

1 AN ACT concerning taxation.

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

4 Section 3. The State Finance Act is amended by changing
5 Section 8.20 as follows:

6 (30 ILCS 105/8.20) (from Ch. 127, par. 144.20)

7 Sec. 8.20. Appropriations for the ordinary and
8 contingent expenses of the Illinois Liquor Control Commission
9 shall be paid from the Dram Shop Fund. Beginning June 30,
10 1990 and on June 30 of each subsequent year through June 29,
11 2003, any balance over \$5,000,000 remaining in the Dram Shop
12 Fund shall be credited to State liquor licensees and applied
13 against their fees for State liquor licenses for the
14 following year. The amount credited to each licensee shall
15 be a proportion of the balance in the Dram Shop Fund that is
16 the same as the proportion of the license fee paid by the
17 licensee under Section 5-3 of the Liquor Control Act of 1934,
18 as now or hereafter amended, for the period in which the
19 balance was accumulated to the aggregate fees paid by all
20 licensees during that period.

21 In addition to any other permitted use of moneys in the
22 Fund, and notwithstanding any restriction on the use of the
23 Fund, moneys in the Dram Shop Fund may be transferred to the
24 General Revenue Fund as authorized by Public Act 87-14. The
25 General Assembly finds that an excess of moneys existed in
26 the Fund on July 30, 1991, and the Governor's order of July
27 30, 1991, requesting the Comptroller and Treasurer to
28 transfer an amount from the Fund to the General Revenue Fund
29 is hereby validated.

30 (Source: P.A. 90-372, eff. 7-1-98; 91-25, eff. 6-9-99.)

1 Section 5. The Retailers' Occupation Tax Act is amended
2 by changing Section 3 as follows:

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

4 Sec. 3. Except as provided in this Section, on or before
5 the twentieth day of each calendar month, every person
6 engaged in the business of selling tangible personal property
7 at retail in this State during the preceding calendar month
8 shall file a return with the Department, stating:

9 1. The name of the seller;

10 2. His residence address and the address of his
11 principal place of business and the address of the
12 principal place of business (if that is a different
13 address) from which he engages in the business of selling
14 tangible personal property at retail in this State;

15 3. Total amount of receipts received by him during
16 the preceding calendar month or quarter, as the case may
17 be, from sales of tangible personal property, and from
18 services furnished, by him during such preceding calendar
19 month or quarter;

20 4. Total amount received by him during the
21 preceding calendar month or quarter on charge and time
22 sales of tangible personal property, and from services
23 furnished, by him prior to the month or quarter for which
24 the return is filed;

25 5. Deductions allowed by law;

26 6. Gross receipts which were received by him during
27 the preceding calendar month or quarter and upon the
28 basis of which the tax is imposed;

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

31 8. The amount of tax due;

32 9. The signature of the taxpayer; and

33 10. Such other reasonable information as the

1 Department may require.

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

6 Each return shall be accompanied by the statement of
7 prepaid tax issued pursuant to Section 2e for which credit is
8 claimed.

9 A retailer may accept a Manufacturer's Purchase Credit
10 certification from a purchaser in satisfaction of Use Tax as
11 provided in Section 3-85 of the Use Tax Act if the purchaser
12 provides the appropriate documentation as required by Section
13 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit
14 certification, accepted by a retailer as provided in Section
15 3-85 of the Use Tax Act, may be used by that retailer to
16 satisfy Retailers' Occupation Tax liability in the amount
17 claimed in the certification, not to exceed 6.25% of the
18 receipts subject to tax from a qualifying purchase.

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

- 27 1. The name of the seller;
- 28 2. The address of the principal place of business
29 from which he engages in the business of selling tangible
30 personal property at retail in this State;
- 31 3. The total amount of taxable receipts received by
32 him during the preceding calendar month from sales of
33 tangible personal property by him during such preceding
34 calendar month, including receipts from charge and time

1 sales, but less all deductions allowed by law;

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

4 5. The amount of tax due; and

5 6. Such other reasonable information as the
6 Department may require.

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

22 Beginning on October 1, 2003, every distributor,
23 importing distributor, and manufacturer of alcoholic liquor
24 as defined in the Liquor Control Act of 1934, shall file a
25 statement with the Department of Revenue, no later than the
26 10th day of the month for the preceding month during which
27 transactions occurred, by electronic means, showing the total
28 amount of gross receipts from the sale of alcoholic liquor
29 sold or distributed during the preceding month to purchasers;
30 identifying the purchaser to whom it was sold or distributed;
31 the purchaser's tax registration number; and such other
32 information reasonably required by the Department. A copy of
33 the monthly statement shall be sent to the retailer no later
34 than the 10th day of the month for the preceding month during

1 which transactions occurred.

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

6 Beginning October 1, 1993, a taxpayer who has an average
7 monthly tax liability of \$150,000 or more shall make all
8 payments required by rules of the Department by electronic
9 funds transfer. Beginning October 1, 1994, a taxpayer who
10 has an average monthly tax liability of \$100,000 or more
11 shall make all payments required by rules of the Department
12 by electronic funds transfer. Beginning October 1, 1995, a
13 taxpayer who has an average monthly tax liability of \$50,000
14 or more shall make all payments required by rules of the
15 Department by electronic funds transfer. Beginning October
16 1, 2000, a taxpayer who has an annual tax liability of
17 \$200,000 or more shall make all payments required by rules of
18 the Department by electronic funds transfer. The term
19 "annual tax liability" shall be the sum of the taxpayer's
20 liabilities under this Act, and under all other State and
21 local occupation and use tax laws administered by the
22 Department, for the immediately preceding calendar year. The
23 term "average monthly tax liability" shall be the sum of the
24 taxpayer's liabilities under this Act, and under all other
25 State and local occupation and use tax laws administered by
26 the Department, for the immediately preceding calendar year
27 divided by 12. Beginning on October 1, 2002, a taxpayer who
28 has a tax liability in the amount set forth in subsection (b)
29 of Section 2505-210 of the Department of Revenue Law shall
30 make all payments required by rules of the Department by
31 electronic funds transfer.

32 Before August 1 of each year beginning in 1993, the
33 Department shall notify all taxpayers required to make
34 payments by electronic funds transfer. All taxpayers

1 required to make payments by electronic funds transfer shall
2 make those payments for a minimum of one year beginning on
3 October 1.

4 Any taxpayer not required to make payments by electronic
5 funds transfer may make payments by electronic funds transfer
6 with the permission of the Department.

7 All taxpayers required to make payment by electronic
8 funds transfer and any taxpayers authorized to voluntarily
9 make payments by electronic funds transfer shall make those
10 payments in the manner authorized by the Department.

11 The Department shall adopt such rules as are necessary to
12 effectuate a program of electronic funds transfer and the
13 requirements of this Section.

14 Any amount which is required to be shown or reported on
15 any return or other document under this Act shall, if such
16 amount is not a whole-dollar amount, be increased to the
17 nearest whole-dollar amount in any case where the fractional
18 part of a dollar is 50 cents or more, and decreased to the
19 nearest whole-dollar amount where the fractional part of a
20 dollar is less than 50 cents.

21 If the retailer is otherwise required to file a monthly
22 return and if the retailer's average monthly tax liability to
23 the Department does not exceed \$200, the Department may
24 authorize his returns to be filed on a quarter annual basis,
25 with the return for January, February and March of a given
26 year being due by April 20 of such year; with the return for
27 April, May and June of a given year being due by July 20 of
28 such year; with the return for July, August and September of
29 a given year being due by October 20 of such year, and with
30 the return for October, November and December of a given year
31 being due by January 20 of the following year.

32 If the retailer is otherwise required to file a monthly
33 or quarterly return and if the retailer's average monthly tax
34 liability with the Department does not exceed \$50, the

1 Department may authorize his returns to be filed on an annual
2 basis, with the return for a given year being due by January
3 20 of the following year.

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

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

14 Where the same person has more than one business
15 registered with the Department under separate registrations
16 under this Act, such person may not file each return that is
17 due as a single return covering all such registered
18 businesses, but shall file separate returns for each such
19 registered business.

20 In addition, with respect to motor vehicles, watercraft,
21 aircraft, and trailers that are required to be registered
22 with an agency of this State, every retailer selling this
23 kind of tangible personal property shall file, with the
24 Department, upon a form to be prescribed and supplied by the
25 Department, a separate return for each such item of tangible
26 personal property which the retailer sells, except that if,
27 in the same transaction, (i) a retailer of aircraft,
28 watercraft, motor vehicles or trailers transfers more than
29 one aircraft, watercraft, motor vehicle or trailer to another
30 aircraft, watercraft, motor vehicle retailer or trailer
31 retailer for the purpose of resale or (ii) a retailer of
32 aircraft, watercraft, motor vehicles, or trailers transfers
33 more than one aircraft, watercraft, motor vehicle, or trailer
34 to a purchaser for use as a qualifying rolling stock as

1 provided in Section 2-5 of this Act, then that seller may
2 report the transfer of all aircraft, watercraft, motor
3 vehicles or trailers involved in that transaction to the
4 Department on the same uniform invoice-transaction reporting
5 return form. For purposes of this Section, "watercraft"
6 means a Class 2, Class 3, or Class 4 watercraft as defined in
7 Section 3-2 of the Boat Registration and Safety Act, a
8 personal watercraft, or any boat equipped with an inboard
9 motor.

10 Any retailer who sells only motor vehicles, watercraft,
11 aircraft, or trailers that are required to be registered with
12 an agency of this State, so that all retailers' occupation
13 tax liability is required to be reported, and is reported, on
14 such transaction reporting returns and who is not otherwise
15 required to file monthly or quarterly returns, need not file
16 monthly or quarterly returns. However, those retailers shall
17 be required to file returns on an annual basis.

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
23 seller; the name and address of the purchaser; the amount of
24 the selling price including the amount allowed by the
25 retailer for traded-in property, if any; the amount allowed
26 by the retailer for the traded-in tangible personal property,
27 if any, to the extent to which Section 1 of this Act allows
28 an exemption for the value of traded-in property; the balance
29 payable after deducting such trade-in allowance from the
30 total selling price; the amount of tax due from the retailer
31 with respect to such transaction; the amount of tax collected
32 from the purchaser by the retailer on such transaction (or
33 satisfactory evidence that such tax is not due in that
34 particular instance, if that is claimed to be the fact); the

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

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

22 Such transaction reporting return shall be filed not
23 later than 20 days after the day of delivery of the item that
24 is being sold, but may be filed by the retailer at any time
25 sooner than that if he chooses to do so. The transaction
26 reporting return and tax remittance or proof of exemption
27 from the Illinois use tax may be transmitted to the
28 Department by way of the State agency with which, or State
29 officer with whom the tangible personal property must be
30 titled or registered (if titling or registration is required)
31 if the Department and such agency or State officer determine
32 that this procedure will expedite the processing of
33 applications for title or registration.

34 With each such transaction reporting return, the retailer

1 shall remit the proper amount of tax due (or shall submit
2 satisfactory evidence that the sale is not taxable if that is
3 the case), to the Department or its agents, whereupon the
4 Department shall issue, in the purchaser's name, a use tax
5 receipt (or a certificate of exemption if the Department is
6 satisfied that the particular sale is tax exempt) which such
7 purchaser may submit to the agency with which, or State
8 officer with whom, he must title or register the tangible
9 personal property that is involved (if titling or
10 registration is required) in support of such purchaser's
11 application for an Illinois certificate or other evidence of
12 title or registration to such tangible personal property.

13 No retailer's failure or refusal to remit tax under this
14 Act precludes a user, who has paid the proper tax to the
15 retailer, from obtaining his certificate of title or other
16 evidence of title or registration (if titling or registration
17 is required) upon satisfying the Department that such user
18 has paid the proper tax (if tax is due) to the retailer. The
19 Department shall adopt appropriate rules to carry out the
20 mandate of this paragraph.

21 If the user who would otherwise pay tax to the retailer
22 wants the transaction reporting return filed and the payment
23 of the tax or proof of exemption made to the Department
24 before the retailer is willing to take these actions and such
25 user has not paid the tax to the retailer, such user may
26 certify to the fact of such delay by the retailer and may
27 (upon the Department being satisfied of the truth of such
28 certification) transmit the information required by the
29 transaction reporting return and the remittance for tax or
30 proof of exemption directly to the Department and obtain his
31 tax receipt or exemption determination, in which event the
32 transaction reporting return and tax remittance (if a tax
33 payment was required) shall be credited by the Department to
34 the proper retailer's account with the Department, but

1 without the 2.1% or 1.75% discount provided for in this
2 Section being allowed. When the user pays the tax directly
3 to the Department, he shall pay the tax in the same amount
4 and in the same form in which it would be remitted if the tax
5 had been remitted to the Department by the retailer.

6 Refunds made by the seller during the preceding return
7 period to purchasers, on account of tangible personal
8 property returned to the seller, shall be allowed as a
9 deduction under subdivision 5 of his monthly or quarterly
10 return, as the case may be, in case the seller had
11 theretofore included the receipts from the sale of such
12 tangible personal property in a return filed by him and had
13 paid the tax imposed by this Act with respect to such
14 receipts.

15 Where the seller is a corporation, the return filed on
16 behalf of such corporation shall be signed by the president,
17 vice-president, secretary or treasurer or by the properly
18 accredited agent of such corporation.

19 Where the seller is a limited liability company, the
20 return filed on behalf of the limited liability company shall
21 be signed by a manager, member, or properly accredited agent
22 of the limited liability company.

23 Except as provided in this Section, the retailer filing
24 the return under this Section shall, at the time of filing
25 such return, pay to the Department the amount of tax imposed
26 by this Act less a discount of 2.1% prior to January 1, 1990
27 and 1.75% on and after January 1, 1990, or \$5 per calendar
28 year, whichever is greater, which is allowed to reimburse the
29 retailer for the expenses incurred in keeping records,
30 preparing and filing returns, remitting the tax and supplying
31 data to the Department on request. Any prepayment made
32 pursuant to Section 2d of this Act shall be included in the
33 amount on which such 2.1% or 1.75% discount is computed. In
34 the case of retailers who report and pay the tax on a

1 transaction by transaction basis, as provided in this
2 Section, such discount shall be taken with each such tax
3 remittance instead of when such retailer files his periodic
4 return.

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

1 If the month during which such tax liability is incurred
2 begins on or after January 1, 1985 and prior to January 1,
3 1987, each payment shall be in an amount equal to 22.5% of
4 the taxpayer's actual liability for the month or 27.5% of the
5 taxpayer's liability for the same calendar month of the
6 preceding year. If the month during which such tax liability
7 is incurred begins on or after January 1, 1987 and prior to
8 January 1, 1988, each payment shall be in an amount equal to
9 22.5% of the taxpayer's actual liability for the month or
10 26.25% of the taxpayer's liability for the same calendar
11 month of the preceding year. If the month during which such
12 tax liability is incurred begins on or after January 1, 1988,
13 and prior to January 1, 1989, or begins on or after January
14 1, 1996, each payment shall be in an amount equal to 22.5% of
15 the taxpayer's actual liability for the month or 25% of the
16 taxpayer's liability for the same calendar month of the
17 preceding year. If the month during which such tax liability
18 is incurred begins on or after January 1, 1989, and prior to
19 January 1, 1996, each payment shall be in an amount equal to
20 22.5% of the taxpayer's actual liability for the month or 25%
21 of the taxpayer's liability for the same calendar month of
22 the preceding year or 100% of the taxpayer's actual liability
23 for the quarter monthly reporting period. The amount of such
24 quarter monthly payments shall be credited against the final
25 tax liability of the taxpayer's return for that month.
26 Before October 1, 2000, once applicable, the requirement of
27 the making of quarter monthly payments to the Department by
28 taxpayers having an average monthly tax liability of \$10,000
29 or more as determined in the manner provided above shall
30 continue until such taxpayer's average monthly liability to
31 the Department during the preceding 4 complete calendar
32 quarters (excluding the month of highest liability and the
33 month of lowest liability) is less than \$9,000, or until such
34 taxpayer's average monthly liability to the Department as

1 computed for each calendar quarter of the 4 preceding
2 complete calendar quarter period is less than \$10,000.
3 However, if a taxpayer can show the Department that a
4 substantial change in the taxpayer's business has occurred
5 which causes the taxpayer to anticipate that his average
6 monthly tax liability for the reasonably foreseeable future
7 will fall below the \$10,000 threshold stated above, then such
8 taxpayer may petition the Department for a change in such
9 taxpayer's reporting status. On and after October 1, 2000,
10 once applicable, the requirement of the making of quarter
11 monthly payments to the Department by taxpayers having an
12 average monthly tax liability of \$20,000 or more as
13 determined in the manner provided above shall continue until
14 such taxpayer's average monthly liability to the Department
15 during the preceding 4 complete calendar quarters (excluding
16 the month of highest liability and the month of lowest
17 liability) is less than \$19,000 or until such taxpayer's
18 average monthly liability to the Department as computed for
19 each calendar quarter of the 4 preceding complete calendar
20 quarter period is less than \$20,000. However, if a taxpayer
21 can show the Department that a substantial change in the
22 taxpayer's business has occurred which causes the taxpayer to
23 anticipate that his average monthly tax liability for the
24 reasonably foreseeable future will fall below the \$20,000
25 threshold stated above, then such taxpayer may petition the
26 Department for a change in such taxpayer's reporting status.
27 The Department shall change such taxpayer's reporting status
28 unless it finds that such change is seasonal in nature and
29 not likely to be long term. If any such quarter monthly
30 payment is not paid at the time or in the amount required by
31 this Section, then the taxpayer shall be liable for penalties
32 and interest on the difference between the minimum amount due
33 as a payment and the amount of such quarter monthly payment
34 actually and timely paid, except insofar as the taxpayer has

1 previously made payments for that month to the Department in
2 excess of the minimum payments previously due as provided in
3 this Section. The Department shall make reasonable rules and
4 regulations to govern the quarter monthly payment amount and
5 quarter monthly payment dates for taxpayers who file on other
6 than a calendar monthly basis.

7 The provisions of this paragraph apply before October 1,
8 2001. Without regard to whether a taxpayer is required to
9 make quarter monthly payments as specified above, any
10 taxpayer who is required by Section 2d of this Act to collect
11 and remit prepaid taxes and has collected prepaid taxes which
12 average in excess of \$25,000 per month during the preceding 2
13 complete calendar quarters, shall file a return with the
14 Department as required by Section 2f and shall make payments
15 to the Department on or before the 7th, 15th, 22nd and last
16 day of the month during which such liability is incurred. If
17 the month during which such tax liability is incurred began
18 prior to the effective date of this amendatory Act of 1985,
19 each payment shall be in an amount not less than 22.5% of the
20 taxpayer's actual liability under Section 2d. If the month
21 during which such tax liability is incurred begins on or
22 after January 1, 1986, each payment shall be in an amount
23 equal to 22.5% of the taxpayer's actual liability for the
24 month or 27.5% of the taxpayer's liability for the same
25 calendar month of the preceding calendar year. If the month
26 during which such tax liability is incurred begins on or
27 after January 1, 1987, each payment shall be in an amount
28 equal to 22.5% of the taxpayer's actual liability for the
29 month or 26.25% of the taxpayer's liability for the same
30 calendar month of the preceding year. The amount of such
31 quarter monthly payments shall be credited against the final
32 tax liability of the taxpayer's return for that month filed
33 under this Section or Section 2f, as the case may be. Once
34 applicable, the requirement of the making of quarter monthly

1 payments to the Department pursuant to this paragraph shall
2 continue until such taxpayer's average monthly prepaid tax
3 collections during the preceding 2 complete calendar quarters
4 is \$25,000 or less. If any such quarter monthly payment is
5 not paid at the time or in the amount required, the taxpayer
6 shall be liable for penalties and interest on such
7 difference, except insofar as the taxpayer has previously
8 made payments for that month in excess of the minimum
9 payments previously due.

10 The provisions of this paragraph apply on and after
11 October 1, 2001. Without regard to whether a taxpayer is
12 required to make quarter monthly payments as specified above,
13 any taxpayer who is required by Section 2d of this Act to
14 collect and remit prepaid taxes and has collected prepaid
15 taxes that average in excess of \$20,000 per month during the
16 preceding 4 complete calendar quarters shall file a return
17 with the Department as required by Section 2f and shall make
18 payments to the Department on or before the 7th, 15th, 22nd
19 and last day of the month during which the liability is
20 incurred. Each payment shall be in an amount equal to 22.5%
21 of the taxpayer's actual liability for the month or 25% of
22 the taxpayer's liability for the same calendar month of the
23 preceding year. The amount of the quarter monthly payments
24 shall be credited against the final tax liability of the
25 taxpayer's return for that month filed under this Section or
26 Section 2f, as the case may be. Once applicable, the
27 requirement of the making of quarter monthly payments to the
28 Department pursuant to this paragraph shall continue until
29 the taxpayer's average monthly prepaid tax collections during
30 the preceding 4 complete calendar quarters (excluding the
31 month of highest liability and the month of lowest liability)
32 is less than \$19,000 or until such taxpayer's average monthly
33 liability to the Department as computed for each calendar
34 quarter of the 4 preceding complete calendar quarters is less

1 than \$20,000. If any such quarter monthly payment is not
2 paid at the time or in the amount required, the taxpayer
3 shall be liable for penalties and interest on such
4 difference, except insofar as the taxpayer has previously
5 made payments for that month in excess of the minimum
6 payments previously due.

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

30 If a retailer of motor fuel is entitled to a credit under
31 Section 2d of this Act which exceeds the taxpayer's liability
32 to the Department under this Act for the month which the
33 taxpayer is filing a return, the Department shall issue the
34 taxpayer a credit memorandum for the excess.

1 Beginning January 1, 1990, each month the Department
2 shall pay into the Local Government Tax Fund, a special fund
3 in the State treasury which is hereby created, the net
4 revenue realized for the preceding month from the 1% tax on
5 sales of food for human consumption which is to be consumed
6 off the premises where it is sold (other than alcoholic
7 beverages, soft drinks and food which has been prepared for
8 immediate consumption) and prescription and nonprescription
9 medicines, drugs, medical appliances and insulin, urine
10 testing materials, syringes and needles used by diabetics.

11 Beginning January 1, 1990, each month the Department
12 shall pay into the County and Mass Transit District Fund, a
13 special fund in the State treasury which is hereby created,
14 4% of the net revenue realized for the preceding month from
15 the 6.25% general rate.

16 Beginning August 1, 2000, each month the Department shall
17 pay into the County and Mass Transit District Fund 20% of the
18 net revenue realized for the preceding month from the 1.25%
19 rate on the selling price of motor fuel and gasohol.

20 Beginning January 1, 1990, each month the Department
21 shall pay into the Local Government Tax Fund 16% of the net
22 revenue realized for the preceding month from the 6.25%
23 general rate on the selling price of tangible personal
24 property.

25 Beginning August 1, 2000, each month the Department shall
26 pay into the Local Government Tax Fund 80% of the net revenue
27 realized for the preceding month from the 1.25% rate on the
28 selling price of motor fuel and gasohol.

29 Of the remainder of the moneys received by the Department
30 pursuant to this Act, (a) 1.75% thereof shall be paid into
31 the Build Illinois Fund and (b) prior to July 1, 1989, 2.2%
32 and on and after July 1, 1989, 3.8% thereof shall be paid
33 into the Build Illinois Fund; provided, however, that if in
34 any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%,

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

16	Fiscal Year	Annual Specified Amount
17	1986	\$54,800,000
18	1987	\$76,650,000
19	1988	\$80,480,000
20	1989	\$88,510,000
21	1990	\$115,330,000
22	1991	\$145,470,000
23	1992	\$182,730,000
24	1993	\$206,520,000;

25 and means the Certified Annual Debt Service Requirement (as
 26 defined in Section 13 of the Build Illinois Bond Act) or the
 27 Tax Act Amount, whichever is greater, for fiscal year 1994
 28 and each fiscal year thereafter; and further provided, that
 29 if on the last business day of any month the sum of (1) the
 30 Tax Act Amount required to be deposited into the Build
 31 Illinois Bond Account in the Build Illinois Fund during such
 32 month and (2) the amount transferred to the Build Illinois
 33 Fund from the State and Local Sales Tax Reform Fund shall
 34 have been less than 1/12 of the Annual Specified Amount, an

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

1 amount otherwise payable for such fiscal year pursuant to
 2 that clause (b). The moneys received by the Department
 3 pursuant to this Act and required to be deposited into the
 4 Build Illinois Fund are subject to the pledge, claim and
 5 charge set forth in Section 12 of the Build Illinois Bond
 6 Act.

7 Subject to payment of amounts into the Build Illinois
 8 Fund as provided in the preceding paragraph or in any
 9 amendment thereto hereafter enacted, the following specified
 10 monthly installment of the amount requested in the
 11 certificate of the Chairman of the Metropolitan Pier and
 12 Exposition Authority provided under Section 8.25f of the
 13 State Finance Act, but not in excess of sums designated as
 14 "Total Deposit", shall be deposited in the aggregate from
 15 collections under Section 9 of the Use Tax Act, Section 9 of
 16 the Service Use Tax Act, Section 9 of the Service Occupation
 17 Tax Act, and Section 3 of the Retailers' Occupation Tax Act
 18 into the McCormick Place Expansion Project Fund in the
 19 specified fiscal years.

20	Fiscal Year	Total Deposit
21	1993	\$0
22	1994	53,000,000
23	1995	58,000,000
24	1996	61,000,000
25	1997	64,000,000
26	1998	68,000,000
27	1999	71,000,000
28	2000	75,000,000
29	2001	80,000,000
30	2002	93,000,000
31	2003	99,000,000
32	2004	103,000,000
33	2005	108,000,000
34	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	246,000,000
16	2022	260,000,000
17	2023 and	275,000,000

18 each fiscal year
19 thereafter that bonds
20 are outstanding under
21 Section 13.2 of the
22 Metropolitan Pier and
23 Exposition Authority
24 Act, but not after fiscal year 2042.

25 Beginning July 20, 1993 and in each month of each fiscal
26 year thereafter, one-eighth of the amount requested in the
27 certificate of the Chairman of the Metropolitan Pier and
28 Exposition Authority for that fiscal year, less the amount
29 deposited into the McCormick Place Expansion Project Fund by
30 the State Treasurer in the respective month under subsection
31 (g) of Section 13 of the Metropolitan Pier and Exposition
32 Authority Act, plus cumulative deficiencies in the deposits
33 required under this Section for previous months and years,
34 shall be deposited into the McCormick Place Expansion Project

1 Fund, until the full amount requested for the fiscal year,
2 but not in excess of the amount specified above as "Total
3 Deposit", has been deposited.

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

12 Subject to payment of amounts into the Build Illinois
13 Fund and the McCormick Place Expansion Project Fund pursuant
14 to the preceding paragraphs or in any amendments thereto
15 hereafter enacted, beginning with the receipt of the first
16 report of taxes paid by an eligible business and continuing
17 for a 25-year period, the Department shall each month pay
18 into the Energy Infrastructure Fund 80% of the net revenue
19 realized from the 6.25% general rate on the selling price of
20 Illinois-mined coal that was sold to an eligible business.
21 For purposes of this paragraph, the term "eligible business"
22 means a new electric generating facility certified pursuant
23 to Section 605-332 of the Department of Commerce and
24 Community Affairs Law of the Civil Administrative Code of
25 Illinois.

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

32 The Department may, upon separate written notice to a
33 taxpayer, require the taxpayer to prepare and file with the
34 Department on a form prescribed by the Department within not

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

21 If the annual information return required by this Section
22 is not filed when and as required, the taxpayer shall be
23 liable as follows:

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

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

34 The chief executive officer, proprietor, owner or highest

1 ranking manager shall sign the annual return to certify the
2 accuracy of the information contained therein. Any person
3 who willfully signs the annual return containing false or
4 inaccurate information shall be guilty of perjury and
5 punished accordingly. The annual return form prescribed by
6 the Department shall include a warning that the person
7 signing the return may be liable for perjury.

8 The provisions of this Section concerning the filing of
9 an annual information return do not apply to a retailer who
10 is not required to file an income tax return with the United
11 States Government.

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

20 Net revenue realized for a month shall be the revenue
21 collected by the State pursuant to this Act, less the amount
22 paid out during that month as refunds to taxpayers for
23 overpayment of liability.

24 For greater simplicity of administration, manufacturers,
25 importers and wholesalers whose products are sold at retail
26 in Illinois by numerous retailers, and who wish to do so, may
27 assume the responsibility for accounting and paying to the
28 Department all tax accruing under this Act with respect to
29 such sales, if the retailers who are affected do not make
30 written objection to the Department to this arrangement.

31 Any person who promotes, organizes, provides retail
32 selling space for concessionaires or other types of sellers
33 at the Illinois State Fair, DuQuoin State Fair, county fairs,
34 local fairs, art shows, flea markets and similar exhibitions

1 or events, including any transient merchant as defined by
2 Section 2 of the Transient Merchant Act of 1987, is required
3 to file a report with the Department providing the name of
4 the merchant's business, the name of the person or persons
5 engaged in merchant's business, the permanent address and
6 Illinois Retailers Occupation Tax Registration Number of the
7 merchant, the dates and location of the event and other
8 reasonable information that the Department may require. The
9 report must be filed not later than the 20th day of the month
10 next following the month during which the event with retail
11 sales was held. Any person who fails to file a report
12 required by this Section commits a business offense and is
13 subject to a fine not to exceed \$250.

14 Any person engaged in the business of selling tangible
15 personal property at retail as a concessionaire or other type
16 of seller at the Illinois State Fair, county fairs, art
17 shows, flea markets and similar exhibitions or events, or any
18 transient merchants, as defined by Section 2 of the Transient
19 Merchant Act of 1987, may be required to make a daily report
20 of the amount of such sales to the Department and to make a
21 daily payment of the full amount of tax due. The Department
22 shall impose this requirement when it finds that there is a
23 significant risk of loss of revenue to the State at such an
24 exhibition or event. Such a finding shall be based on
25 evidence that a substantial number of concessionaires or
26 other sellers who are not residents of Illinois will be
27 engaging in the business of selling tangible personal
28 property at retail at the exhibition or event, or other
29 evidence of a significant risk of loss of revenue to the
30 State. The Department shall notify concessionaires and other
31 sellers affected by the imposition of this requirement. In
32 the absence of notification by the Department, the
33 concessionaires and other sellers shall file their returns as
34 otherwise required in this Section.

1 (Source: P.A. 91-37, eff. 7-1-99; 91-51, eff. 6-30-99;
2 91-101, eff. 7-12-99; 91-541, eff. 8-13-99; 91-872, eff.
3 7-1-00; 91-901, eff. 1-1-01; 92-12, eff. 7-1-01; 92-16, eff.
4 6-28-01; 92-208, eff. 8-2-01; 92-484, eff. 8-23-01; 92-492,
5 eff. 1-1-02; 92-600, eff. 6-28-02; 92-651, eff. 7-11-02.)

6 Section 10. The Cigarette Tax Act is amended by changing
7 Sections 3 and 29 as follows:

8 (35 ILCS 130/3) (from Ch. 120, par. 453.3)

9 Sec. 3. Affixing tax stamp; remitting tax to the
10 Department. Payment of the taxes imposed by Section 2 of
11 this Act shall (except as hereinafter provided) be evidenced
12 by revenue tax stamps affixed to each original package of
13 cigarettes. Each distributor of cigarettes, before delivering
14 or causing to be delivered any original package of cigarettes
15 in this State to a purchaser, shall firmly affix a proper
16 stamp or stamps to each such package, or (in case of
17 manufacturers of cigarettes in original packages which are
18 contained inside a sealed transparent wrapper) shall imprint
19 the required language on the original package of cigarettes
20 beneath such outside wrapper, as hereinafter provided.

21 No stamp or imprint may be affixed to, or made upon, any
22 package of cigarettes unless that package complies with all
23 requirements of the federal Cigarette Labeling and
24 Advertising Act, 15 U.S.C. 1331 and following, for the
25 placement of labels, warnings, or any other information upon
26 a package of cigarettes that is sold within the United
27 States. Under the authority of Section 6, the Department
28 shall revoke the license of any distributor that is
29 determined to have violated this paragraph. A person may not
30 affix a stamp on a package of cigarettes, cigarette papers,
31 wrappers, or tubes if that individual package has been marked
32 for export outside the United States with a label or notice

1 in compliance with Section 290.185 of Title 27 of the Code of
2 Federal Regulations. It is not a defense to a proceeding for
3 violation of this paragraph that the label or notice has been
4 removed, mutilated, obliterated, or altered in any manner.

5 The Department, or any person authorized by the
6 Department, shall sell such stamps only to persons holding
7 valid licenses as distributors under this Act. On and after
8 July 1, 2003, payment for such stamps must be made by means
9 of electronic funds transfer. The Department may refuse to
10 sell stamps to any person who does not comply with the
11 provisions of this Act. Beginning on the effective date of
12 this amendatory Act of the 92nd General Assembly and through
13 June 30, 2002, persons holding valid licenses as distributors
14 may purchase cigarette tax stamps up to an amount equal to
15 115% of the distributor's average monthly cigarette tax stamp
16 purchases over the 12 calendar months prior to the effective
17 date of this amendatory Act of the 92nd General Assembly.

18 Prior to December 1, 1985, the Department shall allow a
19 distributor 21 days in which to make final payment of the
20 amount to be paid for such stamps, by allowing the
21 distributor to make payment for the stamps at the time of
22 purchasing them with a draft which shall be in such form as
23 the Department prescribes, and which shall be payable within
24 21 days thereafter: Provided that such distributor has filed
25 with the Department, and has received the Department's
26 approval of, a bond, which is in addition to the bond
27 required under Section 4 of this Act, payable to the
28 Department in an amount equal to 80% of such distributor's
29 average monthly tax liability to the Department under this
30 Act during the preceding calendar year or \$500,000, whichever
31 is less. The Bond shall be joint and several and shall be in
32 the form of a surety company bond in such form as the
33 Department prescribes, or it may be in the form of a bank
34 certificate of deposit or bank letter of credit. The bond

1 shall be conditioned upon the distributor's payment of amount
2 of any 21-day draft which the Department accepts from that
3 distributor for the delivery of stamps to that distributor
4 under this Act. The distributor's failure to pay any such
5 draft, when due, shall also make such distributor
6 automatically liable to the Department for a penalty equal to
7 25% of the amount of such draft.

8 On and after December 1, 1985 and until July 1, 2003, the
9 Department shall allow a distributor 30 days in which to make
10 final payment of the amount to be paid for such stamps, by
11 allowing the distributor to make payment for the stamps at
12 the time of purchasing them with a draft which shall be in
13 such form as the Department prescribes, and which shall be
14 payable within 30 days thereafter, and beginning on January
15 1, 2003 and thereafter, the draft shall be payable by means
16 of electronic funds transfer: Provided that such distributor
17 has filed with the Department, and has received the
18 Department's approval of, a bond, which is in addition to the
19 bond required under Section 4 of this Act, payable to the
20 Department in an amount equal to 150% of such distributor's
21 average monthly tax liability to the Department under this
22 Act during the preceding calendar year or \$750,000, whichever
23 is less, except that as to bonds filed on or after January 1,
24 1987, such additional bond shall be in an amount equal to
25 100% of such distributor's average monthly tax liability
26 under this Act during the preceding calendar year or
27 \$750,000, whichever is less. The bond shall be joint and
28 several and shall be in the form of a surety company bond in
29 such form as the Department prescribes, or it may be in the
30 form of a bank certificate of deposit or bank letter of
31 credit. The bond shall be conditioned upon the distributor's
32 payment of the amount of any 30-day draft which the
33 Department accepts from that distributor for the delivery of
34 stamps to that distributor under this Act. The distributor's

1 failure to pay any such draft, when due, shall also make such
2 distributor automatically liable to the Department for a
3 penalty equal to 25% of the amount of such draft.

4 Every prior continuous compliance taxpayer shall be
5 exempt from all requirements under this Section concerning
6 the furnishing of such bond, as defined in this Section, as a
7 condition precedent to his being authorized to engage in the
8 business licensed under this Act. This exemption shall
9 continue for each such taxpayer until such time as he may be
10 determined by the Department to be delinquent in the filing
11 of any returns, or is determined by the Department (either
12 through the Department's issuance of a final assessment which
13 has become final under the Act, or by the taxpayer's filing
14 of a return which admits tax to be due that is not paid) to
15 be delinquent or deficient in the paying of any tax under
16 this Act, at which time that taxpayer shall become subject to
17 the bond requirements of this Section and, as a condition of
18 being allowed to continue to engage in the business licensed
19 under this Act, shall be required to furnish bond to the
20 Department in such form as provided in this Section. Such
21 taxpayer shall furnish such bond for a period of 2 years,
22 after which, if the taxpayer has not been delinquent in the
23 filing of any returns, or delinquent or deficient in the
24 paying of any tax under this Act, the Department may
25 reinstate such person as a prior continuance compliance
26 taxpayer. Any taxpayer who fails to pay an admitted or
27 established liability under this Act may also be required to
28 post bond or other acceptable security with the Department
29 guaranteeing the payment of such admitted or established
30 liability.

31 Any person aggrieved by any decision of the Department
32 under this Section may, within the time allowed by law,
33 protest and request a hearing, whereupon the Department shall
34 give notice and shall hold a hearing in conformity with the

1 provisions of this Act and then issue its final
2 administrative decision in the matter to such person. In the
3 absence of such a protest filed within the time allowed by
4 law, the Department's decision shall become final without any
5 further determination being made or notice given.

6 The Department shall discharge any surety and shall
7 release and return any bond or security deposited, assigned,
8 pledged, or otherwise provided to it by a taxpayer under this
9 Section within 30 days after:

10 (1) Such taxpayer becomes a prior continuous compliance
11 taxpayer; or

12 (2) Such taxpayer has ceased to collect receipts on
13 which he is required to remit tax to the Department, has
14 filed a final tax return, and has paid to the Department an
15 amount sufficient to discharge his remaining tax liability as
16 determined by the Department under this Act. The Department
17 shall make a final determination of the taxpayer's
18 outstanding tax liability as expeditiously as possible after
19 his final tax return has been filed. If the Department
20 cannot make such final determination within 45 days after
21 receiving the final tax return, within such period it shall
22 so notify the taxpayer, stating its reasons therefor.

23 The Department may authorize distributors to affix
24 revenue tax stamps by imprinting tax meter stamps upon
25 original packages of cigarettes. The Department shall adopt
26 rules and regulations relating to the imprinting of such tax
27 meter stamps as will result in payment of the proper taxes as
28 herein imposed. No distributor may affix revenue tax stamps
29 to original packages of cigarettes by imprinting tax meter
30 stamps thereon unless such distributor has first obtained
31 permission from the Department to employ this method of
32 affixation. The Department shall regulate the use of tax
33 meters and may, to assure the proper collection of the taxes
34 imposed by this Act, revoke or suspend the privilege,

1 theretofore granted by the Department to any distributor, to
2 imprint tax meter stamps upon original packages of
3 cigarettes.

4 Illinois cigarette manufacturers who place their
5 cigarettes in original packages which are contained inside a
6 sealed transparent wrapper, and similar out-of-State
7 cigarette manufacturers who elect to qualify and are accepted
8 by the Department as distributors under Section 4b of this
9 Act, shall pay the taxes imposed by this Act by remitting the
10 amount thereof to the Department by the 5th day of each month
11 covering cigarettes shipped or otherwise delivered in
12 Illinois to purchasers during the preceding calendar month.
13 Such manufacturers of cigarettes in original packages which
14 are contained inside a sealed transparent wrapper, before
15 delivering such cigarettes or causing such cigarettes to be
16 delivered in this State to purchasers, shall evidence their
17 obligation to remit the taxes due with respect to such
18 cigarettes by imprinting language to be prescribed by the
19 Department on each original package of such cigarettes
20 underneath the sealed transparent outside wrapper of such
21 original package, in such place thereon and in such manner as
22 the Department may designate. Such imprinted language shall
23 acknowledge the manufacturer's payment of or liability for
24 the tax imposed by this Act with respect to the distribution
25 of such cigarettes.

26 A distributor shall not affix, or cause to be affixed,
27 any stamp or imprint to a package of cigarettes, as provided
28 for in this Section, if the tobacco product manufacturer, as
29 defined in Section 10 of the Tobacco Product Manufacturers'
30 Escrow Act, that made or sold the cigarettes has failed to
31 become a participating manufacturer, as defined in
32 subdivision (a)(1) of Section 15 of the Tobacco Product
33 Manufacturers' Escrow Act, or has failed to create a
34 qualified escrow fund for any cigarettes manufactured by the

1 tobacco product manufacturer and sold in this State or
2 otherwise failed to bring itself into compliance with
3 subdivision (a)(2) of Section 15 of the Tobacco Product
4 Manufacturers' Escrow Act.

5 (Source: P.A. 91-246, eff. 7-22-99; 92-322, eff. 1-1-02;
6 92-536, eff. 6-6-02; 92-737, eff. 7-25-02; revised 9-10-02.)

7 (35 ILCS 130/29) (from Ch. 120, par. 453.29)

8 Sec. 29. All moneys received by the Department from the
9 one-half mill tax imposed by the Sixty-fourth General
10 Assembly and all interest and penalties, received in
11 connection therewith under the provisions of this Act shall
12 be paid into the Metropolitan Fair and Exposition Authority
13 Reconstruction Fund. All other moneys received by the
14 Department under this Act shall be paid into the General
15 Revenue Fund in the State treasury. After there has been paid
16 into the Metropolitan Fair and Exposition Authority
17 Reconstruction Fund sufficient money to pay in full both
18 principal and interest, all of the outstanding bonds issued
19 pursuant to the "Fair and Exposition Authority Reconstruction
20 Act", the State Treasurer and Comptroller shall transfer to
21 the General Revenue Fund the balance of moneys remaining in
22 the Metropolitan Fair and Exposition Authority Reconstruction
23 Fund except for \$2,500,000 which shall remain in the
24 Metropolitan Fair and Exposition Authority Reconstruction
25 Fund and which may be appropriated by the General Assembly
26 for the corporate purposes of the Metropolitan Pier and
27 Exposition Authority. All monies received by the Department
28 in fiscal year 1978 and thereafter from the one-half mill tax
29 imposed by the Sixty-fourth General Assembly, and all
30 interest and penalties received in connection therewith under
31 the provisions of this Act, shall be paid into the General
32 Revenue Fund, except that the Department shall pay the first
33 \$4,800,000 received in fiscal years 1979 through 2001 from

1 that one-half mill tax into the Metropolitan Fair and
2 Exposition Authority Reconstruction Fund which monies may be
3 appropriated by the General Assembly for the corporate
4 purposes of the Metropolitan Pier and Exposition Authority.

5 In fiscal year 2002 and each fiscal year 2003 thereafter,
6 the first \$4,800,000 from the one-half mill tax shall be paid
7 into the Statewide Economic Development Fund.

8 (Source: P.A. 92-208, eff. 8-2-01.)

9 Section 15. The Cigarette Use Tax Act is amended by
10 changing Section 3 as follows:

11 (35 ILCS 135/3) (from Ch. 120, par. 453.33)

12 Sec. 3. Stamp payment. The tax hereby imposed shall be
13 collected by a distributor maintaining a place of business in
14 this State or a distributor authorized by the Department
15 pursuant to Section 7 hereof to collect the tax, and the
16 amount of the tax shall be added to the price of the
17 cigarettes sold by such distributor. Collection of the tax
18 shall be evidenced by a stamp or stamps affixed to each
19 original package of cigarettes or by an authorized substitute
20 for such stamp imprinted on each original package of such
21 cigarettes underneath the sealed transparent outside wrapper
22 of such original package, except as hereinafter provided.
23 Each distributor who is required or authorized to collect the
24 tax herein imposed, before delivering or causing to be
25 delivered any original packages of cigarettes in this State
26 to any purchaser, shall firmly affix a proper stamp or stamps
27 to each such package, or (in the case of manufacturers of
28 cigarettes in original packages which are contained inside a
29 sealed transparent wrapper) shall imprint the required
30 language on the original package of cigarettes beneath such
31 outside wrapper as hereinafter provided. Such stamp or stamps
32 need not be affixed to the original package of any cigarettes

1 with respect to which the distributor is required to affix a
2 like stamp or stamps by virtue of the Cigarette Tax Act,
3 however, and no tax imprint need be placed underneath the
4 sealed transparent wrapper of an original package of
5 cigarettes with respect to which the distributor is required
6 or authorized to employ a like tax imprint by virtue of the
7 Cigarette Tax Act.

8 No stamp or imprint may be affixed to, or made upon, any
9 package of cigarettes unless that package complies with all
10 requirements of the federal Cigarette Labeling and
11 Advertising Act, 15 U.S.C. 1331 and following, for the
12 placement of labels, warnings, or any other information upon
13 a package of cigarettes that is sold within the United
14 States. Under the authority of Section 6, the Department
15 shall revoke the license of any distributor that is
16 determined to have violated this paragraph. A person may not
17 affix a stamp on a package of cigarettes, cigarette papers,
18 wrappers, or tubes if that individual package has been marked
19 for export outside the United States with a label or notice
20 in compliance with Section 290.185 of Title 27 of the Code of
21 Federal Regulations. It is not a defense to a proceeding for
22 violation of this paragraph that the label or notice has been
23 removed, mutilated, obliterated, or altered in any manner.

24 Stamps, when required hereunder, shall be purchased from
25 the Department, or any person authorized by the Department,
26 by distributors. On and after July 1, 2003, payment for such
27 stamps must be made by means of electronic funds transfer.

28 The Department may refuse to sell stamps to any person who
29 does not comply with the provisions of this Act. Beginning
30 on June 6, 2002 ~~the-effective-date-of-this-amendatory-Act--of~~
31 ~~the--92nd-General-Assembly~~ and through June 30, 2002, persons
32 holding valid licenses as distributors may purchase cigarette
33 tax stamps up to an amount equal to 115% of the distributor's
34 average monthly cigarette tax stamp purchases over the 12

1 calendar months prior to June 6, 2002 ~~the-effective-date-of~~
2 ~~this-amendatory-Act-of-the-92nd-General-Assembly.~~

3 Prior to December 1, 1985, the Department shall allow a
4 distributor 21 days in which to make final payment of the
5 amount to be paid for such stamps, by allowing the
6 distributor to make payment for the stamps at the time of
7 purchasing them with a draft which shall be in such form as
8 the Department prescribes, and which shall be payable within
9 21 days thereafter: Provided that such distributor has filed
10 with the Department, and has received the Department's
11 approval of, a bond, which is in addition to the bond
12 required under Section 4 of this Act, payable to the
13 Department in an amount equal to 80% of such distributor's
14 average monthly tax liability to the Department under this
15 Act during the preceding calendar year or \$500,000, whichever
16 is less. The bond shall be joint and several and shall be in
17 the form of a surety company bond in such form as the
18 Department prescribes, or it may be in the form of a bank
19 certificate of deposit or bank letter of credit. The bond
20 shall be conditioned upon the distributor's payment of the
21 amount of any 21-day draft which the Department accepts from
22 that distributor for the delivery of stamps to that
23 distributor under this Act. The distributor's failure to pay
24 any such draft, when due, shall also make such distributor
25 automatically liable to the Department for a penalty equal to
26 25% of the amount of such draft.

27 On and after December 1, 1985 and until July 1, 2003, the
28 Department shall allow a distributor 30 days in which to make
29 final payment of the amount to be paid for such stamps, by
30 allowing the distributor to make payment for the stamps at
31 the time of purchasing them with a draft which shall be in
32 such form as the Department prescribes, and which shall be
33 payable within 30 days thereafter, and beginning on January
34 1, 2003 and thereafter, the draft shall be payable by means

1 of electronic funds transfer: Provided that such distributor
2 has filed with the Department, and has received the
3 Department's approval of, a bond, which is in addition to the
4 bond required under Section 4 of this Act, payable to the
5 Department in an amount equal to 150% of such distributor's
6 average monthly tax liability to the Department under this
7 Act during the preceding calendar year or \$750,000, whichever
8 is less, except that as to bonds filed on or after January 1,
9 1987, such additional bond shall be in an amount equal to
10 100% of such distributor's average monthly tax liability
11 under this Act during the preceding calendar year or
12 \$750,000, whichever is less. The bond shall be joint and
13 several and shall be in the form of a surety company bond in
14 such form as the Department prescribes, or it may be in the
15 form of a bank certificate of deposit or bank letter of
16 credit. The bond shall be conditioned upon the distributor's
17 payment of the amount of any 30-day draft which the
18 Department accepts from that distributor for the delivery of
19 stamps to that distributor under this Act. The distributor's
20 failure to pay any such draft, when due, shall also make such
21 distributor automatically liable to the Department for a
22 penalty equal to 25% of the amount of such draft.

23 Every prior continuous compliance taxpayer shall be
24 exempt from all requirements under this Section concerning
25 the furnishing of such bond, as defined in this Section, as a
26 condition precedent to his being authorized to engage in the
27 business licensed under this Act. This exemption shall
28 continue for each such taxpayer until such time as he may be
29 determined by the Department to be delinquent in the filing
30 of any returns, or is determined by the Department (either
31 through the Department's issuance of a final assessment which
32 has become final under the Act, or by the taxpayer's filing
33 of a return which admits tax to be due that is not paid) to
34 be delinquent or deficient in the paying of any tax under

1 this Act, at which time that taxpayer shall become subject to
2 the bond requirements of this Section and, as a condition of
3 being allowed to continue to engage in the business licensed
4 under this Act, shall be required to furnish bond to the
5 Department in such form as provided in this Section. Such
6 taxpayer shall furnish such bond for a period of 2 years,
7 after which, if the taxpayer has not been delinquent in the
8 filing of any returns, or delinquent or deficient in the
9 paying of any tax under this Act, the Department may
10 reinstate such person as a prior continuance compliance
11 taxpayer. Any taxpayer who fails to pay an admitted or
12 established liability under this Act may also be required to
13 post bond or other acceptable security with the Department
14 guaranteeing the payment of such admitted or established
15 liability.

16 Any person aggrieved by any decision of the Department
17 under this Section may, within the time allowed by law,
18 protest and request a hearing, whereupon the Department shall
19 give notice and shall hold a hearing in conformity with the
20 provisions of this Act and then issue its final
21 administrative decision in the matter to such person. In the
22 absence of such a protest filed within the time allowed by
23 law, the Department's decision shall become final without any
24 further determination being made or notice given.

25 The Department shall discharge any surety and shall
26 release and return any bond or security deposited, assigned,
27 pledged, or otherwise provided to it by a taxpayer under this
28 Section within 30 days after:

29 (1) such Taxpayer becomes a prior continuous
30 compliance taxpayer; or

31 (2) such taxpayer has ceased to collect receipts on
32 which he is required to remit tax to the Department, has
33 filed a final tax return, and has paid to the Department
34 an amount sufficient to discharge his remaining tax

1 liability as determined by the Department under this Act.
2 The Department shall make a final determination of the
3 taxpayer's outstanding tax liability as expeditiously as
4 possible after his final tax return has been filed. If
5 the Department cannot make such final determination
6 within 45 days after receiving the final tax return,
7 within such period it shall so notify the taxpayer,
8 stating its reasons therefor.

9 At the time of purchasing such stamps from the Department
10 when purchase is required by this Act, or at the time when
11 the tax which he has collected is remitted by a distributor
12 to the Department without the purchase of stamps from the
13 Department when that method of remitting the tax that has
14 been collected is required or authorized by this Act, the
15 distributor shall be allowed a discount during any year
16 commencing July 1 and ending the following June 30 in
17 accordance with the schedule set out hereinbelow, from the
18 amount to be paid by him to the Department for such stamps,
19 or to be paid by him to the Department on the basis of
20 monthly remittances (as the case may be), to cover the cost,
21 to such distributor, of collecting the tax herein imposed by
22 affixing such stamps to the original packages of cigarettes
23 sold by such distributor or by placing tax imprints
24 underneath the sealed transparent wrapper of original
25 packages of cigarettes sold by such distributor (as the case
26 may be): (1) Prior to December 1, 1985, a discount equal to
27 1-2/3% of the amount of the tax up to and including the first
28 \$700,000 paid hereunder by such distributor to the Department
29 during any such year; 1-1/3% of the next \$700,000 of tax or
30 any part thereof, paid hereunder by such distributor to the
31 Department during any such year; 1% of the next \$700,000 of
32 tax, or any part thereof, paid hereunder by such distributor
33 to the Department during any such year; and 2/3 of 1% of the
34 amount of any additional tax paid hereunder by such

1 distributor to the Department during any such year or (2) On
2 and after December 1, 1985, a discount equal to 1.75% of the
3 amount of the tax payable under this Act up to and including
4 the first \$3,000,000 paid hereunder by such distributor to
5 the Department during any such year and 1.5% of the amount of
6 any additional tax paid hereunder by such distributor to the
7 Department during any such year.

8 Two or more distributors that use a common means of
9 affixing revenue tax stamps or that are owned or controlled
10 by the same interests shall be treated as a single
11 distributor for the purpose of computing the discount.

12 Cigarette manufacturers who are distributors under this
13 Act, and who place their cigarettes in original packages
14 which are contained inside a sealed transparent wrapper,
15 shall be required to remit the tax which they are required to
16 collect under this Act to the Department by remitting the
17 amount thereof to the Department by the 5th day of each
18 month, covering cigarettes shipped or otherwise delivered to
19 points in Illinois to purchasers during the preceding
20 calendar month, but a distributor need not remit to the
21 Department the tax so collected by him from purchasers under
22 this Act to the extent to which such distributor is required
23 to remit the tax imposed by the Cigarette Tax Act to the
24 Department with respect to the same cigarettes. All taxes
25 upon cigarettes under this Act are a direct tax upon the
26 retail consumer and shall conclusively be presumed to be
27 precollected for the purpose of convenience and facility
28 only. Distributors who are manufacturers of cigarettes in
29 original packages which are contained inside a sealed
30 transparent wrapper, before delivering such cigarettes or
31 causing such cigarettes to be delivered in this State to
32 purchasers, shall evidence their obligation to collect and
33 remit the tax due with respect to such cigarettes by
34 imprinting language to be prescribed by the Department on

1 each original package of such cigarettes underneath the
2 sealed transparent outside wrapper of such original package,
3 in such place thereon and in such manner as the Department
4 may prescribe; provided (as stated hereinbefore) that this
5 requirement does not apply when such distributor is required
6 or authorized by the Cigarette Tax Act to place the tax
7 imprint provided for in the last paragraph of Section 3 of
8 that Act underneath the sealed transparent wrapper of such
9 original package of cigarettes. Such imprinted language shall
10 acknowledge the manufacturer's collection and payment of or
11 liability for the tax imposed by this Act with respect to
12 such cigarettes.

13 The Department shall adopt the design or designs of the
14 tax stamps and shall procure the printing of such stamps in
15 such amounts and denominations as it deems necessary to
16 provide for the affixation of the proper amount of tax stamps
17 to each original package of cigarettes.

18 Where tax stamps are required, the Department may
19 authorize distributors to affix revenue tax stamps by
20 imprinting tax meter stamps upon original packages of
21 cigarettes. The Department shall adopt rules and regulations
22 relating to the imprinting of such tax meter stamps as will
23 result in payment of the proper taxes as herein imposed. No
24 distributor may affix revenue tax stamps to original packages
25 of cigarettes by imprinting meter stamps thereon unless such
26 distributor has first obtained permission from the Department
27 to employ this method of affixation. The Department shall
28 regulate the use of tax meters and may, to assure the proper
29 collection of the taxes imposed by this Act, revoke or
30 suspend the privilege, theretofore granted by the Department
31 to any distributor, to imprint tax meter stamps upon original
32 packages of cigarettes.

33 The tax hereby imposed and not paid pursuant to this
34 Section shall be paid to the Department directly by any

1 person using such cigarettes within this State, pursuant to
2 Section 12 hereof.

3 A distributor shall not affix, or cause to be affixed,
4 any stamp or imprint to a package of cigarettes, as provided
5 for in this Section, if the tobacco product manufacturer, as
6 defined in Section 10 of the Tobacco Product Manufacturers'
7 Escrow Act, that made or sold the cigarettes has failed to
8 become a participating manufacturer, as defined in
9 subdivision (a)(1) of Section 15 of the Tobacco Product
10 Manufacturers' Escrow Act, or has failed to create a
11 qualified escrow fund for any cigarettes manufactured by the
12 tobacco product manufacturer and sold in this State or
13 otherwise failed to bring itself into compliance with
14 subdivision (a)(2) of Section 15 of the Tobacco Product
15 Manufacturers' Escrow Act.

16 (Source: P.A. 91-246, eff. 7-22-99; 92-322, eff. 1-1-02;
17 92-536, eff. 6-6-02; 92-737, eff. 7-25-02; revised 9-10-02.)

18 Section 20. The Liquor Control Act of 1934 is amended by
19 changing Sections 5-3, 7-5, 7-6, and 8-2 as follows:

20 (235 ILCS 5/5-3) (from Ch. 43, par. 118)

21 Sec. 5-3. License fees. Except as otherwise provided
22 herein, at the time application is made to the State
23 Commission for a license of any class, the applicant shall
24 pay to the State Commission the fee hereinafter provided for
25 the kind of license applied for.

26 The fee for licenses issued by the State Commission shall
27 be as follows:

28 For a manufacturer's license:

29	Class 1. Distiller	\$3,600
30	Class 2. Rectifier	3,600
31	Class 3. Brewer	900
32	Class 4. First-class Wine Manufacturer	600

1	Class 5. Second-class	
2	Wine Manufacturer	1,200
3	Class 6. First-class wine-maker	600
4	Class 7. Second-class wine-maker	1200
5	Class 8. Limited Wine Manufacturer.....	120
6	For a Brew Pub License	1,050
7	For a caterer retailer's license.....	200
8	For a foreign importer's license	25
9	For an importing distributor's license	25
10	For a distributor's license	270
11	For a non-resident dealer's license	
12	(500,000 gallons or over)	270
13	For a non-resident dealer's license	
14	(under 500,000 gallons)	90
15	For a wine-maker's premises license	100
16	For a wine-maker's premises license,	
17	second location	350
18	For a wine-maker's premises license,	
19	third location	350
20	For a retailer's license	<u>500</u> 175
21	For a special event retailer's license,	
22	(not-for-profit)	25
23	For a special use permit license,	
24	one day only	50
25	2 days or more	100
26	For a railroad license	60
27	For a boat license	180
28	For an airplane license, times the	
29	licensee's maximum number of aircraft	
30	in flight, serving liquor over the	
31	State at any given time, which either	
32	originate, terminate, or make	
33	an intermediate stop in the State	60
34	For a non-beverage user's license:	

1	Class 1	24
2	Class 2	60
3	Class 3	120
4	Class 4	240
5	Class 5	600
6	For a broker's license	600
7	For an auction liquor license	50

8 Fees collected under this Section shall be paid into the
9 Dram Shop Fund. On and after July 1, 2003, of the funds
10 received for a retailer's license, in addition to the first
11 \$175, an additional \$75 shall be paid into the Dram Shop
12 Fund, and \$250 shall be paid into the General Revenue Fund.
13 Beginning June 30, 1990 and on June 30 of each subsequent
14 year through June 29, 2003, any balance over \$5,000,000
15 remaining in the Dram Shop Fund shall be credited to State
16 liquor licensees and applied against their fees for State
17 liquor licenses for the following year. The amount credited
18 to each licensee shall be a proportion of the balance in the
19 Dram Fund that is the same as the proportion of the license
20 fee paid by the licensee under this Section for the period in
21 which the balance was accumulated to the aggregate fees paid
22 by all licensees during that period.

23 No fee shall be paid for licenses issued by the State
24 Commission to the following non-beverage users:

25 (a) Hospitals, sanitariums, or clinics when their
26 use of alcoholic liquor is exclusively medicinal,
27 mechanical or scientific.

28 (b) Universities, colleges of learning or schools
29 when their use of alcoholic liquor is exclusively
30 medicinal, mechanical or scientific.

31 (c) Laboratories when their use is exclusively for
32 the purpose of scientific research.

33 (Source: P.A. 91-25, eff. 6-9-99; 91-357, eff. 7-29-99;
34 92-378, eff. 8-16-01.)

1 (235 ILCS 5/7-5) (from Ch. 43, par. 149)

2 Sec. 7-5. The local liquor control commissioner may
3 revoke or suspend any license issued by him if he determines
4 that the licensee has violated any of the provisions of this
5 Act or of any valid ordinance or resolution enacted by the
6 particular city council, president, or board of trustees or
7 county board (as the case may be) or any applicable rule or
8 regulations established by the local liquor control
9 commissioner or the State commission which is not
10 inconsistent with law. Upon notification by the Illinois
11 Department of Revenue, the State Commission shall revoke any
12 license issued by it if the licensee has violated the
13 provisions of Section 3 of the Retailers' Occupation Tax Act.

14 In addition to the suspension, the local liquor control
15 commissioner in any county or municipality may levy a fine on
16 the licensee for such violations. The fine imposed shall not
17 exceed \$1000 for a first violation within a 12-month period,
18 \$1,500 for a second violation within a 12-month period, and
19 \$2,500 for a third or subsequent violation within a 12-month
20 period. Each day on which a violation continues shall
21 constitute a separate violation. Not more than \$15,000 in
22 fines under this Section may be imposed against any licensee
23 during the period of his license. Proceeds from such fines
24 shall be paid into the general corporate fund of the county
25 or municipal treasury, as the case may be.

26 However, no such license shall be so revoked or suspended
27 and no licensee shall be fined except after a public hearing
28 by the local liquor control commissioner with a 3 day written
29 notice to the licensee affording the licensee an opportunity
30 to appear and defend. All such hearings shall be open to the
31 public and the local liquor control commissioner shall reduce
32 all evidence to writing and shall maintain an official record
33 of the proceedings. If the local liquor control commissioner
34 has reason to believe that any continued operation of a

1 particular licensed premises will immediately threaten the
2 welfare of the community he may, upon the issuance of a
3 written order stating the reason for such conclusion and
4 without notice or hearing order the licensed premises closed
5 for not more than 7 days, giving the licensee an opportunity
6 to be heard during that period, except that if such licensee
7 shall also be engaged in the conduct of another business or
8 businesses on the licensed premises such order shall not be
9 applicable to such other business or businesses.

10 The local liquor control commissioner shall within 5 days
11 after such hearing, if he determines after such hearing that
12 the license should be revoked or suspended or that the
13 licensee should be fined, state the reason or reasons for
14 such determination in a written order, and either the amount
15 of the fine, the period of suspension, or that the license
16 has been revoked, and shall serve a copy of such order within
17 the 5 days upon the licensee.

18 If the premises for which the license was issued are
19 located outside of a city, village or incorporated town
20 having a population of 500,000 or more inhabitants, the
21 licensee after the receipt of such order of suspension or
22 revocation shall have the privilege within a period of 20
23 days after the receipt of such order of suspension or
24 revocation of appealing the order to the State commission for
25 a decision sustaining, reversing or modifying the order of
26 the local liquor control commissioner. If the State
27 commission affirms the local commissioner's order to suspend
28 or revoke the license at the first hearing, the appellant
29 shall cease to engage in the business for which the license
30 was issued, until the local commissioner's order is
31 terminated by its own provisions or reversed upon rehearing
32 or by the courts.

33 If the premises for which the license was issued are
34 located within a city, village or incorporated town having a

1 population of 500,000 or more inhabitants, the licensee shall
2 have the privilege, within a period of 20 days after the
3 receipt of such order of fine, suspension or revocation, of
4 appealing the order to the local license appeal commission
5 and upon the filing of such an appeal by the licensee the
6 license appeal commission shall determine the appeal upon
7 certified record of proceedings of the local liquor
8 commissioner in accordance with the provisions of Section
9 7-9. Within 30 days after such appeal was heard the license
10 appeal commission shall render a decision sustaining or
11 reversing the order of the local liquor control commissioner.
12 (Source: P.A. 91-854, eff. 1-1-01.)

13 (235 ILCS 5/7-6) (from Ch. 43, par. 150)

14 Sec. 7-6. All proceedings for the revocation or
15 suspension of licenses of manufacturers, distributors,
16 importing distributors, non-resident dealers, foreign
17 importers, non-beverage users, railroads, airplanes and boats
18 shall be before the State Commission. All such proceedings
19 and all proceedings for the revocation or suspension of a
20 retailer's license before the State commission shall be in
21 accordance with rules and regulations established by it not
22 inconsistent with law. However, no such license shall be so
23 revoked or suspended except after a hearing by the State
24 commission with reasonable notice to the licensee served by
25 registered or certified mail with return receipt requested at
26 least 10 days prior to the hearings at the last known place
27 of business of the licensee and after an opportunity to
28 appear and defend. Such notice shall specify the time and
29 place of the hearing, the nature of the charges, the specific
30 provisions of the Act and rules violated, and the specific
31 facts supporting the charges or violation. The findings of
32 the Commission shall be predicated upon competent evidence.
33 The revocation of a local license shall automatically result

1 in the revocation of a State license. Upon notification by
2 the Illinois Department of Revenue, the State Commission
3 shall revoke any license issued by it if the licensee has
4 violated the provisions of Section 3 of the Retailers'
5 Occupation Tax Act. All procedures for the suspension or
6 revocation of a license, as enumerated above, are applicable
7 to the levying of fines for violations of this Act or any
8 rule or regulation issued pursuant thereto.

9 (Source: P.A. 91-553, eff. 8-14-99.)

10 (235 ILCS 5/8-2) (from Ch. 43, par. 159)

11 Sec. 8-2. It is the duty of each manufacturer with
12 respect to alcoholic liquor produced or imported by such
13 manufacturer, or purchased tax-free by such manufacturer from
14 another manufacturer or importing distributor, and of each
15 importing distributor as to alcoholic liquor purchased by
16 such importing distributor from foreign importers or from
17 anyone from any point in the United States outside of this
18 State or purchased tax-free from another manufacturer or
19 importing distributor, to pay the tax imposed by Section 8-1
20 to the Department of Revenue on or before the 15th day of the
21 calendar month following the calendar month in which such
22 alcoholic liquor is sold or used by such manufacturer or by
23 such importing distributor other than in an authorized
24 tax-free manner or to pay that tax electronically as provided
25 in this Section.

26 Each manufacturer and each importing distributor shall
27 make payment under one of the following methods: (1) on or
28 before the 15th day of each calendar month, file in person or
29 by United States first-class mail, postage pre-paid, with the
30 Department of Revenue, on forms prescribed and furnished by
31 the Department, a report in writing in such form as may be
32 required by the Department in order to compute, and assure
33 the accuracy of, the tax due on all taxable sales and uses of

1 alcoholic liquor occurring during the preceding month.
2 Payment of the tax in the amount disclosed by the report
3 shall accompany the report or, (2) on or before the 15th day
4 of each calendar month, electronically file with the
5 Department of Revenue, on forms prescribed and furnished by
6 the Department, an electronic report in such form as may be
7 required by the Department in order to compute, and assure
8 the accuracy of, the tax due on all taxable sales and uses of
9 alcoholic liquor occurring during the preceding month. An
10 electronic payment of the tax in the amount disclosed by the
11 report shall accompany the report. A manufacturer or
12 distributor who files an electronic report and electronically
13 pays the tax imposed pursuant to Section 8-1 to the
14 Department of Revenue on or before the 15th day of the
15 calendar month following the calendar month in which such
16 alcoholic liquor is sold or used by that manufacturer or
17 importing distributor other than in an authorized tax-free
18 manner shall pay to the Department the amount of the tax
19 imposed pursuant to Section 8-1, less a discount of ~~1.75%~~
20 ~~\$1,250-per-return, whichever is less,~~ which is allowed to
21 reimburse the manufacturer or importing distributor for the
22 expenses incurred in keeping and maintaining records,
23 preparing and filing the electronic returns, remitting the
24 tax, and supplying data to the Department upon request.

25 The discount shall be in an amount as follows:

26 (1) For original returns due on or after January 1,
27 2003 through September 30, 2003, the discount shall be
28 1.75% or \$1,250 per return, whichever is less;

29 (2) For original returns due on or after October 1,
30 2003 through September 30, 2004, the discount shall be 2%
31 or \$3,000 per return, whichever is less; and

32 (3) For original returns due on or after October 1,
33 2004, the discount shall be 2% or \$2,000 per return,
34 whichever is less.

1 The Department may, if it deems it necessary in order to
2 insure the payment of the tax imposed by this Article,
3 require returns to be made more frequently than and covering
4 periods of less than a month. Such return shall contain such
5 further information as the Department may reasonably require.

6 It shall be presumed that all alcoholic liquors acquired
7 or made by any importing distributor or manufacturer have
8 been sold or used by him in this State and are the basis for
9 the tax imposed by this Article unless proven, to the
10 satisfaction of the Department, that such alcoholic liquors
11 are (1) still in the possession of such importing distributor
12 or manufacturer, or (2) prior to the termination of
13 possession have been lost by theft or through unintentional
14 destruction, or (3) that such alcoholic liquors are otherwise
15 exempt from taxation under this Act.

16 The Department may require any foreign importer to file
17 monthly information returns, by the 15th day of the month
18 following the month which any such return covers, if the
19 Department determines this to be necessary to the proper
20 performance of the Department's functions and duties under
21 this Act. Such return shall contain such information as the
22 Department may reasonably require.

23 Every manufacturer and importing distributor shall also
24 file, with the Department, a bond in an amount not less than
25 \$1,000 and not to exceed \$100,000 on a form to be approved
26 by, and with a surety or sureties satisfactory to, the
27 Department. Such bond shall be conditioned upon the
28 manufacturer or importing distributor paying to the
29 Department all monies becoming due from such manufacturer or
30 importing distributor under this Article. The Department
31 shall fix the penalty of such bond in each case, taking into
32 consideration the amount of alcoholic liquor expected to be
33 sold and used by such manufacturer or importing distributor,
34 and the penalty fixed by the Department shall be sufficient,

1 in the Department's opinion, to protect the State of Illinois
2 against failure to pay any amount due under this Article, but
3 the amount of the penalty fixed by the Department shall not
4 exceed twice the amount of tax liability of a monthly return,
5 nor shall the amount of such penalty be less than \$1,000. The
6 Department shall notify the Commission of the Department's
7 approval or disapproval of any such manufacturer's or
8 importing distributor's bond, or of the termination or
9 cancellation of any such bond, or of the Department's
10 direction to a manufacturer or importing distributor that he
11 must file additional bond in order to comply with this
12 Section. The Commission shall not issue a license to any
13 applicant for a manufacturer's or importing distributor's
14 license unless the Commission has received a notification
15 from the Department showing that such applicant has filed a
16 satisfactory bond with the Department hereunder and that such
17 bond has been approved by the Department. Failure by any
18 licensed manufacturer or importing distributor to keep a
19 satisfactory bond in effect with the Department or to furnish
20 additional bond to the Department, when required hereunder by
21 the Department to do so, shall be grounds for the revocation
22 or suspension of such manufacturer's or importing
23 distributor's license by the Commission. If a manufacturer or
24 importing distributor fails to pay any amount due under this
25 Article, his bond with the Department shall be deemed
26 forfeited, and the Department may institute a suit in its own
27 name on such bond.

28 After notice and opportunity for a hearing the State
29 Commission may revoke or suspend the license of any
30 manufacturer or importing distributor who fails to comply
31 with the provisions of this Section. Notice of such hearing
32 and the time and place thereof shall be in writing and shall
33 contain a statement of the charges against the licensee. Such
34 notice may be given by United States registered or certified

1 mail with return receipt requested, addressed to the person
2 concerned at his last known address and shall be given not
3 less than 7 days prior to the date fixed for the hearing. An
4 order revoking or suspending a license under the provisions
5 of this Section may be reviewed in the manner provided in
6 Section 7-10 of this Act. No new license shall be granted to
7 a person whose license has been revoked for a violation of
8 this Section or, in case of suspension, shall such suspension
9 be terminated until he has paid to the Department all taxes
10 and penalties which he owes the State under the provisions of
11 this Act.

12 Every manufacturer or importing distributor who has, as
13 verified by the Department, continuously complied with the
14 conditions of the bond under this Act for a period of 2 years
15 shall be considered to be a prior continuous compliance
16 taxpayer. In determining the consecutive period of time for
17 qualification as a prior continuous compliance taxpayer, any
18 consecutive period of time of qualifying compliance
19 immediately prior to the effective date of this amendatory
20 Act of 1987 shall be credited to any manufacturer or
21 importing distributor.

22 Every prior continuous compliance taxpayer shall be
23 exempt from the bond requirements of this Act until the
24 Department has determined the taxpayer to be delinquent in
25 the filing of any return or deficient in the payment of any
26 tax under this Act. Any taxpayer who fails to pay an
27 admitted or established liability under this Act may also be
28 required to post bond or other acceptable security with the
29 Department guaranteeing the payment of such admitted or
30 established liability.

31 The Department shall discharge any surety and shall
32 release and return any bond or security deposit assigned,
33 pledged or otherwise provided to it by a taxpayer under this
34 Section within 30 days after: (1) such taxpayer becomes a

1 prior continuous compliance taxpayer; or (2) such taxpayer
2 has ceased to collect receipts on which he is required to
3 remit tax to the Department, has filed a final tax return,
4 and has paid to the Department an amount sufficient to
5 discharge his remaining tax liability as determined by the
6 Department under this Act.

7 (Source: P.A. 92-393, eff. 1-1-03.)

8 Section 99. Effective date. This Act takes effect upon
9 becoming law.