**Section 240.405 Reporting Requirements**

a) Any contractor, other than a person meeting the responsible bidder requirements of Section 30-22 of the Illinois Procurement Code [30 ILCS 500], for which either an individual, sole proprietor or partnership is performing construction service, shall report all payments made to that individual, sole proprietor or partnership if the recipient of payment is not classified as an employee.

b) The report shall be submitted to the Department annually, on or before April 30 following the taxable year in which the payment was made, on forms prepared by the Department. The report, which shall be submitted electronically, must include:

1) the contractor name, address and business identification number;

2) the individual, sole proprietor or partnership name, address and federal employer identification number; and

3) the total amount the contractor paid to the individual, sole proprietor or partnership performing services in the taxable year, including payments for services and for any materials and equipment that was provided along with the services.

c) If the Department, upon investigation, finds that a contractor has failed to file a report or has filed an incomplete report in violation of this Section, the Department shall notify the contractor, in writing, of its finding and shall assess a civil penalty as provided in Section 40 of the Act.

d) These reporting requirements do not apply to a business primarily engaged in the sale of tangible personal property or a contractor doing work for a business primarily engaged in the sale of tangible personal property.

(Source: Amended at 45 Ill. Reg. 7976, effective June 8, 2021)