month from the 1.25%
7 rate on the selling price of motor fuel and gasohol. If, in any
8 month, the tax on sales tax holiday items, as defined in
9 Section 2-8, is imposed at the rate of 1.25%, then the
10 Department shall pay 20% of the net revenue realized for that
11 month from the 1.25% rate on the selling price of sales tax
12 holiday items into the County and Mass Transit District Fund.

13 Beginning January 1, 1990, each month the Department shall
14 pay into the Local Government Tax Fund 16% of the net revenue
15 realized for the preceding month from the 6.25% general rate
16 on the selling price of tangible personal property other than
17 aviation fuel sold on or after December 1, 2019. This
18 exception for aviation fuel only applies for so long as the
19 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
20 47133 are binding on the State.

21 For aviation fuel sold on or after December 1, 2019, each
22 month the Department shall pay into the State Aviation Program
23 Fund 20% of the net revenue realized for the preceding month
24 from the 6.25% general rate on the selling price of aviation
25 fuel, less an amount estimated by the Department to be
26 required for refunds of the 20% portion of the tax on aviation

1 fuel under this Act, which amount shall be deposited into the
2 Aviation Fuel Sales Tax Refund Fund. The Department shall only
3 pay moneys into the State Aviation Program Fund and the
4 Aviation Fuel Sales Tax Refund Fund under this Act for so long
5 as the revenue use requirements of 49 U.S.C. 47107(b) and 49
6 U.S.C. 47133 are binding on the State.

7 Beginning August 1, 2000, each month the Department shall
8 pay into the Local Government Tax Fund 80% of the net revenue
9 realized for the preceding month from the 1.25% rate on the
10 selling price of motor fuel and gasohol. If, in any month, the
11 tax on sales tax holiday items, as defined in Section 2-8, is
12 imposed at the rate of 1.25%, then the Department shall pay 80%
13 of the net revenue realized for that month from the 1.25% rate
14 on the selling price of sales tax holiday items into the Local
15 Government Tax Fund.

16 Beginning October 1, 2009, each month the Department shall
17 pay into the Capital Projects Fund an amount that is equal to
18 an amount estimated by the Department to represent 80% of the
19 net revenue realized for the preceding month from the sale of
20 candy, grooming and hygiene products, and soft drinks that had
21 been taxed at a rate of 1% prior to September 1, 2009 but that
22 are now taxed at 6.25%.

23 Beginning July 1, 2011, each month the Department shall
24 pay into the Clean Air Act Permit Fund 80% of the net revenue
25 realized for the preceding month from the 6.25% general rate
26 on the selling price of sorbents used in Illinois in the

1 process of sorbent injection as used to comply with the
2 Environmental Protection Act or the federal Clean Air Act, but
3 the total payment into the Clean Air Act Permit Fund under this
4 Act and the Use Tax Act shall not exceed \$2,000,000 in any
5 fiscal year.

6 Beginning July 1, 2013, each month the Department shall
7 pay into the Underground Storage Tank Fund from the proceeds
8 collected under this Act, the Use Tax Act, the Service Use Tax
9 Act, and the Service Occupation Tax Act an amount equal to the
10 average monthly deficit in the Underground Storage Tank Fund
11 during the prior year, as certified annually by the Illinois
12 Environmental Protection Agency, but the total payment into
13 the Underground Storage Tank Fund under this Act, the Use Tax
14 Act, the Service Use Tax Act, and the Service Occupation Tax
15 Act shall not exceed \$18,000,000 in any State fiscal year. As
16 used in this paragraph, the "average monthly deficit" shall be
17 equal to the difference between the average monthly claims for
18 payment by the fund and the average monthly revenues deposited
19 into the fund, excluding payments made pursuant to this
20 paragraph.

21 Beginning July 1, 2015, of the remainder of the moneys
22 received by the Department under the Use Tax Act, the Service
23 Use Tax Act, the Service Occupation Tax Act, and this Act, each
24 month the Department shall deposit \$500,000 into the State
25 Crime Laboratory Fund.

26 Of the remainder of the moneys received by the Department

1 pursuant to this Act, (a) 1.75% thereof shall be paid into the
2 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
3 and after July 1, 1989, 3.8% thereof shall be paid into the
4 Build Illinois Fund; provided, however, that if in any fiscal
5 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
6 may be, of the moneys received by the Department and required
7 to be paid into the Build Illinois Fund pursuant to this Act,
8 Section 9 of the Use Tax Act, Section 9 of the Service Use Tax
9 Act, and Section 9 of the Service Occupation Tax Act, such Acts
10 being hereinafter called the "Tax Acts" and such aggregate of
11 2.2% or 3.8%, as the case may be, of moneys being hereinafter
12 called the "Tax Act Amount", and (2) the amount transferred to
13 the Build Illinois Fund from the State and Local Sales Tax
14 Reform Fund shall be less than the Annual Specified Amount (as
15 hereinafter defined), an amount equal to the difference shall
16 be immediately paid into the Build Illinois Fund from other
17 moneys received by the Department pursuant to the Tax Acts;
18 the "Annual Specified Amount" means the amounts specified
19 below for fiscal years 1986 through 1993:

20	Fiscal Year	Annual Specified Amount
21	1986	\$54,800,000
22	1987	\$76,650,000
23	1988	\$80,480,000
24	1989	\$88,510,000
25	1990	\$115,330,000
26	1991	\$145,470,000

1 1992 \$182,730,000

2 1993 \$206,520,000;

3 and means the Certified Annual Debt Service Requirement (as
4 defined in Section 13 of the Build Illinois Bond Act) or the
5 Tax Act Amount, whichever is greater, for fiscal year 1994 and
6 each fiscal year thereafter; and further provided, that if on
7 the last business day of any month the sum of (1) the Tax Act
8 Amount required to be deposited into the Build Illinois Bond
9 Account in the Build Illinois Fund during such month and (2)
10 the amount transferred to the Build Illinois Fund from the
11 State and Local Sales Tax Reform Fund shall have been less than
12 1/12 of the Annual Specified Amount, an amount equal to the
13 difference shall be immediately paid into the Build Illinois
14 Fund from other moneys received by the Department pursuant to
15 the Tax Acts; and, further provided, that in no event shall the
16 payments required under the preceding proviso result in
17 aggregate payments into the Build Illinois Fund pursuant to
18 this clause (b) for any fiscal year in excess of the greater of
19 (i) the Tax Act Amount or (ii) the Annual Specified Amount for
20 such fiscal year. The amounts payable into the Build Illinois
21 Fund under clause (b) of the first sentence in this paragraph
22 shall be payable only until such time as the aggregate amount
23 on deposit under each trust indenture securing Bonds issued
24 and outstanding pursuant to the Build Illinois Bond Act is
25 sufficient, taking into account any future investment income,
26 to fully provide, in accordance with such indenture, for the

1 defeasance of or the payment of the principal of, premium, if
2 any, and interest on the Bonds secured by such indenture and on
3 any Bonds expected to be issued thereafter and all fees and
4 costs payable with respect thereto, all as certified by the
5 Director of the Bureau of the Budget (now Governor's Office of
6 Management and Budget). If on the last business day of any
7 month in which Bonds are outstanding pursuant to the Build
8 Illinois Bond Act, the aggregate of moneys deposited in the
9 Build Illinois Bond Account in the Build Illinois Fund in such
10 month shall be less than the amount required to be transferred
11 in such month from the Build Illinois Bond Account to the Build
12 Illinois Bond Retirement and Interest Fund pursuant to Section
13 13 of the Build Illinois Bond Act, an amount equal to such
14 deficiency shall be immediately paid from other moneys
15 received by the Department pursuant to the Tax Acts to the
16 Build Illinois Fund; provided, however, that any amounts paid
17 to the Build Illinois Fund in any fiscal year pursuant to this
18 sentence shall be deemed to constitute payments pursuant to
19 clause (b) of the first sentence of this paragraph and shall
20 reduce the amount otherwise payable for such fiscal year
21 pursuant to that clause (b). The moneys received by the
22 Department pursuant to this Act and required to be deposited
23 into the Build Illinois Fund are subject to the pledge, claim
24 and charge set forth in Section 12 of the Build Illinois Bond
25 Act.

26 Subject to payment of amounts into the Build Illinois Fund

1 as provided in the preceding paragraph or in any amendment
2 thereto hereafter enacted, the following specified monthly
3 installment of the amount requested in the certificate of the
4 Chairman of the Metropolitan Pier and Exposition Authority
5 provided under Section 8.25f of the State Finance Act, but not
6 in excess of sums designated as "Total Deposit", shall be
7 deposited in the aggregate from collections under Section 9 of
8 the Use Tax Act, Section 9 of the Service Use Tax Act, Section
9 of the Service Occupation Tax Act, and Section 3 of the
10 Retailers' Occupation Tax Act into the McCormick Place
11 Expansion Project Fund in the specified fiscal years.

12	Fiscal Year	Total Deposit
13	1993	\$0
14	1994	53,000,000
15	1995	58,000,000
16	1996	61,000,000
17	1997	64,000,000
18	1998	68,000,000
19	1999	71,000,000
20	2000	75,000,000
21	2001	80,000,000
22	2002	93,000,000
23	2003	99,000,000
24	2004	103,000,000
25	2005	108,000,000
26	2006	113,000,000

1	2007	119,000,000
2	2008	126,000,000
3	2009	132,000,000
4	2010	139,000,000
5	2011	146,000,000
6	2012	153,000,000
7	2013	161,000,000
8	2014	170,000,000
9	2015	179,000,000
10	2016	189,000,000
11	2017	199,000,000
12	2018	210,000,000
13	2019	221,000,000
14	2020	233,000,000
15	2021	300,000,000
16	2022	300,000,000
17	2023	300,000,000
18	2024	300,000,000
19	2025	300,000,000
20	2026	300,000,000
21	2027	375,000,000
22	2028	375,000,000
23	2029	375,000,000
24	2030	375,000,000
25	2031	375,000,000
26	2032	375,000,000

1	2033	375,000,000
2	2034	375,000,000
3	2035	375,000,000
4	2036	450,000,000

5 and

6 each fiscal year

7 thereafter that bonds

8 are outstanding under

9 Section 13.2 of the

10 Metropolitan Pier and

11 Exposition Authority Act,

12 but not after fiscal year 2060.

13 Beginning July 20, 1993 and in each month of each fiscal
14 year thereafter, one-eighth of the amount requested in the
15 certificate of the Chairman of the Metropolitan Pier and
16 Exposition Authority for that fiscal year, less the amount
17 deposited into the McCormick Place Expansion Project Fund by
18 the State Treasurer in the respective month under subsection
19 (g) of Section 13 of the Metropolitan Pier and Exposition
20 Authority Act, plus cumulative deficiencies in the deposits
21 required under this Section for previous months and years,
22 shall be deposited into the McCormick Place Expansion Project
23 Fund, until the full amount requested for the fiscal year, but
24 not in excess of the amount specified above as "Total
25 Deposit", has been deposited.

26 Subject to payment of amounts into the Capital Projects

1 Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,
2 and the McCormick Place Expansion Project Fund pursuant to the
3 preceding paragraphs or in any amendments thereto hereafter
4 enacted, for aviation fuel sold on or after December 1, 2019,
5 the Department shall each month deposit into the Aviation Fuel
6 Sales Tax Refund Fund an amount estimated by the Department to
7 be required for refunds of the 80% portion of the tax on
8 aviation fuel under this Act. The Department shall only
9 deposit moneys into the Aviation Fuel Sales Tax Refund Fund
10 under this paragraph for so long as the revenue use
11 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
12 binding on the State.

13 Subject to payment of amounts into the Build Illinois Fund
14 and the McCormick Place Expansion Project Fund pursuant to the
15 preceding paragraphs or in any amendments thereto hereafter
16 enacted, beginning July 1, 1993 and ending on September 30,
17 2013, the Department shall each month pay into the Illinois
18 Tax Increment Fund 0.27% of 80% of the net revenue realized for
19 the preceding month from the 6.25% general rate on the selling
20 price of tangible personal property.

21 Subject to payment of amounts into the Build Illinois
22 Fund, the McCormick Place Expansion Project Fund, and the
23 Illinois Tax Increment Fund pursuant to the preceding
24 paragraphs or in any amendments to this Section hereafter
25 enacted, beginning on the first day of the first calendar
26 month to occur on or after August 26, 2014 (the effective date

1 of Public Act 98-1098), each month, from the collections made
2 under Section 9 of the Use Tax Act, Section 9 of the Service
3 Use Tax Act, Section 9 of the Service Occupation Tax Act, and
4 Section 3 of the Retailers' Occupation Tax Act, the Department
5 shall pay into the Tax Compliance and Administration Fund, to
6 be used, subject to appropriation, to fund additional auditors
7 and compliance personnel at the Department of Revenue, an
8 amount equal to 1/12 of 5% of 80% of the cash receipts
9 collected during the preceding fiscal year by the Audit Bureau
10 of the Department under the Use Tax Act, the Service Use Tax
11 Act, the Service Occupation Tax Act, the Retailers' Occupation
12 Tax Act, and associated local occupation and use taxes
13 administered by the Department.

14 Subject to payments of amounts into the Build Illinois
15 Fund, the McCormick Place Expansion Project Fund, the Illinois
16 Tax Increment Fund, the Energy Infrastructure Fund, and the
17 Tax Compliance and Administration Fund as provided in this
18 Section, beginning on July 1, 2018 the Department shall pay
19 each month into the Downstate Public Transportation Fund the
20 moneys required to be so paid under Section 2-3 of the
21 Downstate Public Transportation Act.

22 Subject to successful execution and delivery of a
23 public-private agreement between the public agency and private
24 entity and completion of the civic build, beginning on July 1,
25 2023, of the remainder of the moneys received by the
26 Department under the Use Tax Act, the Service Use Tax Act, the

1 Service Occupation Tax Act, and this Act, the Department shall
 2 deposit the following specified deposits in the aggregate from
 3 collections under the Use Tax Act, the Service Use Tax Act, the
 4 Service Occupation Tax Act, and the Retailers' Occupation Tax
 5 Act, as required under Section 8.25g of the State Finance Act
 6 for distribution consistent with the Public-Private
 7 Partnership for Civic and Transit Infrastructure Project Act.
 8 The moneys received by the Department pursuant to this Act and
 9 required to be deposited into the Civic and Transit
 10 Infrastructure Fund are subject to the pledge, claim and
 11 charge set forth in Section 25-55 of the Public-Private
 12 Partnership for Civic and Transit Infrastructure Project Act.
 13 As used in this paragraph, "civic build", "private entity",
 14 "public-private agreement", and "public agency" have the
 15 meanings provided in Section 25-10 of the Public-Private
 16 Partnership for Civic and Transit Infrastructure Project Act.

17	Fiscal Year.....	Total Deposit
18	2024	\$200,000,000
19	2025	\$206,000,000
20	2026	\$212,200,000
21	2027	\$218,500,000
22	2028	\$225,100,000
23	2029	\$288,700,000
24	2030	\$298,900,000
25	2031	\$309,300,000
26	2032	\$320,100,000

1	2033	.....	\$331,200,000
2	2034	.....	\$341,200,000
3	2035	.....	\$351,400,000
4	2036	.....	\$361,900,000
5	2037	.....	\$372,800,000
6	2038	.....	\$384,000,000
7	2039	.....	\$395,500,000
8	2040	.....	\$407,400,000
9	2041	.....	\$419,600,000
10	2042	.....	\$432,200,000
11	2043	.....	\$445,100,000

12 Beginning July 1, 2021 and until July 1, 2022, subject to
13 the payment of amounts into the County and Mass Transit
14 District Fund, the Local Government Tax Fund, the Build
15 Illinois Fund, the McCormick Place Expansion Project Fund, the
16 Illinois Tax Increment Fund, and the Tax Compliance and
17 Administration Fund as provided in this Section, the
18 Department shall pay each month into the Road Fund the amount
19 estimated to represent 16% of the net revenue realized from
20 the taxes imposed on motor fuel and gasohol. Beginning July 1,
21 2022 and until July 1, 2023, subject to the payment of amounts
22 into the County and Mass Transit District Fund, the Local
23 Government Tax Fund, the Build Illinois Fund, the McCormick
24 Place Expansion Project Fund, the Illinois Tax Increment Fund,
25 and the Tax Compliance and Administration Fund as provided in
26 this Section, the Department shall pay each month into the

1 Road Fund the amount estimated to represent 32% of the net
2 revenue realized from the taxes imposed on motor fuel and
3 gasohol. Beginning July 1, 2023 and until July 1, 2024,
4 subject to the payment of amounts into the County and Mass
5 Transit District Fund, the Local Government Tax Fund, the
6 Build Illinois Fund, the McCormick Place Expansion Project
7 Fund, the Illinois Tax Increment Fund, and the Tax Compliance
8 and Administration Fund as provided in this Section, the
9 Department shall pay each month into the Road Fund the amount
10 estimated to represent 48% of the net revenue realized from
11 the taxes imposed on motor fuel and gasohol. Beginning July 1,
12 2024 and until July 1, 2025, subject to the payment of amounts
13 into the County and Mass Transit District Fund, the Local
14 Government Tax Fund, the Build Illinois Fund, the McCormick
15 Place Expansion Project Fund, the Illinois Tax Increment Fund,
16 and the Tax Compliance and Administration Fund as provided in
17 this Section, the Department shall pay each month into the
18 Road Fund the amount estimated to represent 64% of the net
19 revenue realized from the taxes imposed on motor fuel and
20 gasohol. Beginning on July 1, 2025, subject to the payment of
21 amounts into the County and Mass Transit District Fund, the
22 Local Government Tax Fund, the Build Illinois Fund, the
23 McCormick Place Expansion Project Fund, the Illinois Tax
24 Increment Fund, and the Tax Compliance and Administration Fund
25 as provided in this Section, the Department shall pay each
26 month into the Road Fund the amount estimated to represent 80%

1 of the net revenue realized from the taxes imposed on motor
2 fuel and gasohol. As used in this paragraph "motor fuel" has
3 the meaning given to that term in Section 1.1 of the Motor Fuel
4 Tax Law, and "gasohol" has the meaning given to that term in
5 Section 3-40 of the Use Tax Act.

6 Of the remainder of the moneys received by the Department
7 pursuant to this Act, 75% thereof shall be paid into the State
8 treasury and 25% shall be reserved in a special account and
9 used only for the transfer to the Common School Fund as part of
10 the monthly transfer from the General Revenue Fund in
11 accordance with Section 8a of the State Finance Act.

12 The Department may, upon separate written notice to a
13 taxpayer, require the taxpayer to prepare and file with the
14 Department on a form prescribed by the Department within not
15 less than 60 days after receipt of the notice an annual
16 information return for the tax year specified in the notice.
17 Such annual return to the Department shall include a statement
18 of gross receipts as shown by the retailer's last federal
19 ~~Federal~~ income tax return. If the total receipts of the
20 business as reported in the federal ~~Federal~~ income tax return
21 do not agree with the gross receipts reported to the
22 Department of Revenue for the same period, the retailer shall
23 attach to his annual return a schedule showing a
24 reconciliation of the 2 amounts and the reasons for the
25 difference. The retailer's annual return to the Department
26 shall also disclose the cost of goods sold by the retailer

1 during the year covered by such return, opening and closing
2 inventories of such goods for such year, costs of goods used
3 from stock or taken from stock and given away by the retailer
4 during such year, payroll information of the retailer's
5 business during such year and any additional reasonable
6 information which the Department deems would be helpful in
7 determining the accuracy of the monthly, quarterly, or annual
8 returns filed by such retailer as provided for in this
9 Section.

10 If the annual information return required by this Section
11 is not filed when and as required, the taxpayer shall be liable
12 as follows:

13 (i) Until January 1, 1994, the taxpayer shall be
14 liable for a penalty equal to 1/6 of 1% of the tax due from
15 such taxpayer under this Act during the period to be
16 covered by the annual return for each month or fraction of
17 a month until such return is filed as required, the
18 penalty to be assessed and collected in the same manner as
19 any other penalty provided for in this Act.

20 (ii) On and after January 1, 1994, the taxpayer shall
21 be liable for a penalty as described in Section 3-4 of the
22 Uniform Penalty and Interest Act.

23 The chief executive officer, proprietor, owner, or highest
24 ranking manager shall sign the annual return to certify the
25 accuracy of the information contained therein. Any person who
26 willfully signs the annual return containing false or

1 inaccurate information shall be guilty of perjury and punished
2 accordingly. The annual return form prescribed by the
3 Department shall include a warning that the person signing the
4 return may be liable for perjury.

5 The provisions of this Section concerning the filing of an
6 annual information return do not apply to a retailer who is not
7 required to file an income tax return with the United States
8 Government.

9 As soon as possible after the first day of each month, upon
10 certification of the Department of Revenue, the Comptroller
11 shall order transferred and the Treasurer shall transfer from
12 the General Revenue Fund to the Motor Fuel Tax Fund an amount
13 equal to 1.7% of 80% of the net revenue realized under this Act
14 for the second preceding month. Beginning April 1, 2000, this
15 transfer is no longer required and shall not be made.

16 Net revenue realized for a month shall be the revenue
17 collected by the State pursuant to this Act, less the amount
18 paid out during that month as refunds to taxpayers for
19 overpayment of liability.

20 For greater simplicity of administration, manufacturers,
21 importers and wholesalers whose products are sold at retail in
22 Illinois by numerous retailers, and who wish to do so, may
23 assume the responsibility for accounting and paying to the
24 Department all tax accruing under this Act with respect to
25 such sales, if the retailers who are affected do not make
26 written objection to the Department to this arrangement.

1 Any person who promotes, organizes, or provides retail
2 selling space for concessionaires or other types of sellers at
3 the Illinois State Fair, DuQuoin State Fair, county fairs,
4 local fairs, art shows, flea markets, and similar exhibitions
5 or events, including any transient merchant as defined by
6 Section 2 of the Transient Merchant Act of 1987, is required to
7 file a report with the Department providing the name of the
8 merchant's business, the name of the person or persons engaged
9 in merchant's business, the permanent address and Illinois
10 Retailers Occupation Tax Registration Number of the merchant,
11 the dates and location of the event, and other reasonable
12 information that the Department may require. The report must
13 be filed not later than the 20th day of the month next
14 following the month during which the event with retail sales
15 was held. Any person who fails to file a report required by
16 this Section commits a business offense and is subject to a
17 fine not to exceed \$250.

18 Any person engaged in the business of selling tangible
19 personal property at retail as a concessionaire or other type
20 of seller at the Illinois State Fair, county fairs, art shows,
21 flea markets, and similar exhibitions or events, or any
22 transient merchants, as defined by Section 2 of the Transient
23 Merchant Act of 1987, may be required to make a daily report of
24 the amount of such sales to the Department and to make a daily
25 payment of the full amount of tax due. The Department shall
26 impose this requirement when it finds that there is a

1 significant risk of loss of revenue to the State at such an
2 exhibition or event. Such a finding shall be based on evidence
3 that a substantial number of concessionaires or other sellers
4 who are not residents of Illinois will be engaging in the
5 business of selling tangible personal property at retail at
6 the exhibition or event, or other evidence of a significant
7 risk of loss of revenue to the State. The Department shall
8 notify concessionaires and other sellers affected by the
9 imposition of this requirement. In the absence of notification
10 by the Department, the concessionaires and other sellers shall
11 file their returns as otherwise required in this Section.

12 (Source: P.A. 102-634, eff. 8-27-21; 102-700, Article 60,
13 Section 60-30, eff. 4-19-22; 102-700, Article 65, Section
14 65-10, eff. 4-19-22; 102-813, eff. 5-13-22; 102-1019, eff.
15 1-1-23; 103-9, eff. 6-7-23; 103-154, eff. 6-30-23; 103-363,
16 eff. 7-28-23; revised 9-27-23.)

17 Section 99. Effective date. This Act takes effect upon
18 becoming law.