



Rep. Michael J. Zalewski

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1 AMENDMENT TO HOUSE BILL 160

2 AMENDMENT NO. _____. Amend House Bill 160 by replacing
3 everything after the enacting clause with the following:

4 "ARTICLE 3. KEEP ILLINOIS BUSINESS ACT

5 Section 3-1. Short title. This Act may be cited as the Keep
6 Illinois Business Act.

7 Section 3-5. Purpose. The purpose of this Act is to
8 encourage businesses with primary business operations in the
9 State of Illinois to remain in this State by removing and
10 recouping any economic development assistance or benefit
11 provided to those businesses by the State should those
12 businesses decide to relocate jobs out-of-State.

13 Section 3-10. Definitions. As used in this Act:

14 "Economic development assistance" means (1) tax credits

1 and tax exemptions given as an incentive to a recipient
2 business organization under an initial certification or an
3 initial designation made by the Department of Commerce and
4 Economic Opportunity under the Economic Development for a
5 Growing Economy Tax Credit Act, River Edge Redevelopment Zone
6 Act, and the Illinois Enterprise Zone Act, including the High
7 Impact Business program; (2) grants or loans given to a
8 recipient as an incentive to a business organization under the
9 River Edge Redevelopment Zone Act, Large Business Development
10 Program, the Business Development Public Infrastructure
11 Program, or the Industrial Training Program; (3) the State
12 Treasurer's Economic Program Loans; (4) the Illinois
13 Department of Transportation Economic Development Program; (5)
14 all successor and subsequent programs and tax credits designed
15 to promote business relocations and expansions; (6) any
16 assistance provided by the Illinois Emergency Employment
17 Program under the Illinois Emergency Development Act; and (7)
18 any other economic incentive, benefit, assistance, credit,
19 loan, or grant provided by a State granting agency to a
20 recipient business with primary business operations in this
21 State.

22 "Recipient business" means any corporation, limited
23 liability company, partnership, joint venture, association,
24 sole proprietorship, or other legally recognized entity with
25 primary business operations in this State that receives
26 economic development assistance.

1 "State agency" has the meaning provided in Section 1-7 of
2 the Illinois State Auditing Act.

3 "State granting agency" means any State department or State
4 agency that provides economic development assistance to a
5 recipient business.

6 Section 3-15. Recovery of economic development assistance.

7 (a) Subject to the procedures outlined in this Section, any
8 recipient business that chooses to move all or part of its
9 business operations and the jobs created by its business
10 out-of-State shall be deemed to no longer qualify for State
11 economic development assistance, and shall be required to pay
12 to the relevant State granting agency the full amount of any
13 economic development assistance it received.

14 (b) Whenever a State granting agency believes that the
15 economic development assistance it provided to a recipient
16 business is subject to recovery, the State granting agency
17 shall provide the recipient business the opportunity for at
18 least one informal hearing to determine the facts and issues,
19 and to resolve any conflicts as amicably as possible before
20 taking any formal recovery actions.

21 (c) If a State granting agency determines that economic
22 development assistance is to be recovered, then, prior to
23 taking any action to recover, the State granting agency shall
24 provide the recipient business with a written notice of the
25 intended recovery. This notice shall identify the funds and the

1 amount to be recovered and the specific facts which permit
2 recovery.

3 (d) A recipient business shall have 35 days from the
4 receipt of the notice required in subsection (c) of this
5 Section to request a hearing to show why recovery is not
6 justified or proper. If a recipient business requests a hearing
7 under this subsection (d), then:

8 (1) the State granting agency shall hold a hearing
9 before the Director of that agency, or his or her designee,
10 at which a representative of the recipient business may
11 present an argument for why recovery should not be
12 permitted; and

13 (2) after the conclusion of the hearing, the Director
14 of the State granting agency, or his or her designee, shall
15 issue a written final recovery order and send a copy of the
16 order to the recipient business.

17 (e) A recipient business may seek judicial review of any
18 final recovery order under the provisions of the Administrative
19 Review Law.

20 (f) If a recipient business requests a hearing under
21 subsection (d) of this Section, then the State granting agency
22 may not take any action of recovery until at least 35 days
23 after the State granting agency has issued a final recovery
24 order under the requirements of subsection (d) of this Section.
25 If a recipient business does not request a hearing as permitted
26 in subsection (d) of this Section, then the State granting

1 agency may proceed with recovery of the economic development
2 assistance amount specified in the notice issued under the
3 requirements of subsection (c) of this Section, at any time
4 after the expiration of the 35-day request period established
5 in subsection (d) of this Section.

6 (g) Any notice or mailing required or permitted by this
7 Section shall be deemed received 5 days after the notice or
8 mailing is deposited in the United States mail, properly
9 addressed with the current business address of the recipient
10 business and with sufficient U.S. postage affixed.

11 ARTICLE 4. NEW MARKETS DEVELOPMENT PROGRAM

12 Section 4-5. The New Markets Development Program Act is
13 amended by changing Sections 5, 25, 40, and 50 and by adding
14 Sections 43 and 55 as follows:

15 (20 ILCS 663/5)

16 Sec. 5. Definitions. As used in this Act:

17 "Applicable percentage" means 0% for each of the first 2
18 credit allowance dates, 7% for the third credit allowance date,
19 and 8% for the next 4 credit allowance dates.

20 "Credit allowance date" means with respect to any qualified
21 equity investment:

22 (1) the date on which the investment is initially made;

23 and

1 (2) each of the 6 anniversary dates of that date
2 thereafter.

3 "Department" means the Department of Commerce and Economic
4 Opportunity.

5 "Long-term debt security" means any debt instrument issued
6 by a qualified community development entity, at par value or a
7 premium, with an original maturity date of at least 7 years
8 from the date of its issuance, with no acceleration of
9 repayment, amortization, or prepayment features prior to its
10 original maturity date. Cumulative cash payments of interest on
11 the qualified debt instrument during the period commencing with
12 the issuance of the qualified debt instrument and ending with
13 the seventh anniversary of its issuance shall not exceed the
14 sum of such cash interest payments and the cumulative net
15 income of the issuing community development entity for the same
16 period. This definition in no way limits the holder's ability
17 to accelerate payments on the debt instrument in situations
18 where the issuer has defaulted on covenants designed to ensure
19 compliance with this Act or Section 45D of the Internal Revenue
20 Code of 1986, as amended.

21 "Purchase price" means the amount paid to the issuer of a
22 qualified equity investment for that qualified equity
23 investment.

24 "Qualified active low-income community business" has the
25 meaning given to that term in Section 45D of the Internal
26 Revenue Code of 1986, as amended; except that any business that

1 derives or projects to derive 15% or more of its annual revenue
2 from the rental or sale of real estate is not considered to be
3 a qualified active low-income community business. This
4 exception does not apply to a business that is controlled by or
5 under common control with another business if the second
6 business (i) does not derive or project to derive 15% or more
7 of its annual revenue from the rental or sale of real estate
8 and (ii) is the primary tenant of the real estate leased from
9 the initial business. A business shall be considered a
10 qualified active low-income community business for the
11 duration of the qualified community development entity's
12 investment in or loan to the business if the entity reasonably
13 expects, at the time it makes the investment or loan, that the
14 business will continue to satisfy the requirements for being a
15 qualified active low-income community business throughout the
16 entire period of the investment or loan.

17 "Qualified community development entity" has the meaning
18 given to that term in Section 45D of the Internal Revenue Code
19 of 1986, as amended; provided that such entity has entered
20 into, or is controlled by an entity that has entered into, an
21 allocation agreement with the Community Development Financial
22 Institutions Fund of the U.S. Treasury Department with respect
23 to credits authorized by Section 45D of the Internal Revenue
24 Code of 1986, as amended, that includes the State of Illinois
25 within the service area set forth in that allocation agreement.

26 "Qualified equity investment" means any equity investment

1 in, or long-term debt security issued by, a qualified community
2 development entity that:

3 (1) is acquired after the effective date of this Act at
4 its original issuance solely in exchange for cash;

5 (2) with respect to qualified equity investments made
6 before January 1, 2017, has at least 85% of its cash
7 purchase price used by the issuer to make qualified
8 low-income community investments in the State of Illinois,
9 and, with respect to qualified equity investments made on
10 or after January 1, 2017, has 100% of the cash purchase
11 price used by the issuer to make qualified low-income
12 community investments in the State of Illinois; and

13 (3) is designated by the issuer as a qualified equity
14 investment under this Act; with respect to qualified equity
15 investments made on or after January 1, 2017, is designated
16 by the issuer as a qualified equity investment under
17 Section 45D of the Internal Revenue Code of 1986, as
18 amended; and is certified by the Department as not
19 exceeding the limitation contained in Section 20.

20 This term includes any qualified equity investment that
21 does not meet the provisions of item (1) of this definition if
22 the investment was a qualified equity investment in the hands
23 of a prior holder.

24 "Qualified low-income community investment" means any
25 capital or equity investment in, or loan to, any qualified
26 active low-income community business. With respect to any one

1 qualified active low-income community business, the maximum
2 amount of qualified low-income community investments made in
3 that business, on a collective basis with all of its affiliates
4 that may be counted towards the satisfaction of paragraph (2)
5 of the definition of qualified equity investment, shall be
6 \$10,000,000 whether issued to one or several qualified
7 community development entities.

8 "Tax credit" means a credit against any income, franchise,
9 or insurance premium taxes, including insurance retaliatory
10 taxes, otherwise due under Illinois law.

11 "Taxpayer" means any individual or entity subject to any
12 income, franchise, or insurance premium tax under Illinois law.
13 (Source: P.A. 95-1024, eff. 12-31-08.)

14 (20 ILCS 663/25)

15 Sec. 25. Certification of qualified equity investments.

16 (a) A qualified community development entity that seeks to
17 have an equity investment or long-term debt security designated
18 as a qualified equity investment and eligible for tax credits
19 under this Section shall apply to the Department. The qualified
20 community development entity must submit an application on a
21 form that the Department provides that includes:

22 (1) The name, address, tax identification number of the
23 entity, and evidence of the entity's certification as a
24 qualified community development entity.

25 (2) A copy of the allocation agreement executed by the

1 entity, or its controlling entity, and the Community
2 Development Financial Institutions Fund.

3 (3) A certificate executed by an executive officer of
4 the entity attesting that the allocation agreement remains
5 in effect and has not been revoked or cancelled by the
6 Community Development Financial Institutions Fund.

7 (4) A description of the proposed amount, structure,
8 and purchaser of the equity investment or long-term debt
9 security.

10 (5) The name and tax identification number of any
11 taxpayer eligible to utilize tax credits earned as a result
12 of the issuance of the qualified equity investment.

13 (6) Information regarding the proposed use of proceeds
14 from the issuance of the qualified equity investment.

15 (7) A nonrefundable application fee of \$5,000. This fee
16 shall be paid to the Department and shall be required of
17 each application submitted.

18 (8) With respect to qualified equity investments made
19 on or after January 1, 2017, the amount of qualified equity
20 investment authority the applicant agrees to designate as a
21 federal qualified equity investment under Section 45D of
22 the Internal Revenue Code, including a copy of the screen
23 shot from the Community Development Financial Institutions
24 Fund's Allocation Tracking System of the applicant's
25 remaining federal qualified equity investment authority.

26 (b) Within 30 days after receipt of a completed application

1 containing the information necessary for the Department to
2 certify a potential qualified equity investment, including the
3 payment of the application fee, the Department shall grant or
4 deny the application in full or in part. If the Department
5 denies any part of the application, it shall inform the
6 qualified community development entity of the grounds for the
7 denial. If the qualified community development entity provides
8 any additional information required by the Department or
9 otherwise completes its application within 15 days of the
10 notice of denial, the application shall be considered completed
11 as of the original date of submission. If the qualified
12 community development entity fails to provide the information
13 or complete its application within the 15-day period, the
14 application remains denied and must be resubmitted in full with
15 a new submission date.

16 (c) If the application is deemed complete, the Department
17 shall certify the proposed equity investment or long-term debt
18 security as a qualified equity investment that is eligible for
19 tax credits under this Section, subject to the limitations
20 contained in Section 20. The Department shall provide written
21 notice of the certification to the qualified community
22 development entity. The notice shall include the names of those
23 taxpayers who are eligible to utilize the credits and their
24 respective credit amounts. If the names of the taxpayers who
25 are eligible to utilize the credits change due to a transfer of
26 a qualified equity investment or a change in an allocation

1 pursuant to Section 15, the qualified community development
2 entity shall notify the Department of such change.

3 (d) With respect to applications received before January 1,
4 2017, the ~~The~~ Department shall certify qualified equity
5 investments in the order applications are received by the
6 Department. Applications received on the same day shall be
7 deemed to have been received simultaneously. For applications
8 received on the same day and deemed complete, the Department
9 shall certify, consistent with remaining tax credit capacity,
10 qualified equity investments in proportionate percentages
11 based upon the ratio of the amount of qualified equity
12 investment requested in an application to the total amount of
13 qualified equity investments requested in all applications
14 received on the same day.

15 (d-5) With respect to applications received on or after
16 January 1, 2017, the Department shall certify applications by
17 applicants that agree to designate qualified equity
18 investments as federal qualified equity investments in
19 accordance with item (8) of subsection (a) of this Section in
20 proportionate percentages based upon the ratio of the amount of
21 qualified equity investments requested in an application to be
22 designated as federal qualified equity investments to the total
23 amount of qualified equity investments to be designated as
24 federal qualified equity investments requested in all
25 applications received on the same day.

26 (d-10) With respect to applications received on or after

1 January 1, 2017, after complying with subsection (d-5), the
2 Department shall certify the qualified equity investments of
3 all other applicants, including the remaining qualified equity
4 investment authority requested by applicants not designated as
5 federal qualified equity investments in accordance with item
6 (8) of subsection (a) of this Section, in proportionate
7 percentages based upon the ratio of the amount of qualified
8 equity investments requested in the applications to the total
9 amount of qualified equity investments requested in all
10 applications received on the same day.

11 (e) Once the Department has certified qualified equity
12 investments that, on a cumulative basis, are eligible for
13 \$20,000,000 in tax credits, the Department may not certify any
14 more qualified equity investments. If a pending request cannot
15 be fully certified, the Department shall certify the portion
16 that may be certified unless the qualified community
17 development entity elects to withdraw its request rather than
18 receive partial credit.

19 (f) Within 30 days after receiving notice of certification,
20 the qualified community development entity shall (i) issue the
21 qualified equity investment and receive cash in the amount of
22 the certified amount and (ii) with respect to qualified equity
23 investments made on or after January 1, 2017, if applicable,
24 designate the required amount of qualified equity investment
25 authority as a federal qualified equity investment. The
26 qualified community development entity must provide the

1 Department with evidence of the receipt of the cash investment
2 within 10 business days after receipt and, with respect to
3 qualified equity investments made on or after January 1, 2017,
4 if applicable, provide evidence that the required amount of
5 qualified equity investment authority was designated as a
6 federal qualified equity investment. If the qualified
7 community development entity does not receive the cash
8 investment and issue the qualified equity investment within 30
9 days following receipt of the certification notice, the
10 certification shall lapse and the entity may not issue the
11 qualified equity investment without reapplying to the
12 Department for certification. A certification that lapses
13 reverts back to the Department and may be reissued only in
14 accordance with the application process outline in this Section
15 25.

16 (Source: P.A. 95-1024, eff. 12-31-08; 96-939, eff. 7-1-10.)

17 (20 ILCS 663/40)

18 Sec. 40. Recapture. The Department of Revenue shall
19 recapture, from the taxpayer that claimed the credit on a
20 return, the tax credit allowed under this Act if:

21 (1) any amount of the federal tax credit available with
22 respect to a qualified equity investment that is eligible
23 for a tax credit under this Act is recaptured under Section
24 45D of the Internal Revenue Code of 1986, as amended. In
25 that case, the Department of Revenue's recapture shall be

1 proportionate to the federal recapture with respect to that
2 qualified equity investment;

3 (2) the issuer redeems or makes principal repayment
4 with respect to a qualified equity investment prior to the
5 7th anniversary of the issuance of the qualified equity
6 investment. In that case, the Department of Revenue's
7 recapture shall be proportionate to the amount of the
8 redemption or repayment with respect to the qualified
9 equity investment; ~~or~~

10 (3) the issuer fails to invest at least 85% of the cash
11 purchase price of the qualified equity investment with
12 respect to qualified equity investments made before
13 January 1, 2017 and 100% of the cash purchase price of the
14 qualified equity investment with respect to qualified
15 equity investments made on or after January 1, 2017 in
16 qualified low-income community investments in the State of
17 Illinois within 12 months of the issuance of the qualified
18 equity investment and maintain such level of investment in
19 qualified low-income community investments in Illinois
20 until the last credit allowance date for such qualified
21 equity investment; or ~~or~~

22 (4) with respect to qualified equity investments made
23 on or after January 1, 2017, the issuer violates Section 43
24 of this Act.

25 For purposes of this Section, an investment shall be
26 considered held by an issuer even if the investment has been

1 sold or repaid; provided that the issuer reinvests an amount
2 equal to the capital returned to or recovered by the issuer
3 from the original investment, exclusive of any profits
4 realized, in another qualified low-income community investment
5 in this State within 12 months after the receipt of that
6 capital. An issuer is not required to reinvest capital returned
7 from qualified low-income community investments after the 6th
8 anniversary of the issuance of the qualified equity investment,
9 the proceeds of which were used to make the qualified
10 low-income community investment, and the qualified low-income
11 community investment shall be considered held by the issuer
12 through the 7th anniversary of the qualified equity
13 investment's issuance.

14 The Department of Revenue shall provide notice to the
15 qualified community development entity of any proposed
16 recapture of tax credits pursuant to this Section. The entity
17 shall have 90 days to cure any deficiency indicated in the
18 Department of Revenue's original recapture notice and avoid
19 such recapture. If the entity fails or is unable to cure such
20 deficiency with the 90-day period, the Department of Revenue
21 shall provide the entity and the taxpayer from whom the credit
22 is to be recaptured with a final order of recapture. Any tax
23 credit for which a final recapture order has been issued shall
24 be recaptured by the Department of Revenue from the taxpayer
25 who claimed the tax credit on a tax return.

26 (Source: P.A. 95-1024, eff. 12-31-08.)

1 (20 ILCS 663/43 new)

2 Sec. 43. Prohibited activities and interests. For
3 qualified equity investments made on or after January 1, 2017,
4 no qualified active low-income community business that
5 receives a qualified low-income community investment from a
6 qualified community development entity that issues qualified
7 equity investments under this Act, or any affiliates of such a
8 qualified active low-income community business, may directly
9 or indirectly (i) own or have the right to acquire an ownership
10 interest in a qualified community development entity or member
11 or affiliate of a qualified community development entity,
12 including, but not limited to, a holder of a qualified equity
13 investment issued by the qualified community development
14 entity or (ii) loan to or invest in a qualified community
15 development entity or member or affiliate of a qualified
16 community development entity, including, but not limited to, a
17 holder of a qualified equity investment issued by a qualified
18 community development entity, where the proceeds of such loan
19 or investment are directly or indirectly used to fund or
20 refinance the purchase of a qualified equity investment under
21 this Act. For purposes of this Section, "affiliate" means an
22 entity that directly, or indirectly through one or more
23 intermediaries, controls, is controlled by, or is under common
24 control with another entity. For purposes of this Section, an
25 entity is "controlled by" another entity if the controlling

1 person holds, directly or indirectly, the majority voting or
2 ownership interest in the controlled person or has control over
3 the day-to-day operations of the controlled person by contract
4 or law, provided that a qualified community development entity
5 shall not be considered an affiliate of a qualified active
6 low-income community business solely as a result of its
7 qualified low-income community investment in such business.

8 (20 ILCS 663/50)

9 Sec. 50. Sunset. No qualified equity investment shall be
10 certified on or after June 30, 2021. For fiscal years following
11 fiscal year 2017, qualified equity investments shall not be
12 made under this Act unless reauthorization is made pursuant to
13 this Section. For all fiscal years following fiscal year 2017,
14 unless the General Assembly adopts a joint resolution granting
15 authority to the Department to approve qualified equity
16 investments for the Illinois new markets development program
17 and clearly describing the amount of tax credits available for
18 the next fiscal year, or otherwise complies with the provisions
19 of this Section, no qualified equity investments may be
20 permitted to be made under this Act. The amount of available
21 tax credits contained in such a resolution shall not exceed the
22 limitation provided under Section 20. Nothing in this Section
23 precludes a taxpayer who makes a qualified equity investment
24 prior to the expiration of authority to make qualified equity
25 investments from claiming tax credits relating to that

1 qualified equity investment for each applicable credit
2 allowance date.

3 (Source: P.A. 97-636, eff. 6-1-12.)

4 (20 ILCS 663/55 new)

5 Sec. 55. Annual job creation report. Each qualified
6 community development entity shall submit an annual job
7 creation report to the Department within 45 days after the
8 beginning of the calendar year during the compliance period. No
9 annual report shall be due prior to the first anniversary of
10 the initial credit allowance date. The report shall include,
11 but is not limited to, the following:

12 (1) the number of employment positions created and
13 retained as a result of qualified low-income community
14 investments; and

15 (2) the average annual salary of positions described in
16 item (1).

17 The qualified community development entity is not required
18 to provide the annual report set forth in this Section for
19 qualified low-income community investments that have been
20 redeemed or repaid.

21 ARTICLE 5. ILLINOIS INCOME TAX ACT

22 Section 5-5. The Illinois Income Tax Act is amended by
23 changing Sections 201, 212, 218, 220, 221, 704A, and 901 and by

1 adding Sections 224, 225, 226, and 227 as follows:

2 (35 ILCS 5/201) (from Ch. 120, par. 2-201)

3 Sec. 201. Tax Imposed.

4 (a) In general. A tax measured by net income is hereby
5 imposed on every individual, corporation, trust and estate for
6 each taxable year ending after July 31, 1969 on the privilege
7 of earning or receiving income in or as a resident of this
8 State. Such tax shall be in addition to all other occupation or
9 privilege taxes imposed by this State or by any municipal
10 corporation or political subdivision thereof.

11 (b) Rates. The tax imposed by subsection (a) of this
12 Section shall be determined as follows, except as adjusted by
13 subsection (d-1):

14 (1) In the case of an individual, trust or estate, for
15 taxable years ending prior to July 1, 1989, an amount equal
16 to 2 1/2% of the taxpayer's net income for the taxable
17 year.

18 (2) In the case of an individual, trust or estate, for
19 taxable years beginning prior to July 1, 1989 and ending
20 after June 30, 1989, an amount equal to the sum of (i) 2
21 1/2% of the taxpayer's net income for the period prior to
22 July 1, 1989, as calculated under Section 202.3, and (ii)
23 3% of the taxpayer's net income for the period after June
24 30, 1989, as calculated under Section 202.3.

25 (3) In the case of an individual, trust or estate, for

1 taxable years beginning after June 30, 1989, and ending
2 prior to January 1, 2011, an amount equal to 3% of the
3 taxpayer's net income for the taxable year.

4 (4) In the case of an individual, trust, or estate, for
5 taxable years beginning prior to January 1, 2011, and
6 ending after December 31, 2010, an amount equal to the sum
7 of (i) 3% of the taxpayer's net income for the period prior
8 to January 1, 2011, as calculated under Section 202.5, and
9 (ii) 5% of the taxpayer's net income for the period after
10 December 31, 2010, as calculated under Section 202.5.

11 (5) In the case of an individual, trust, or estate, for
12 taxable years beginning on or after January 1, 2011, and
13 ending prior to January 1, 2015, an amount equal to 5% of
14 the taxpayer's net income for the taxable year.

15 (5.1) In the case of an individual, trust, or estate,
16 for taxable years beginning prior to January 1, 2015, and
17 ending after December 31, 2014, an amount equal to the sum
18 of (i) 5% of the taxpayer's net income for the period prior
19 to January 1, 2015, as calculated under Section 202.5, and
20 (ii) 3.75% of the taxpayer's net income for the period
21 after December 31, 2014, as calculated under Section 202.5.

22 (5.2) In the case of an individual, trust, or estate,
23 for taxable years beginning on or after January 1, 2015,
24 and ending prior to January 1, 2025, an amount equal to
25 3.75% of the taxpayer's net income for the taxable year.

26 (5.3) In the case of an individual, trust, or estate,

1 for taxable years beginning prior to January 1, 2025, and
2 ending after December 31, 2024, an amount equal to the sum
3 of (i) 3.75% of the taxpayer's net income for the period
4 prior to January 1, 2025, as calculated under Section
5 202.5, and (ii) 3.25% of the taxpayer's net income for the
6 period after December 31, 2024, as calculated under Section
7 202.5.

8 (5.4) In the case of an individual, trust, or estate,
9 for taxable years beginning on or after January 1, 2025, an
10 amount equal to 3.25% of the taxpayer's net income for the
11 taxable year.

12 (6) In the case of a corporation, for taxable years
13 ending prior to July 1, 1989, an amount equal to 4% of the
14 taxpayer's net income for the taxable year.

15 (7) In the case of a corporation, for taxable years
16 beginning prior to July 1, 1989 and ending after June 30,
17 1989, an amount equal to the sum of (i) 4% of the
18 taxpayer's net income for the period prior to July 1, 1989,
19 as calculated under Section 202.3, and (ii) 4.8% of the
20 taxpayer's net income for the period after June 30, 1989,
21 as calculated under Section 202.3.

22 (8) In the case of a corporation, for taxable years
23 beginning after June 30, 1989, and ending prior to January
24 1, 2011, an amount equal to 4.8% of the taxpayer's net
25 income for the taxable year.

26 (9) In the case of a corporation, for taxable years

1 beginning prior to January 1, 2011, and ending after
2 December 31, 2010, an amount equal to the sum of (i) 4.8%
3 of the taxpayer's net income for the period prior to
4 January 1, 2011, as calculated under Section 202.5, and
5 (ii) 7% of the taxpayer's net income for the period after
6 December 31, 2010, as calculated under Section 202.5.

7 (10) In the case of a corporation, for taxable years
8 beginning on or after January 1, 2011, and ending prior to
9 January 1, 2015, an amount equal to 7% of the taxpayer's
10 net income for the taxable year.

11 (11) In the case of a corporation, for taxable years
12 beginning prior to January 1, 2015, and ending after
13 December 31, 2014, an amount equal to the sum of (i) 7% of
14 the taxpayer's net income for the period prior to January
15 1, 2015, as calculated under Section 202.5, and (ii) 5.25%
16 of the taxpayer's net income for the period after December
17 31, 2014, as calculated under Section 202.5.

18 (12) In the case of a corporation, for taxable years
19 beginning on or after January 1, 2015, and ending prior to
20 December 31, 2017 ~~prior to January 1, 2025~~, an amount equal
21 to 5.25% of the taxpayer's net income for the taxable year.

22 (13) In the case of a corporation, for taxable years
23 ending on or after December 31, 2017, an amount equal to
24 2.625% of the taxpayer's net income for the taxable year
25 ~~beginning prior to January 1, 2025, and ending after~~
26 ~~December 31, 2024, an amount equal to the sum of (i) 5.25%~~

1 ~~of the taxpayer's net income for the period prior to~~
2 ~~January 1, 2025, as calculated under Section 202.5, and~~
3 ~~(ii) 4.8% of the taxpayer's net income for the period after~~
4 ~~December 31, 2024, as calculated under Section 202.5.~~

5 (14) (Blank). ~~In the case of a corporation, for taxable~~
6 ~~years beginning on or after January 1, 2025, an amount~~
7 ~~equal to 4.8% of the taxpayer's net income for the taxable~~
8 ~~year.~~

9 The rates under this subsection (b) are subject to the
10 provisions of Section 201.5.

11 (c) Personal Property Tax Replacement Income Tax.
12 Beginning on July 1, 1979 and thereafter, in addition to such
13 income tax, there is also hereby imposed the Personal Property
14 Tax Replacement Income Tax measured by net income on every
15 corporation (including Subchapter S corporations), partnership
16 and trust, for each taxable year ending after June 30, 1979.
17 Such taxes are imposed on the privilege of earning or receiving
18 income in or as a resident of this State. The Personal Property
19 Tax Replacement Income Tax shall be in addition to the income
20 tax imposed by subsections (a) and (b) of this Section and in
21 addition to all other occupation or privilege taxes imposed by
22 this State or by any municipal corporation or political
23 subdivision thereof.

24 (d) Additional Personal Property Tax Replacement Income
25 Tax Rates. The personal property tax replacement income tax
26 imposed by this subsection and subsection (c) of this Section

1 in the case of a corporation, other than a Subchapter S
2 corporation and except as adjusted by subsection (d-1), shall
3 be an additional amount equal to 2.85% of such taxpayer's net
4 income for the taxable year, except that beginning on January
5 1, 1981, and thereafter, the rate of 2.85% specified in this
6 subsection shall be reduced to 2.5%, and in the case of a
7 partnership, trust or a Subchapter S corporation shall be an
8 additional amount equal to 1.5% of such taxpayer's net income
9 for the taxable year.

10 (d-1) Rate reduction for certain foreign insurers. In the
11 case of a foreign insurer, as defined by Section 35A-5 of the
12 Illinois Insurance Code, whose state or country of domicile
13 imposes on insurers domiciled in Illinois a retaliatory tax
14 (excluding any insurer whose premiums from reinsurance assumed
15 are 50% or more of its total insurance premiums as determined
16 under paragraph (2) of subsection (b) of Section 304, except
17 that for purposes of this determination premiums from
18 reinsurance do not include premiums from inter-affiliate
19 reinsurance arrangements), beginning with taxable years ending
20 on or after December 31, 1999, the sum of the rates of tax
21 imposed by subsections (b) and (d) shall be reduced (but not
22 increased) to the rate at which the total amount of tax imposed
23 under this Act, net of all credits allowed under this Act,
24 shall equal (i) the total amount of tax that would be imposed
25 on the foreign insurer's net income allocable to Illinois for
26 the taxable year by such foreign insurer's state or country of

1 domicile if that net income were subject to all income taxes
2 and taxes measured by net income imposed by such foreign
3 insurer's state or country of domicile, net of all credits
4 allowed or (ii) a rate of zero if no such tax is imposed on such
5 income by the foreign insurer's state of domicile. For the
6 purposes of this subsection (d-1), an inter-affiliate includes
7 a mutual insurer under common management.

8 (1) For the purposes of subsection (d-1), in no event
9 shall the sum of the rates of tax imposed by subsections
10 (b) and (d) be reduced below the rate at which the sum of:

11 (A) the total amount of tax imposed on such foreign
12 insurer under this Act for a taxable year, net of all
13 credits allowed under this Act, plus

14 (B) the privilege tax imposed by Section 409 of the
15 Illinois Insurance Code, the fire insurance company
16 tax imposed by Section 12 of the Fire Investigation
17 Act, and the fire department taxes imposed under
18 Section 11-10-1 of the Illinois Municipal Code,
19 equals 1.25% for taxable years ending prior to December 31,
20 2003, or 1.75% for taxable years ending on or after
21 December 31, 2003, of the net taxable premiums written for
22 the taxable year, as described by subsection (1) of Section
23 409 of the Illinois Insurance Code. This paragraph will in
24 no event increase the rates imposed under subsections (b)
25 and (d).

26 (2) Any reduction in the rates of tax imposed by this

1 subsection shall be applied first against the rates imposed
2 by subsection (b) and only after the tax imposed by
3 subsection (a) net of all credits allowed under this
4 Section other than the credit allowed under subsection (i)
5 has been reduced to zero, against the rates imposed by
6 subsection (d).

7 This subsection (d-1) is exempt from the provisions of
8 Section 250.

9 (e) Investment credit. A taxpayer shall be allowed a credit
10 against the Personal Property Tax Replacement Income Tax for
11 investment in qualified property.

12 (1) A taxpayer shall be allowed a credit equal to .5%
13 of the basis of qualified property placed in service during
14 the taxable year, provided such property is placed in
15 service on or after July 1, 1984. There shall be allowed an
16 additional credit equal to .5% of the basis of qualified
17 property placed in service during the taxable year,
18 provided such property is placed in service on or after
19 July 1, 1986, and the taxpayer's base employment within
20 Illinois has increased by 1% or more over the preceding
21 year as determined by the taxpayer's employment records
22 filed with the Illinois Department of Employment Security.
23 Taxpayers who are new to Illinois shall be deemed to have
24 met the 1% growth in base employment for the first year in
25 which they file employment records with the Illinois
26 Department of Employment Security. The provisions added to

1 this Section by Public Act 85-1200 (and restored by Public
2 Act 87-895) shall be construed as declaratory of existing
3 law and not as a new enactment. If, in any year, the
4 increase in base employment within Illinois over the
5 preceding year is less than 1%, the additional credit shall
6 be limited to that percentage times a fraction, the
7 numerator of which is .5% and the denominator of which is
8 1%, but shall not exceed .5%. The investment credit shall
9 not be allowed to the extent that it would reduce a
10 taxpayer's liability in any tax year below zero, nor may
11 any credit for qualified property be allowed for any year
12 other than the year in which the property was placed in
13 service in Illinois. For tax years ending on or after
14 December 31, 1987, and on or before December 31, 1988, the
15 credit shall be allowed for the tax year in which the
16 property is placed in service, or, if the amount of the
17 credit exceeds the tax liability for that year, whether it
18 exceeds the original liability or the liability as later
19 amended, such excess may be carried forward and applied to
20 the tax liability of the 5 taxable years following the
21 excess credit years if the taxpayer (i) makes investments
22 which cause the creation of a minimum of 2,000 full-time
23 equivalent jobs in Illinois, (ii) is located in an
24 enterprise zone established pursuant to the Illinois
25 Enterprise Zone Act and (iii) is certified by the
26 Department of Commerce and Community Affairs (now

1 Department of Commerce and Economic Opportunity) as
2 complying with the requirements specified in clause (i) and
3 (ii) by July 1, 1986. The Department of Commerce and
4 Community Affairs (now Department of Commerce and Economic
5 Opportunity) shall notify the Department of Revenue of all
6 such certifications immediately. For tax years ending
7 after December 31, 1988, the credit shall be allowed for
8 the tax year in which the property is placed in service,
9 or, if the amount of the credit exceeds the tax liability
10 for that year, whether it exceeds the original liability or
11 the liability as later amended, such excess may be carried
12 forward and applied to the tax liability of the 5 taxable
13 years following the excess credit years. The credit shall
14 be applied to the earliest year for which there is a
15 liability. If there is credit from more than one tax year
16 that is available to offset a liability, earlier credit
17 shall be applied first.

18 (2) The term "qualified property" means property
19 which:

20 (A) is tangible, whether new or used, including
21 buildings and structural components of buildings and
22 signs that are real property, but not including land or
23 improvements to real property that are not a structural
24 component of a building such as landscaping, sewer
25 lines, local access roads, fencing, parking lots, and
26 other appurtenances;

1 (B) is depreciable pursuant to Section 167 of the
2 Internal Revenue Code, except that "3-year property"
3 as defined in Section 168(c)(2)(A) of that Code is not
4 eligible for the credit provided by this subsection
5 (e);

6 (C) is acquired by purchase as defined in Section
7 179(d) of the Internal Revenue Code;

8 (D) is used in Illinois by a taxpayer who is
9 primarily engaged in manufacturing, or in mining coal
10 or fluorite, or in retailing, or was placed in service
11 on or after July 1, 2006 in a River Edge Redevelopment
12 Zone established pursuant to the River Edge
13 Redevelopment Zone Act; and

14 (E) has not previously been used in Illinois in
15 such a manner and by such a person as would qualify for
16 the credit provided by this subsection (e) or
17 subsection (f).

18 (3) For purposes of this subsection (e),
19 "manufacturing" means the material staging and production
20 of tangible personal property by procedures commonly
21 regarded as manufacturing, processing, fabrication, or
22 assembling which changes some existing material into new
23 shapes, new qualities, or new combinations. For purposes of
24 this subsection (e) the term "mining" shall have the same
25 meaning as the term "mining" in Section 613(c) of the
26 Internal Revenue Code. For purposes of this subsection (e),

1 the term "retailing" means the sale of tangible personal
2 property for use or consumption and not for resale, or
3 services rendered in conjunction with the sale of tangible
4 personal property for use or consumption and not for
5 resale. For purposes of this subsection (e), "tangible
6 personal property" has the same meaning as when that term
7 is used in the Retailers' Occupation Tax Act, and, for
8 taxable years ending after December 31, 2008, does not
9 include the generation, transmission, or distribution of
10 electricity.

11 (4) The basis of qualified property shall be the basis
12 used to compute the depreciation deduction for federal
13 income tax purposes.

14 (5) If the basis of the property for federal income tax
15 depreciation purposes is increased after it has been placed
16 in service in Illinois by the taxpayer, the amount of such
17 increase shall be deemed property placed in service on the
18 date of such increase in basis.

19 (6) The term "placed in service" shall have the same
20 meaning as under Section 46 of the Internal Revenue Code.

21 (7) If during any taxable year, any property ceases to
22 be qualified property in the hands of the taxpayer within
23 48 months after being placed in service, or the situs of
24 any qualified property is moved outside Illinois within 48
25 months after being placed in service, the Personal Property
26 Tax Replacement Income Tax for such taxable year shall be

1 increased. Such increase shall be determined by (i)
2 recomputing the investment credit which would have been
3 allowed for the year in which credit for such property was
4 originally allowed by eliminating such property from such
5 computation and, (ii) subtracting such recomputed credit
6 from the amount of credit previously allowed. For the
7 purposes of this paragraph (7), a reduction of the basis of
8 qualified property resulting from a redetermination of the
9 purchase price shall be deemed a disposition of qualified
10 property to the extent of such reduction.

11 (8) Unless the investment credit is extended by law,
12 the basis of qualified property shall not include costs
13 incurred after December 31, 2018, except for costs incurred
14 pursuant to a binding contract entered into on or before
15 December 31, 2018.

16 (9) Each taxable year ending before December 31, 2000,
17 a partnership may elect to pass through to its partners the
18 credits to which the partnership is entitled under this
19 subsection (e) for the taxable year. A partner may use the
20 credit allocated to him or her under this paragraph only
21 against the tax imposed in subsections (c) and (d) of this
22 Section. If the partnership makes that election, those
23 credits shall be allocated among the partners in the
24 partnership in accordance with the rules set forth in
25 Section 704(b) of the Internal Revenue Code, and the rules
26 promulgated under that Section, and the allocated amount of

1 the credits shall be allowed to the partners for that
2 taxable year. The partnership shall make this election on
3 its Personal Property Tax Replacement Income Tax return for
4 that taxable year. The election to pass through the credits
5 shall be irrevocable.

6 For taxable years ending on or after December 31, 2000,
7 a partner that qualifies its partnership for a subtraction
8 under subparagraph (I) of paragraph (2) of subsection (d)
9 of Section 203 or a shareholder that qualifies a Subchapter
10 S corporation for a subtraction under subparagraph (S) of
11 paragraph (2) of subsection (b) of Section 203 shall be
12 allowed a credit under this subsection (e) equal to its
13 share of the credit earned under this subsection (e) during
14 the taxable year by the partnership or Subchapter S
15 corporation, determined in accordance with the
16 determination of income and distributive share of income
17 under Sections 702 and 704 and Subchapter S of the Internal
18 Revenue Code. This paragraph is exempt from the provisions
19 of Section 250.

20 (f) Investment credit; Enterprise Zone; River Edge
21 Redevelopment Zone.

22 (1) A taxpayer shall be allowed a credit against the
23 tax imposed by subsections (a) and (b) of this Section for
24 investment in qualified property which is placed in service
25 in an Enterprise Zone created pursuant to the Illinois
26 Enterprise Zone Act or, for property placed in service on

1 or after July 1, 2006, a River Edge Redevelopment Zone
2 established pursuant to the River Edge Redevelopment Zone
3 Act. For partners, shareholders of Subchapter S
4 corporations, and owners of limited liability companies,
5 if the liability company is treated as a partnership for
6 purposes of federal and State income taxation, there shall
7 be allowed a credit under this subsection (f) to be
8 determined in accordance with the determination of income
9 and distributive share of income under Sections 702 and 704
10 and Subchapter S of the Internal Revenue Code. The credit
11 shall be .5% of the basis for such property. The credit
12 shall be available only in the taxable year in which the
13 property is placed in service in the Enterprise Zone or
14 River Edge Redevelopment Zone and shall not be allowed to
15 the extent that it would reduce a taxpayer's liability for
16 the tax imposed by subsections (a) and (b) of this Section
17 to below zero. For tax years ending on or after December
18 31, 1985, the credit shall be allowed for the tax year in
19 which the property is placed in service, or, if the amount
20 of the credit exceeds the tax liability for that year,
21 whether it exceeds the original liability or the liability
22 as later amended, such excess may be carried forward and
23 applied to the tax liability of the 5 taxable years
24 following the excess credit year. The credit shall be
25 applied to the earliest year for which there is a
26 liability. If there is credit from more than one tax year

1 that is available to offset a liability, the credit
2 accruing first in time shall be applied first.

3 (2) The term qualified property means property which:

4 (A) is tangible, whether new or used, including
5 buildings and structural components of buildings;

6 (B) is depreciable pursuant to Section 167 of the
7 Internal Revenue Code, except that "3-year property"
8 as defined in Section 168(c)(2)(A) of that Code is not
9 eligible for the credit provided by this subsection
10 (f);

11 (C) is acquired by purchase as defined in Section
12 179(d) of the Internal Revenue Code;

13 (D) is used in the Enterprise Zone or River Edge
14 Redevelopment Zone by the taxpayer; and

15 (E) has not been previously used in Illinois in
16 such a manner and by such a person as would qualify for
17 the credit provided by this subsection (f) or
18 subsection (e).

19 (3) The basis of qualified property shall be the basis
20 used to compute the depreciation deduction for federal
21 income tax purposes.

22 (4) If the basis of the property for federal income tax
23 depreciation purposes is increased after it has been placed
24 in service in the Enterprise Zone or River Edge
25 Redevelopment Zone by the taxpayer, the amount of such
26 increase shall be deemed property placed in service on the

1 date of such increase in basis.

2 (5) The term "placed in service" shall have the same
3 meaning as under Section 46 of the Internal Revenue Code.

4 (6) If during any taxable year, any property ceases to
5 be qualified property in the hands of the taxpayer within
6 48 months after being placed in service, or the situs of
7 any qualified property is moved outside the Enterprise Zone
8 or River Edge Redevelopment Zone within 48 months after
9 being placed in service, the tax imposed under subsections
10 (a) and (b) of this Section for such taxable year shall be
11 increased. Such increase shall be determined by (i)
12 recomputing the investment credit which would have been
13 allowed for the year in which credit for such property was
14 originally allowed by eliminating such property from such
15 computation, and (ii) subtracting such recomputed credit
16 from the amount of credit previously allowed. For the
17 purposes of this paragraph (6), a reduction of the basis of
18 qualified property resulting from a redetermination of the
19 purchase price shall be deemed a disposition of qualified
20 property to the extent of such reduction.

21 (7) There shall be allowed an additional credit equal
22 to 0.5% of the basis of qualified property placed in
23 service during the taxable year in a River Edge
24 Redevelopment Zone, provided such property is placed in
25 service on or after July 1, 2006, and the taxpayer's base
26 employment within Illinois has increased by 1% or more over

1 the preceding year as determined by the taxpayer's
2 employment records filed with the Illinois Department of
3 Employment Security. Taxpayers who are new to Illinois
4 shall be deemed to have met the 1% growth in base
5 employment for the first year in which they file employment
6 records with the Illinois Department of Employment
7 Security. If, in any year, the increase in base employment
8 within Illinois over the preceding year is less than 1%,
9 the additional credit shall be limited to that percentage
10 times a fraction, the numerator of which is 0.5% and the
11 denominator of which is 1%, but shall not exceed 0.5%.

12 (g) (Blank).

13 (h) Investment credit; High Impact Business.

14 (1) Subject to subsections (b) and (b-5) of Section 5.5
15 of the Illinois Enterprise Zone Act, a taxpayer shall be
16 allowed a credit against the tax imposed by subsections (a)
17 and (b) of this Section for investment in qualified
18 property which is placed in service by a Department of
19 Commerce and Economic Opportunity designated High Impact
20 Business. The credit shall be .5% of the basis for such
21 property. The credit shall not be available (i) until the
22 minimum investments in qualified property set forth in
23 subdivision (a)(3)(A) of Section 5.5 of the Illinois
24 Enterprise Zone Act have been satisfied or (ii) until the
25 time authorized in subsection (b-5) of the Illinois
26 Enterprise Zone Act for entities designated as High Impact

1 Businesses under subdivisions (a)(3)(B), (a)(3)(C), and
2 (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone
3 Act, and shall not be allowed to the extent that it would
4 reduce a taxpayer's liability for the tax imposed by
5 subsections (a) and (b) of this Section to below zero. The
6 credit applicable to such investments shall be taken in the
7 taxable year in which such investments have been completed.
8 The credit for additional investments beyond the minimum
9 investment by a designated high impact business authorized
10 under subdivision (a)(3)(A) of Section 5.5 of the Illinois
11 Enterprise Zone Act shall be available only in the taxable
12 year in which the property is placed in service and shall
13 not be allowed to the extent that it would reduce a
14 taxpayer's liability for the tax imposed by subsections (a)
15 and (b) of this Section to below zero. For tax years ending
16 on or after December 31, 1987, the credit shall be allowed
17 for the tax year in which the property is placed in
18 service, or, if the amount of the credit exceeds the tax
19 liability for that year, whether it exceeds the original
20 liability or the liability as later amended, such excess
21 may be carried forward and applied to the tax liability of
22 the 5 taxable years following the excess credit year. The
23 credit shall be applied to the earliest year for which
24 there is a liability. If there is credit from more than one
25 tax year that is available to offset a liability, the
26 credit accruing first in time shall be applied first.

1 Changes made in this subdivision (h) (1) by Public Act
2 88-670 restore changes made by Public Act 85-1182 and
3 reflect existing law.

4 (2) The term qualified property means property which:

5 (A) is tangible, whether new or used, including
6 buildings and structural components of buildings;

7 (B) is depreciable pursuant to Section 167 of the
8 Internal Revenue Code, except that "3-year property"
9 as defined in Section 168(c) (2) (A) of that Code is not
10 eligible for the credit provided by this subsection
11 (h);

12 (C) is acquired by purchase as defined in Section
13 179(d) of the Internal Revenue Code; and

14 (D) is not eligible for the Enterprise Zone
15 Investment Credit provided by subsection (f) of this
16 Section.

17 (3) The basis of qualified property shall be the basis
18 used to compute the depreciation deduction for federal
19 income tax purposes.

20 (4) If the basis of the property for federal income tax
21 depreciation purposes is increased after it has been placed
22 in service in a federally designated Foreign Trade Zone or
23 Sub-Zone located in Illinois by the taxpayer, the amount of
24 such increase shall be deemed property placed in service on
25 the date of such increase in basis.

26 (5) The term "placed in service" shall have the same

1 meaning as under Section 46 of the Internal Revenue Code.

2 (6) If during any taxable year ending on or before
3 December 31, 1996, any property ceases to be qualified
4 property in the hands of the taxpayer within 48 months
5 after being placed in service, or the situs of any
6 qualified property is moved outside Illinois within 48
7 months after being placed in service, the tax imposed under
8 subsections (a) and (b) of this Section for such taxable
9 year shall be increased. Such increase shall be determined
10 by (i) recomputing the investment credit which would have
11 been allowed for the year in which credit for such property
12 was originally allowed by eliminating such property from
13 such computation, and (ii) subtracting such recomputed
14 credit from the amount of credit previously allowed. For
15 the purposes of this paragraph (6), a reduction of the
16 basis of qualified property resulting from a
17 redetermination of the purchase price shall be deemed a
18 disposition of qualified property to the extent of such
19 reduction.

20 (7) Beginning with tax years ending after December 31,
21 1996, if a taxpayer qualifies for the credit under this
22 subsection (h) and thereby is granted a tax abatement and
23 the taxpayer relocates its entire facility in violation of
24 the explicit terms and length of the contract under Section
25 18-183 of the Property Tax Code, the tax imposed under
26 subsections (a) and (b) of this Section shall be increased

1 for the taxable year in which the taxpayer relocated its
2 facility by an amount equal to the amount of credit
3 received by the taxpayer under this subsection (h).

4 (i) Credit for Personal Property Tax Replacement Income
5 Tax. For tax years ending prior to December 31, 2003, a credit
6 shall be allowed against the tax imposed by subsections (a) and
7 (b) of this Section for the tax imposed by subsections (c) and
8 (d) of this Section. This credit shall be computed by
9 multiplying the tax imposed by subsections (c) and (d) of this
10 Section by a fraction, the numerator of which is base income
11 allocable to Illinois and the denominator of which is Illinois
12 base income, and further multiplying the product by the tax
13 rate imposed by subsections (a) and (b) of this Section.

14 Any credit earned on or after December 31, 1986 under this
15 subsection which is unused in the year the credit is computed
16 because it exceeds the tax liability imposed by subsections (a)
17 and (b) for that year (whether it exceeds the original
18 liability or the liability as later amended) may be carried
19 forward and applied to the tax liability imposed by subsections
20 (a) and (b) of the 5 taxable years following the excess credit
21 year, provided that no credit may be carried forward to any
22 year ending on or after December 31, 2003. This credit shall be
23 applied first to the earliest year for which there is a
24 liability. If there is a credit under this subsection from more
25 than one tax year that is available to offset a liability the
26 earliest credit arising under this subsection shall be applied

1 first.

2 If, during any taxable year ending on or after December 31,
3 1986, the tax imposed by subsections (c) and (d) of this
4 Section for which a taxpayer has claimed a credit under this
5 subsection (i) is reduced, the amount of credit for such tax
6 shall also be reduced. Such reduction shall be determined by
7 recomputing the credit to take into account the reduced tax
8 imposed by subsections (c) and (d). If any portion of the
9 reduced amount of credit has been carried to a different
10 taxable year, an amended return shall be filed for such taxable
11 year to reduce the amount of credit claimed.

12 (j) Training expense credit. Beginning with tax years
13 ending on or after December 31, 1986 and prior to December 31,
14 2003, a taxpayer shall be allowed a credit against the tax
15 imposed by subsections (a) and (b) under this Section for all
16 amounts paid or accrued, on behalf of all persons employed by
17 the taxpayer in Illinois or Illinois residents employed outside
18 of Illinois by a taxpayer, for educational or vocational
19 training in semi-technical or technical fields or semi-skilled
20 or skilled fields, which were deducted from gross income in the
21 computation of taxable income. The credit against the tax
22 imposed by subsections (a) and (b) shall be 1.6% of such
23 training expenses. For partners, shareholders of subchapter S
24 corporations, and owners of limited liability companies, if the
25 liability company is treated as a partnership for purposes of
26 federal and State income taxation, there shall be allowed a

1 credit under this subsection (j) to be determined in accordance
2 with the determination of income and distributive share of
3 income under Sections 702 and 704 and subchapter S of the
4 Internal Revenue Code.

5 Any credit allowed under this subsection which is unused in
6 the year the credit is earned may be carried forward to each of
7 the 5 taxable years following the year for which the credit is
8 first computed until it is used. This credit shall be applied
9 first to the earliest year for which there is a liability. If
10 there is a credit under this subsection from more than one tax
11 year that is available to offset a liability the earliest
12 credit arising under this subsection shall be applied first. No
13 carryforward credit may be claimed in any tax year ending on or
14 after December 31, 2003.

15 (k) Research and development credit. For tax years ending
16 after July 1, 1990 and prior to December 31, 2003, and
17 beginning again for tax years ending on or after December 31,
18 2004, and ending prior to January 1, 2016, a taxpayer shall be
19 allowed a credit against the tax imposed by subsections (a) and
20 (b) of this Section for increasing research activities in this
21 State. The credit allowed against the tax imposed by
22 subsections (a) and (b) shall be equal to 6 1/2% of the
23 qualifying expenditures for increasing research activities in
24 this State. For partners, shareholders of subchapter S
25 corporations, and owners of limited liability companies, if the
26 liability company is treated as a partnership for purposes of

1 federal and State income taxation, there shall be allowed a
2 credit under this subsection to be determined in accordance
3 with the determination of income and distributive share of
4 income under Sections 702 and 704 and subchapter S of the
5 Internal Revenue Code.

6 For purposes of this subsection, "qualifying expenditures"
7 means the qualifying expenditures as defined for the federal
8 credit for increasing research activities which would be
9 allowable under Section 41 of the Internal Revenue Code and
10 which are conducted in this State, "qualifying expenditures for
11 increasing research activities in this State" means the excess
12 of qualifying expenditures for the taxable year in which
13 incurred over qualifying expenditures for the base period,
14 "qualifying expenditures for the base period" means the average
15 of the qualifying expenditures for each year in the base
16 period, and "base period" means the 3 taxable years immediately
17 preceding the taxable year for which the determination is being
18 made.

19 Any credit in excess of the tax liability for the taxable
20 year may be carried forward. A taxpayer may elect to have the
21 unused credit shown on its final completed return carried over
22 as a credit against the tax liability for the following 5
23 taxable years or until it has been fully used, whichever occurs
24 first; provided that no credit earned in a tax year ending
25 prior to December 31, 2003 may be carried forward to any year
26 ending on or after December 31, 2003.

1 If an unused credit is carried forward to a given year from
2 2 or more earlier years, that credit arising in the earliest
3 year will be applied first against the tax liability for the
4 given year. If a tax liability for the given year still
5 remains, the credit from the next earliest year will then be
6 applied, and so on, until all credits have been used or no tax
7 liability for the given year remains. Any remaining unused
8 credit or credits then will be carried forward to the next
9 following year in which a tax liability is incurred, except
10 that no credit can be carried forward to a year which is more
11 than 5 years after the year in which the expense for which the
12 credit is given was incurred.

13 No inference shall be drawn from this amendatory Act of the
14 91st General Assembly in construing this Section for taxable
15 years beginning before January 1, 1999.

16 (1) Environmental Remediation Tax Credit.

17 (i) For tax years ending after December 31, 1997 and on
18 or before December 31, 2001, a taxpayer shall be allowed a
19 credit against the tax imposed by subsections (a) and (b)
20 of this Section for certain amounts paid for unreimbursed
21 eligible remediation costs, as specified in this
22 subsection. For purposes of this Section, "unreimbursed
23 eligible remediation costs" means costs approved by the
24 Illinois Environmental Protection Agency ("Agency") under
25 Section 58.14 of the Environmental Protection Act that were
26 paid in performing environmental remediation at a site for

1 which a No Further Remediation Letter was issued by the
2 Agency and recorded under Section 58.10 of the
3 Environmental Protection Act. The credit must be claimed
4 for the taxable year in which Agency approval of the
5 eligible remediation costs is granted. The credit is not
6 available to any taxpayer if the taxpayer or any related
7 party caused or contributed to, in any material respect, a
8 release of regulated substances on, in, or under the site
9 that was identified and addressed by the remedial action
10 pursuant to the Site Remediation Program of the
11 Environmental Protection Act. After the Pollution Control
12 Board rules are adopted pursuant to the Illinois
13 Administrative Procedure Act for the administration and
14 enforcement of Section 58.9 of the Environmental
15 Protection Act, determinations as to credit availability
16 for purposes of this Section shall be made consistent with
17 those rules. For purposes of this Section, "taxpayer"
18 includes a person whose tax attributes the taxpayer has
19 succeeded to under Section 381 of the Internal Revenue Code
20 and "related party" includes the persons disallowed a
21 deduction for losses by paragraphs (b), (c), and (f) (1) of
22 Section 267 of the Internal Revenue Code by virtue of being
23 a related taxpayer, as well as any of its partners. The
24 credit allowed against the tax imposed by subsections (a)
25 and (b) shall be equal to 25% of the unreimbursed eligible
26 remediation costs in excess of \$100,000 per site, except

1 that the \$100,000 threshold shall not apply to any site
2 contained in an enterprise zone as determined by the
3 Department of Commerce and Community Affairs (now
4 Department of Commerce and Economic Opportunity). The
5 total credit allowed shall not exceed \$40,000 per year with
6 a maximum total of \$150,000 per site. For partners and
7 shareholders of subchapter S corporations, there shall be
8 allowed a credit under this subsection to be determined in
9 accordance with the determination of income and
10 distributive share of income under Sections 702 and 704 and
11 subchapter S of the Internal Revenue Code.

12 (ii) A credit allowed under this subsection that is
13 unused in the year the credit is earned may be carried
14 forward to each of the 5 taxable years following the year
15 for which the credit is first earned until it is used. The
16 term "unused credit" does not include any amounts of
17 unreimbursed eligible remediation costs in excess of the
18 maximum credit per site authorized under paragraph (i).
19 This credit shall be applied first to the earliest year for
20 which there is a liability. If there is a credit under this
21 subsection from more than one tax year that is available to
22 offset a liability, the earliest credit arising under this
23 subsection shall be applied first. A credit allowed under
24 this subsection may be sold to a buyer as part of a sale of
25 all or part of the remediation site for which the credit
26 was granted. The purchaser of a remediation site and the

1 tax credit shall succeed to the unused credit and remaining
2 carry-forward period of the seller. To perfect the
3 transfer, the assignor shall record the transfer in the
4 chain of title for the site and provide written notice to
5 the Director of the Illinois Department of Revenue of the
6 assignor's intent to sell the remediation site and the
7 amount of the tax credit to be transferred as a portion of
8 the sale. In no event may a credit be transferred to any
9 taxpayer if the taxpayer or a related party would not be
10 eligible under the provisions of subsection (i).

11 (iii) For purposes of this Section, the term "site"
12 shall have the same meaning as under Section 58.2 of the
13 Environmental Protection Act.

14 (m) Education expense credit. Beginning with tax years
15 ending after December 31, 1999, a taxpayer who is the custodian
16 of one or more qualifying pupils shall be allowed a credit
17 against the tax imposed by subsections (a) and (b) of this
18 Section for qualified education expenses incurred on behalf of
19 the qualifying pupils. The credit shall be equal to 25% of
20 qualified education expenses, but in no event may the total
21 credit under this subsection claimed by a family that is the
22 custodian of qualifying pupils exceed \$500. In no event shall a
23 credit under this subsection reduce the taxpayer's liability
24 under this Act to less than zero. This subsection is exempt
25 from the provisions of Section 250 of this Act.

26 For purposes of this subsection:

1 "Qualifying pupils" means individuals who (i) are
2 residents of the State of Illinois, (ii) are under the age of
3 21 at the close of the school year for which a credit is
4 sought, and (iii) during the school year for which a credit is
5 sought were full-time pupils enrolled in a kindergarten through
6 twelfth grade education program at any school, as defined in
7 this subsection.

8 "Qualified education expense" means the amount incurred on
9 behalf of a qualifying pupil in excess of \$250 for tuition,
10 book fees, and lab fees at the school in which the pupil is
11 enrolled during the regular school year.

12 "School" means any public or nonpublic elementary or
13 secondary school in Illinois that is in compliance with Title
14 VI of the Civil Rights Act of 1964 and attendance at which
15 satisfies the requirements of Section 26-1 of the School Code,
16 except that nothing shall be construed to require a child to
17 attend any particular public or nonpublic school to qualify for
18 the credit under this Section.

19 "Custodian" means, with respect to qualifying pupils, an
20 Illinois resident who is a parent, the parents, a legal
21 guardian, or the legal guardians of the qualifying pupils.

22 (n) River Edge Redevelopment Zone site remediation tax
23 credit.

24 (i) For tax years ending on or after December 31, 2006,
25 a taxpayer shall be allowed a credit against the tax
26 imposed by subsections (a) and (b) of this Section for

1 certain amounts paid for unreimbursed eligible remediation
2 costs, as specified in this subsection. For purposes of
3 this Section, "unreimbursed eligible remediation costs"
4 means costs approved by the Illinois Environmental
5 Protection Agency ("Agency") under Section 58.14a of the
6 Environmental Protection Act that were paid in performing
7 environmental remediation at a site within a River Edge
8 Redevelopment Zone for which a No Further Remediation
9 Letter was issued by the Agency and recorded under Section
10 58.10 of the Environmental Protection Act. The credit must
11 be claimed for the taxable year in which Agency approval of
12 the eligible remediation costs is granted. The credit is
13 not available to any taxpayer if the taxpayer or any
14 related party caused or contributed to, in any material
15 respect, a release of regulated substances on, in, or under
16 the site that was identified and addressed by the remedial
17 action pursuant to the Site Remediation Program of the
18 Environmental Protection Act. Determinations as to credit
19 availability for purposes of this Section shall be made
20 consistent with rules adopted by the Pollution Control
21 Board pursuant to the Illinois Administrative Procedure
22 Act for the administration and enforcement of Section 58.9
23 of the Environmental Protection Act. For purposes of this
24 Section, "taxpayer" includes a person whose tax attributes
25 the taxpayer has succeeded to under Section 381 of the
26 Internal Revenue Code and "related party" includes the

1 persons disallowed a deduction for losses by paragraphs
2 (b), (c), and (f) (1) of Section 267 of the Internal Revenue
3 Code by virtue of being a related taxpayer, as well as any
4 of its partners. The credit allowed against the tax imposed
5 by subsections (a) and (b) shall be equal to 25% of the
6 unreimbursed eligible remediation costs in excess of
7 \$100,000 per site.

8 (ii) A credit allowed under this subsection that is
9 unused in the year the credit is earned may be carried
10 forward to each of the 5 taxable years following the year
11 for which the credit is first earned until it is used. This
12 credit shall be applied first to the earliest year for
13 which there is a liability. If there is a credit under this
14 subsection from more than one tax year that is available to
15 offset a liability, the earliest credit arising under this
16 subsection shall be applied first. A credit allowed under
17 this subsection may be sold to a buyer as part of a sale of
18 all or part of the remediation site for which the credit
19 was granted. The purchaser of a remediation site and the
20 tax credit shall succeed to the unused credit and remaining
21 carry-forward period of the seller. To perfect the
22 transfer, the assignor shall record the transfer in the
23 chain of title for the site and provide written notice to
24 the Director of the Illinois Department of Revenue of the
25 assignor's intent to sell the remediation site and the
26 amount of the tax credit to be transferred as a portion of

1 the sale. In no event may a credit be transferred to any
2 taxpayer if the taxpayer or a related party would not be
3 eligible under the provisions of subsection (i).

4 (iii) For purposes of this Section, the term "site"
5 shall have the same meaning as under Section 58.2 of the
6 Environmental Protection Act.

7 (o) For each of taxable years during the Compassionate Use
8 of Medical Cannabis Pilot Program, a surcharge is imposed on
9 all taxpayers on income arising from the sale or exchange of
10 capital assets, depreciable business property, real property
11 used in the trade or business, and Section 197 intangibles of
12 an organization registrant under the Compassionate Use of
13 Medical Cannabis Pilot Program Act. The amount of the surcharge
14 is equal to the amount of federal income tax liability for the
15 taxable year attributable to those sales and exchanges. The
16 surcharge imposed does not apply if:

17 (1) the medical cannabis cultivation center
18 registration, medical cannabis dispensary registration, or
19 the property of a registration is transferred as a result
20 of any of the following:

21 (A) bankruptcy, a receivership, or a debt
22 adjustment initiated by or against the initial
23 registration or the substantial owners of the initial
24 registration;

25 (B) cancellation, revocation, or termination of
26 any registration by the Illinois Department of Public

1 Health;

2 (C) a determination by the Illinois Department of
3 Public Health that transfer of the registration is in
4 the best interests of Illinois qualifying patients as
5 defined by the Compassionate Use of Medical Cannabis
6 Pilot Program Act;

7 (D) the death of an owner of the equity interest in
8 a registrant;

9 (E) the acquisition of a controlling interest in
10 the stock or substantially all of the assets of a
11 publicly traded company;

12 (F) a transfer by a parent company to a wholly
13 owned subsidiary; or

14 (G) the transfer or sale to or by one person to
15 another person where both persons were initial owners
16 of the registration when the registration was issued;
17 or

18 (2) the cannabis cultivation center registration,
19 medical cannabis dispensary registration, or the
20 controlling interest in a registrant's property is
21 transferred in a transaction to lineal descendants in which
22 no gain or loss is recognized or as a result of a
23 transaction in accordance with Section 351 of the Internal
24 Revenue Code in which no gain or loss is recognized.

25 (Source: P.A. 97-2, eff. 5-6-11; 97-636, eff. 6-1-12; 97-905,
26 eff. 8-7-12; 98-109, eff. 7-25-13; 98-122, eff. 1-1-14; 98-756,

1 eff. 7-16-14.)

2 (35 ILCS 5/212)

3 Sec. 212. Earned income tax credit.

4 (a) With respect to the federal earned income tax credit
5 allowed for the taxable year under Section 32 of the federal
6 Internal Revenue Code, 26 U.S.C. 32, each individual taxpayer
7 is entitled to a credit against the tax imposed by subsections
8 (a) and (b) of Section 201 in an amount equal to (i) 5% of the
9 federal tax credit for each taxable year beginning on or after
10 January 1, 2000 and ending prior to December 31, 2012, (ii)
11 7.5% of the federal tax credit for each taxable year beginning
12 on or after January 1, 2012 and ending prior to December 31,
13 2013, ~~and~~ (iii) 10% of the federal tax credit for each taxable
14 year beginning on or after January 1, 2013 and beginning prior
15 to January 1, 2017, (iv) 12.5% of the federal tax credit for
16 each taxable year beginning on or after January 1, 2017 and
17 beginning prior to January 1, 2018, and (v) 15% of the federal
18 tax credit for each taxable year beginning on or after January
19 1, 2018.

20 For a non-resident or part-year resident, the amount of the
21 credit under this Section shall be in proportion to the amount
22 of income attributable to this State.

23 (b) For taxable years beginning before January 1, 2003, in
24 no event shall a credit under this Section reduce the
25 taxpayer's liability to less than zero. For each taxable year

1 beginning on or after January 1, 2003, if the amount of the
2 credit exceeds the income tax liability for the applicable tax
3 year, then the excess credit shall be refunded to the taxpayer.
4 The amount of a refund shall not be included in the taxpayer's
5 income or resources for the purposes of determining eligibility
6 or benefit level in any means-tested benefit program
7 administered by a governmental entity unless required by
8 federal law.

9 (c) This Section is exempt from the provisions of Section
10 250.

11 (Source: P.A. 97-652, eff. 6-1-12.)

12 (35 ILCS 5/218)

13 Sec. 218. Credit for student-assistance contributions.

14 (a) For taxable years ending on or after December 31, 2009
15 and on or before December 30, 2025 ~~December 30, 2020~~, each
16 taxpayer who, during the taxable year, makes a contribution (i)
17 to a specified individual College Savings Pool Account under
18 Section 16.5 of the State Treasurer Act or (ii) to the Illinois
19 Prepaid Tuition Trust Fund in an amount matching a contribution
20 made in the same taxable year by an employee of the taxpayer to
21 that Account or Fund is entitled to a credit against the tax
22 imposed under subsections (a) and (b) of Section 201 in an
23 amount equal to 25% of that matching contribution, but not to
24 exceed (i) \$500 per contributing employee per taxable year for
25 taxable years ending prior to December 31, 2017 and (ii) \$1,000

1 per contributing employee per taxable year for taxable years
2 ending on or after December 31, 2017.

3 (b) For partners, shareholders of Subchapter S
4 corporations, and owners of limited liability companies, if the
5 liability company is treated as a partnership for purposes of
6 federal and State income taxation, there is allowed a credit
7 under this Section to be determined in accordance with the
8 determination of income and distributive share of income under
9 Sections 702 and 704 and Subchapter S of the Internal Revenue
10 Code.

11 (c) The credit may not be carried back. If the amount of
12 the credit exceeds the tax liability for the year, the excess
13 may be carried forward and applied to the tax liability of the
14 5 taxable years following the excess credit year. The tax
15 credit shall be applied to the earliest year for which there is
16 a tax liability. If there are credits for more than one year
17 that are available to offset a liability, the earlier credit
18 shall be applied first.

19 (d) A taxpayer claiming the credit under this Section must
20 maintain and record any information that the Illinois Student
21 Assistance Commission, the Office of the State Treasurer, or
22 the Department may require regarding the matching contribution
23 for which the credit is claimed.

24 (Source: P.A. 96-198, eff. 8-10-09.)

1 Sec. 220. Angel investment credit.

2 (a) As used in this Section:

3 "Applicant" means a corporation, partnership, limited
4 liability company, or a natural person that makes an investment
5 in a qualified new business venture. The term "applicant" does
6 not include a corporation, partnership, limited liability
7 company, or a natural person who has a direct or indirect
8 ownership interest of at least 51% in the profits, capital, or
9 value of the investment or a related member.

10 "Claimant" means an applicant certified by the Department
11 who files a claim for a credit under this Section.

12 "Department" means the Department of Commerce and Economic
13 Opportunity.

14 "Investment" means money (or its equivalent) given to a
15 qualified new business venture, at a risk of loss, in
16 consideration for an equity interest of the qualified new
17 business venture. The Department may adopt rules to permit
18 certain forms of contingent equity investments to be considered
19 eligible for a tax credit under this Section.

20 "Qualified new business venture" means a business that is
21 registered with the Department under this Section.

22 "Related member" means a person that, with respect to the
23 applicant investment, is any one of the following:

24 (1) An individual, if the individual and the members of
25 the individual's family (as defined in Section 318 of the
26 Internal Revenue Code) own directly, indirectly,

1 beneficially, or constructively, in the aggregate, at
2 least 50% of the value of the outstanding profits, capital,
3 stock, or other ownership interest in the applicant.

4 (2) A partnership, estate, or trust and any partner or
5 beneficiary, if the partnership, estate, or trust and its
6 partners or beneficiaries own directly, indirectly,
7 beneficially, or constructively, in the aggregate, at
8 least 50% of the profits, capital, stock, or other
9 ownership interest in the applicant.

10 (3) A corporation, and any party related to the
11 corporation in a manner that would require an attribution
12 of stock from the corporation under the attribution rules
13 of Section 318 of the Internal Revenue Code, if the
14 applicant and any other related member own, in the
15 aggregate, directly, indirectly, beneficially, or
16 constructively, at least 50% of the value of the
17 corporation's outstanding stock.

18 (4) A corporation and any party related to that
19 corporation in a manner that would require an attribution
20 of stock from the corporation to the party or from the
21 party to the corporation under the attribution rules of
22 Section 318 of the Internal Revenue Code, if the
23 corporation and all such related parties own, in the
24 aggregate, at least 50% of the profits, capital, stock, or
25 other ownership interest in the applicant.

26 (5) A person to or from whom there is attribution of

1 stock ownership in accordance with Section 1563(e) of the
2 Internal Revenue Code, except that for purposes of
3 determining whether a person is a related member under this
4 paragraph, "20%" shall be substituted for "5%" whenever
5 "5%" appears in Section 1563(e) of the Internal Revenue
6 Code.

7 (b) For taxable years beginning after December 31, 2010,
8 and ending on or before December 31, 2021 ~~December 31, 2016~~,
9 subject to the limitations provided in this Section, a claimant
10 may claim, as a credit against the tax imposed under
11 subsections (a) and (b) of Section 201 of this Act, an amount
12 equal to 25% of the claimant's investment made directly in a
13 qualified new business venture. In order for an investment in a
14 qualified new business venture to be eligible for tax credits,
15 the business must have applied for and received certification
16 under subsection (e) for the taxable year in which the
17 investment was made prior to the date on which the investment
18 was made. The credit under this Section may not exceed the
19 taxpayer's Illinois income tax liability for the taxable year.
20 If the amount of the credit exceeds the tax liability for the
21 year, the excess may be carried forward and applied to the tax
22 liability of the 5 taxable years following the excess credit
23 year. The credit shall be applied to the earliest year for
24 which there is a tax liability. If there are credits from more
25 than one tax year that are available to offset a liability, the
26 earlier credit shall be applied first. In the case of a

1 partnership or Subchapter S Corporation, the credit is allowed
2 to the partners or shareholders in accordance with the
3 determination of income and distributive share of income under
4 Sections 702 and 704 and Subchapter S of the Internal Revenue
5 Code.

6 (c) The minimum amount an applicant must invest in any
7 single qualified new business venture in order to be eligible
8 for a credit under this Section is \$10,000. The maximum amount
9 of an applicant's total investment made in any single qualified
10 new business venture that may be used as the basis for a credit
11 under this Section is \$2,000,000 ~~for each investment made~~
12 ~~directly in a qualified new business venture.~~

13 (d) The Department shall implement a program to certify an
14 applicant for an angel investment credit. Upon satisfactory
15 review, the Department shall issue a tax credit certificate
16 stating the amount of the tax credit to which the applicant is
17 entitled. The Department shall annually certify that: (i) each
18 qualified new business venture that receives an angel
19 investment under this Section has maintained a minimum
20 employment threshold, as defined by rule, in the State (and
21 continues to maintain a minimum employment threshold in the
22 State for a period of no less than 3 years from the issue date
23 of the last tax credit certificate issued by the Department
24 with respect to such business pursuant to this Section); and
25 (ii) the claimant's investment has been made and remains,
26 except in the event of a qualifying liquidity event, in the

1 qualified new business venture for no less than 3 years.

2 If an investment for which a claimant is allowed a credit
3 under subsection (b) is held by the claimant for less than 3
4 years, other than as a result of a permitted sale of the
5 investment to person who is not a related member, or, if within
6 that period of time the qualified new business venture is moved
7 from the State of Illinois, the claimant shall pay to the
8 Department of Revenue, in the manner prescribed by the
9 Department of Revenue, the aggregate amount of the disqualified
10 credits ~~credit~~ that the claimant received related to the
11 subject investment.

12 If the Department determines that a qualified new business
13 venture failed to maintain a minimum employment threshold in
14 the State through the date which is 3 years from the issue date
15 of the last tax credit certificate issued by the Department
16 with respect to the subject business pursuant to this Section,
17 the claimant or claimants shall pay to the Department of
18 Revenue, in the manner prescribed by the Department of Revenue,
19 the aggregate amount of the disqualified credits that claimant
20 or claimants received related to investments in that business.

21 (e) The Department shall implement a program to register
22 qualified new business ventures for purposes of this Section. A
23 business desiring registration under this Section shall be
24 required to submit a full and complete ~~an~~ application to the
25 Department ~~in each taxable year for which the business desires~~
26 ~~registration.~~ A submitted application shall be effective only

1 for the taxable year in which it is submitted, and a business
2 desiring registration under this Section shall be required to
3 submit a separate application in and for each taxable year for
4 which the business desires registration. Further, if at any
5 time prior to the acceptance of an application for registration
6 under this Section by the Department one or more events occurs
7 which makes the information provided in that application
8 materially false or incomplete (in whole or in part), the
9 business shall promptly notify the Department of the same. Any
10 failure of a business to promptly provide the foregoing
11 information to the Department may, at the discretion of the
12 Department, result in a revocation of a previously approved
13 application for that business, or disqualification of the
14 business from future registration under this Section, or both.

15 The Department may register the business only if ~~the business~~
16 ~~satisfies~~ all of the following conditions are satisfied:

17 (1) it has its principal place of business ~~headquarters~~
18 in this State;

19 (2) at least 51% of the employees employed by the
20 business are employed in this State;

21 (3) the business ~~it~~ has the potential for increasing
22 jobs in this State, increasing capital investment in this
23 State, or both, as determined by the Department, and either
24 of the following apply:

25 (A) it is principally engaged in innovation in any
26 of the following: manufacturing; biotechnology;

1 nanotechnology; communications; agricultural sciences;
2 clean energy creation or storage technology;
3 processing or assembling products, including medical
4 devices, pharmaceuticals, computer software, computer
5 hardware, semiconductors, other innovative technology
6 products, or other products that are produced using
7 manufacturing methods that are enabled by applying
8 proprietary technology; or providing services that are
9 enabled by applying proprietary technology; or

10 (B) it is undertaking pre-commercialization
11 activity related to proprietary technology that
12 includes conducting research, developing a new product
13 or business process, or developing a service that is
14 principally reliant on applying proprietary
15 technology;

16 (4) it is not principally engaged in real estate
17 development (except for development projects anticipated
18 to take more than 3 years to complete), insurance, banking,
19 lending, lobbying, political consulting, professional
20 services provided by attorneys, accountants, business
21 consultants, physicians, or health care consultants,
22 wholesale or retail trade, leisure, hospitality,
23 transportation, or construction, except construction of
24 power production plants that derive energy from a renewable
25 energy resource, as defined in Section 1 of the Illinois
26 Power Agency Act;

1 (5) at the time it is first certified:

2 (A) it has fewer than 100 employees;

3 (B) it has been in operation in Illinois for not
4 more than 10 consecutive years prior to the year of
5 certification; and

6 (C) it has received not more than \$10,000,000 in
7 aggregate investments ~~private equity investment in~~
8 ~~cash~~;

9 (5.1) it agrees to maintain a minimum employment
10 threshold in the State of Illinois prior to the date which
11 is 3 years from the issue date of the last tax credit
12 certificate issued by the Department with respect to that
13 business pursuant to this Section;

14 (6) it agrees not to move its operations from the State
15 of Illinois prior to the date which is 3 years from the
16 issue date of the last tax credit certificate issued by the
17 Department with respect to such business ~~(blank)~~; and

18 (7) it has received not more than \$4,000,000 in
19 investments that qualified for tax credits under this
20 Section.

21 (f) The Department, in consultation with the Department of
22 Revenue, shall adopt rules to administer this Section. The
23 aggregate amount of the tax credits that may be claimed under
24 this Section for investments made in qualified new business
25 ventures shall be limited at \$10,000,000 per calendar year, of
26 which \$500,000 shall be reserved for investments made in

1 qualified new business ventures which are "minority owned
2 businesses", "female owned businesses", or "businesses owned
3 by a person with a disability" (as those terms are used and
4 defined in the Business Enterprise for Minorities, Females, and
5 Persons with Disabilities Act), and an additional \$500,000
6 shall be reserved for investments made in qualified new
7 business ventures with their principal place of business in
8 counties with a population of not more than 250,000. The
9 foregoing annual allowable amounts shall be allocated by the
10 Department, on a per calendar quarter basis and prior to the
11 commencement of each calendar year, in such proportion as
12 determined by the Department, provided that: (i) the amount
13 initially allocated by the Department for any one calendar
14 quarter shall not exceed 35% of the total allowable amount; and
15 (ii) any portion of the allocated allowable amount remaining
16 unused as of the end of any of the first 2 calendar quarters of
17 a given calendar year shall be rolled into, and added to, the
18 total allocated amount for the next available calendar quarter.

19 (g) A claimant may not sell or otherwise transfer a credit
20 awarded under this Section to another person.

21 (h) On or before March 1 of each year, the Department shall
22 report to the Governor and to the General Assembly on the tax
23 credit certificates awarded under this Section for the prior
24 calendar year.

25 (1) This report must include, for each tax credit
26 certificate awarded:

1 (A) the name of the claimant, ~~and~~ the amount of
2 credit awarded or allocated to that claimant, and the
3 name of the recipient qualified new business venture
4 that received the investment;

5 (B) the name and address (including the county) of
6 the qualified new business venture that received the
7 investment giving rise to the credit, the North
8 American Industry Classification System (NAICS) code
9 applicable to that qualified new business venture, and
10 the number of employees of the ~~the~~ qualified new
11 business venture ~~that received the investment giving~~
12 ~~rise to the credit and the county in which the~~
13 ~~qualified new business venture is located;~~ and

14 (C) the date of approval by the Department of each
15 claimant's ~~the applications for the~~ tax credit
16 certificate.

17 (2) The report must also include:

18 (A) the total number of applicants and the total
19 number of claimants, including the amount of each tax
20 credit certificate ~~and amount for tax credit~~
21 ~~certificates~~ awarded to a claimant under this Section
22 in the prior calendar year;

23 (B) the total number of applications from
24 businesses seeking registration under this Section,
25 the total number of new qualified business ventures
26 registered by the Department, and the aggregate amount

1 of investment upon which tax credit certificates were
2 issued in the prior calendar year ~~the total number of~~
3 ~~applications and amount for which tax credit~~
4 ~~certificates were issued in the prior calendar year;~~
5 and

6 (C) the total amount of tax credit certificates
7 sought by applicants, the amount of each tax credit
8 certificate issued to a claimant, the aggregate amount
9 of all tax credit certificates issued in the prior
10 calendar year and the aggregate amount of tax credit
11 certificates issued as authorized under this Section
12 for all calendar years ~~the total tax credit~~
13 ~~certificates and amount authorized under this Section~~
14 ~~for all calendar years.~~

15 (3) On and after the effective date of this amendatory
16 Act of the 100th General Assembly, the Department shall
17 require a business seeking registration as a qualified new
18 business venture to include in its application the North
19 American Industry Classification System (NAICS) code
20 associated with the business and the number of employees at
21 the time of application. Each business registered by the
22 Department as a qualified new business venture that
23 receives an investment giving rise to the issuance of a tax
24 credit certificate shall, for each of the 3 subsequent
25 years, report to the Department the following:

26 (A) the number of employees at the end of each

1 year;

2 (B) the amount of additional new capital
3 investment raised within each year; and

4 (C) any liquidity event transpiring within the
5 3-year period; for purposes of this paragraph (C), a
6 liquidity event shall mean an event that allows some or
7 all investors in a company to cash out some or all of
8 their ownership shares or that is considered an exit
9 strategy for an illiquid investment.

10 (i) For each business seeking registration under this
11 Section after December 31, 2016, the Department shall require
12 the business to include in its application the North American
13 Industry Classification System (NAICS) code applicable to the
14 business and the number of employees of the business at the
15 time of application. Each business registered by the Department
16 as a qualified new business venture that receives an investment
17 giving rise to the issuance of a tax credit certificate
18 pursuant to this Section shall, for each of the 3 years
19 following the issue date of the last tax credit certificate
20 issued by the Department with respect to such business pursuant
21 to this Section, report to the Department the following:

22 (1) the number of employees and the location at which
23 those employees are employed, both as of the end of each
24 year;

25 (2) the amount of additional new capital investment
26 raised as of the end of each year, if any; and

1 (3) the terms of any liquidity event occurring during
2 such year; for the purposes of this Section, a "liquidity
3 event" means any event that would be considered an exit for
4 an illiquid investment, including any event that allows the
5 equity holders of the business (or any material portion
6 thereof) to cash out some or all of their respective equity
7 interests.

8 (Source: P.A. 96-939, eff. 1-1-11; 97-507, eff. 8-23-11;
9 97-1097, eff. 8-24-12.)

10 (35 ILCS 5/221)

11 Sec. 221. Rehabilitation costs; qualified historic
12 properties; River Edge Redevelopment Zone.

13 (a) For taxable years beginning on or after January 1, 2012
14 and ending prior to January 1, 2023 ~~January 1, 2018~~, there
15 shall be allowed a tax credit against the tax imposed by
16 subsections (a) and (b) of Section 201 in an amount equal to
17 25% of qualified expenditures incurred by a qualified taxpayer
18 during the taxable year in the restoration and preservation of
19 a qualified historic structure located in a River Edge
20 Redevelopment Zone pursuant to a qualified rehabilitation
21 plan, provided that the total amount of such expenditures (i)
22 must equal \$5,000 or more and (ii) must exceed 50% of the
23 purchase price of the property.

24 (b) To obtain a tax credit pursuant to this Section, the
25 taxpayer must apply with the Department of Commerce and

1 Economic Opportunity. The Department of Commerce and Economic
2 Opportunity, in consultation with the Historic Preservation
3 Agency, shall determine the amount of eligible rehabilitation
4 costs and expenses. The Historic Preservation Agency shall
5 determine whether the rehabilitation is consistent with the
6 standards of the Secretary of the United States Department of
7 the Interior for rehabilitation. Upon completion and review of
8 the project, the Department of Commerce and Economic
9 Opportunity shall issue a certificate in the amount of the
10 eligible credits. At the time the certificate is issued, an
11 issuance fee up to the maximum amount of 2% of the amount of
12 the credits issued by the certificate may be collected from the
13 applicant to administer the provisions of this Section. If
14 collected, this issuance fee shall be deposited into the
15 Historic Property Administrative Fund, a special fund created
16 in the State treasury. Subject to appropriation, moneys in the
17 Historic Property Administrative Fund shall be evenly divided
18 between the Department of Commerce and Economic Opportunity and
19 the Historic Preservation Agency to reimburse the Department of
20 Commerce and Economic Opportunity and the Historic
21 Preservation Agency for the costs associated with
22 administering this Section. The taxpayer must attach the
23 certificate to the tax return on which the credits are to be
24 claimed. The Department of Commerce and Economic Opportunity
25 may adopt rules to implement this Section.

26 (c) The tax credit under this Section may not reduce the

1 taxpayer's liability to less than zero.

2 (d) As used in this Section, the following terms have the
3 following meanings.

4 "Qualified expenditure" means all the costs and expenses
5 defined as qualified rehabilitation expenditures under Section
6 47 of the federal Internal Revenue Code that were incurred in
7 connection with a qualified historic structure.

8 "Qualified historic structure" means a certified historic
9 structure as defined under Section 47 (c) (3) of the federal
10 Internal Revenue Code.

11 "Qualified rehabilitation plan" means a project that is
12 approved by the Historic Preservation Agency as being
13 consistent with the standards in effect on the effective date
14 of this amendatory Act of the 97th General Assembly for
15 rehabilitation as adopted by the federal Secretary of the
16 Interior.

17 "Qualified taxpayer" means the owner of the qualified
18 historic structure or any other person who qualifies for the
19 federal rehabilitation credit allowed by Section 47 of the
20 federal Internal Revenue Code with respect to that qualified
21 historic structure. Partners, shareholders of subchapter S
22 corporations, and owners of limited liability companies (if the
23 limited liability company is treated as a partnership for
24 purposes of federal and State income taxation) are entitled to
25 a credit under this Section to be determined in accordance with
26 the determination of income and distributive share of income

1 under Sections 702 and 703 and subchapter S of the Internal
2 Revenue Code, provided that credits granted to a partnership, a
3 limited liability company taxed as a partnership, or other
4 multiple owners of property shall be passed through to the
5 partners, members, or owners respectively on a pro rata basis
6 or pursuant to an executed agreement among the partners,
7 members, or owners documenting any alternate distribution
8 method.

9 (Source: P.A. 99-914, eff. 12-20-16.)

10 (35 ILCS 5/224 new)

11 Sec. 224. Business Occupation Assessment credit. For tax
12 years ending on or after December 31, 2017, a taxpayer is
13 entitled to a credit against the taxes imposed under
14 subsections (a) and (b) of Section 201 of this Act in an amount
15 equal to the amount paid by the taxpayer pursuant to the
16 Business Occupation Assessment Act during the tax year. If the
17 amount of the credit exceeds the tax liability for the year,
18 such excess shall not reduce the tax liability to less than
19 zero, and it shall not be carried forward to any subsequent
20 taxable year.

21 (35 ILCS 5/225 new)

22 Sec. 225. Internship credit.

23 (a) For each taxable year ending on or after December 31,
24 2017, each taxpayer is entitled to a credit against the tax

1 imposed by subsections (a) and (b) of Section 201 of this Act
2 in an amount equal to 10% of the stipend or salary paid by the
3 taxpayer during the taxable year to (i) up to 5 qualified
4 college interns and (ii) up to 5 full-time employees, provided
5 that the full-time employee had been a qualified college intern
6 during either of the 2 taxable years immediately preceding the
7 taxable year for which the credit is claimed. For partners,
8 shareholders of Subchapter S corporations, and owners of
9 limited liability companies, if the liability company is
10 treated as a partnership for purposes of federal and State
11 income taxation, there shall be allowed a credit under this
12 Section to be determined in accordance with the determination
13 of income and distributive share of income under Sections 702
14 and 704 and Subchapter S of the Internal Revenue Code.

15 (b) For the purposes of this Section, "qualified college
16 intern" means an Illinois resident (i) who is an enrolled
17 student in an institution of higher education or vocational
18 technical education program located in Illinois, (ii) who is
19 seeking a degree or certification of completion in a major
20 field of study closely related to the work experience performed
21 for the taxpayer, (iii) whose internship is taken for academic
22 credit or counts toward the completion of a vocational
23 technical education program, (iv) who is supervised and
24 evaluated by the taxpayer, and (v) whose position is located in
25 Illinois. For purposes of this Section, "full-time employee"
26 means an Illinois resident (i) who is employed by the taxpayer

1 for consideration for at least 35 hours each week or who
2 renders any other standard of service generally accepted by
3 industry custom or practice as full-time employment, and (ii)
4 whose position is located in Illinois.

5 (c) In no event shall a credit under this Section reduce
6 the taxpayer's liability to less than zero. If the amount of
7 the credit exceeds the tax liability for the year, the excess
8 may not be carried forward or carried back.

9 (35 ILCS 5/226 new)

10 Sec. 226. Federal child tax credit. For taxable years
11 beginning on or after January 1, 2017 and beginning prior to
12 January 1, 2022, with respect to the federal child tax credit
13 allowed for the taxable year under Section 24 of the federal
14 Internal Revenue Code, 26 U.S.C. 24, each individual taxpayer
15 is entitled to a credit against the tax imposed by subsections
16 (a) and (b) of Section 201 in an amount equal to 20% of the
17 federal tax credit.

18 For a non-resident or part-year resident, the amount of the
19 credit under this Section shall be in proportion to the amount
20 of income attributable to this State.

21 If the amount of the credit exceeds the income tax
22 liability for the applicable tax year, then the excess credit
23 shall be refunded to the taxpayer. The amount of a refund shall
24 not be included in the taxpayer's income or resources for the
25 purposes of determining eligibility or benefit level in any

1 means-tested benefit program administered by a governmental
2 entity unless required by federal law.

3 (35 ILCS 5/227 new)

4 Sec. 227. Apprenticeship training credit.

5 (a) For tax years beginning on or after January 1, 2017 and
6 ending prior to January 1, 2022, a taxpayer shall be allowed a
7 credit against the tax imposed by subsections (a) and (b) of
8 Section 201 for certain amounts paid by the taxpayer as wages
9 pursuant to a qualified apprenticeship program. The credit may
10 not exceed the lesser of (i) 50% of the wages paid by the
11 taxpayer to each apprentice during the taxable year or (ii)
12 \$4,800 per apprentice. The taxpayer shall apply with the
13 Department of Commerce and Economic Opportunity annually for
14 certification as a "qualified apprenticeship program". The
15 application shall be in the form and manner prescribed by the
16 Department of Commerce and Economic Opportunity.

17 (b) For partners, shareholders of Subchapter S
18 corporations, and owners of limited liability companies, if the
19 liability company is treated as a partnership for purposes of
20 federal and State income taxation, the credit under this
21 Section shall be determined in accordance with the
22 determination of income and distributive share of income under
23 Sections 702 and 704 and Subchapter S of the Internal Revenue
24 Code.

25 (c) In no event shall a credit under this Section reduce

1 the taxpayer's liability to less than zero. If the amount of
2 the credit exceeds the tax liability for the year, the excess
3 may be carried forward and applied to the tax liability of the
4 5 taxable years following the excess credit year. The tax
5 credit shall be applied to the earliest year for which there is
6 a tax liability. If there are credits for more than one year
7 that are available to offset a liability, the earlier credit
8 shall be applied first.

9 (d) For the purposes of this Section, "qualified
10 apprenticeship program" means an apprenticeship program in
11 manufacturing, plastics, or construction trades that is
12 certified by the Department of Commerce and Economic
13 Opportunity under this Section and at least 3 years in
14 duration.

15 (35 ILCS 5/704A)

16 Sec. 704A. Employer's return and payment of tax withheld.

17 (a) In general, every employer who deducts and withholds or
18 is required to deduct and withhold tax under this Act on or
19 after January 1, 2008 shall make those payments and returns as
20 provided in this Section.

21 (b) Returns. Every employer shall, in the form and manner
22 required by the Department, make returns with respect to taxes
23 withheld or required to be withheld under this Article 7 for
24 each quarter beginning on or after January 1, 2008, on or
25 before the last day of the first month following the close of

1 that quarter. On and after January 1, 2017, an employer with an
2 average employee head count of fewer than 25 employees during
3 the previous calendar year shall make returns with respect to
4 taxes withheld or required to be withheld under this Article 7
5 annually.

6 (c) Payments. With respect to amounts withheld or required
7 to be withheld on or after January 1, 2008:

8 (1) Semi-weekly payments. For each calendar year, each
9 employer who withheld or was required to withhold more than
10 \$12,000 during the one-year period ending on June 30 of the
11 immediately preceding calendar year, payment must be made:

12 (A) on or before each Friday of the calendar year,
13 for taxes withheld or required to be withheld on the
14 immediately preceding Saturday, Sunday, Monday, or
15 Tuesday;

16 (B) on or before each Wednesday of the calendar
17 year, for taxes withheld or required to be withheld on
18 the immediately preceding Wednesday, Thursday, or
19 Friday.

20 Beginning with calendar year 2011, payments made under
21 this paragraph (1) of subsection (c) must be made by
22 electronic funds transfer.

23 (2) Semi-weekly payments. Any employer who withholds
24 or is required to withhold more than \$12,000 in any quarter
25 of a calendar year is required to make payments on the
26 dates set forth under item (1) of this subsection (c) for

1 each remaining quarter of that calendar year and for the
2 subsequent calendar year.

3 (3) Monthly payments. Each employer, other than an
4 employer described in items (1) or (2) of this subsection,
5 shall pay to the Department, on or before the 15th day of
6 each month the taxes withheld or required to be withheld
7 during the immediately preceding month.

8 (4) Payments with returns. Each employer shall pay to
9 the Department, on or before the due date for each return
10 required to be filed under this Section, any tax withheld
11 or required to be withheld during the period for which the
12 return is due and not previously paid to the Department.

13 (d) Regulatory authority. The Department may, by rule:

14 (1) Permit employers, in lieu of the requirements of
15 subsections (b) and (c), to file annual returns due on or
16 before January 31 of the year for taxes withheld or
17 required to be withheld during the previous calendar year
18 and, if the aggregate amounts required to be withheld by
19 the employer under this Article 7 (other than amounts
20 required to be withheld under Section 709.5) do not exceed
21 \$1,000 for the previous calendar year, to pay the taxes
22 required to be shown on each such return no later than the
23 due date for such return.

24 (2) Provide that any payment required to be made under
25 subsection (c)(1) or (c)(2) is deemed to be timely to the
26 extent paid by electronic funds transfer on or before the

1 due date for deposit of federal income taxes withheld from,
2 or federal employment taxes due with respect to, the wages
3 from which the Illinois taxes were withheld.

4 (3) Designate one or more depositories to which payment
5 of taxes required to be withheld under this Article 7 must
6 be paid by some or all employers.

7 (4) Increase the threshold dollar amounts at which
8 employers are required to make semi-weekly payments under
9 subsection (c) (1) or (c) (2).

10 (e) Annual return and payment. Every employer who deducts
11 and withholds or is required to deduct and withhold tax from a
12 person engaged in domestic service employment, as that term is
13 defined in Section 3510 of the Internal Revenue Code, may
14 comply with the requirements of this Section with respect to
15 such employees by filing an annual return and paying the taxes
16 required to be deducted and withheld on or before the 15th day
17 of the fourth month following the close of the employer's
18 taxable year. The Department may allow the employer's return to
19 be submitted with the employer's individual income tax return
20 or to be submitted with a return due from the employer under
21 Section 1400.2 of the Unemployment Insurance Act.

22 (f) Magnetic media and electronic filing. Any W-2 Form
23 that, under the Internal Revenue Code and regulations
24 promulgated thereunder, is required to be submitted to the
25 Internal Revenue Service on magnetic media or electronically
26 must also be submitted to the Department on magnetic media or

1 electronically for Illinois purposes, if required by the
2 Department.

3 (g) For amounts deducted or withheld after December 31,
4 2009, a taxpayer who makes an election under subsection (f) of
5 Section 5-15 of the Economic Development for a Growing Economy
6 Tax Credit Act for a taxable year shall be allowed a credit
7 against payments due under this Section for amounts withheld
8 during the first calendar year beginning after the end of that
9 taxable year equal to the amount of the credit for the
10 incremental income tax attributable to full-time employees of
11 the taxpayer awarded to the taxpayer by the Department of
12 Commerce and Economic Opportunity under the Economic
13 Development for a Growing Economy Tax Credit Act for the
14 taxable year and credits not previously claimed and allowed to
15 be carried forward under Section 211(4) of this Act as provided
16 in subsection (f) of Section 5-15 of the Economic Development
17 for a Growing Economy Tax Credit Act. The credit or credits may
18 not reduce the taxpayer's obligation for any payment due under
19 this Section to less than zero. If the amount of the credit or
20 credits exceeds the total payments due under this Section with
21 respect to amounts withheld during the calendar year, the
22 excess may be carried forward and applied against the
23 taxpayer's liability under this Section in the succeeding
24 calendar years as allowed to be carried forward under paragraph
25 (4) of Section 211 of this Act. The credit or credits shall be
26 applied to the earliest year for which there is a tax

1 liability. If there are credits from more than one taxable year
2 that are available to offset a liability, the earlier credit
3 shall be applied first. Each employer who deducts and withholds
4 or is required to deduct and withhold tax under this Act and
5 who retains income tax withholdings under subsection (f) of
6 Section 5-15 of the Economic Development for a Growing Economy
7 Tax Credit Act must make a return with respect to such taxes
8 and retained amounts in the form and manner that the
9 Department, by rule, requires and pay to the Department or to a
10 depository designated by the Department those withheld taxes
11 not retained by the taxpayer. For purposes of this subsection
12 (g), the term taxpayer shall include taxpayer and members of
13 the taxpayer's unitary business group as defined under
14 paragraph (27) of subsection (a) of Section 1501 of this Act.
15 This Section is exempt from the provisions of Section 250 of
16 this Act. No credit awarded under the Economic Development for
17 a Growing Economy Tax Credit Act for agreements entered into on
18 or after January 1, 2015 may be credited against payments due
19 under this Section.

20 (h) An employer may claim a credit against payments due
21 under this Section for amounts withheld during the first
22 calendar year ending after the date on which a tax credit
23 certificate was issued under Section 35 of the Small Business
24 Job Creation Tax Credit Act. The credit shall be equal to the
25 amount shown on the certificate, but may not reduce the
26 taxpayer's obligation for any payment due under this Section to

1 less than zero. If the amount of the credit exceeds the total
2 payments due under this Section with respect to amounts
3 withheld during the calendar year, the excess may be carried
4 forward and applied against the taxpayer's liability under this
5 Section in the 5 succeeding calendar years. The credit shall be
6 applied to the earliest year for which there is a tax
7 liability. If there are credits from more than one calendar
8 year that are available to offset a liability, the earlier
9 credit shall be applied first. This Section is exempt from the
10 provisions of Section 250 of this Act.

11 (Source: P.A. 96-834, eff. 12-14-09; 96-888, eff. 4-13-10;
12 96-905, eff. 6-4-10; 96-1027, eff. 7-12-10; 97-333, eff.
13 8-12-11; 97-507, eff. 8-23-11.)

14 (35 ILCS 5/901) (from Ch. 120, par. 9-901)

15 Sec. 901. Collection authority.

16 (a) In general.

17 The Department shall collect the taxes imposed by this Act.
18 The Department shall collect certified past due child support
19 amounts under Section 2505-650 of the Department of Revenue Law
20 (20 ILCS 2505/2505-650). Except as provided in subsections (c),
21 (e), (f), (g), and (h) of this Section, money collected
22 pursuant to subsections (a) and (b) of Section 201 of this Act
23 shall be paid into the General Revenue Fund in the State
24 treasury; money collected pursuant to subsections (c) and (d)
25 of Section 201 of this Act shall be paid into the Personal

1 Property Tax Replacement Fund, a special fund in the State
2 Treasury; and money collected under Section 2505-650 of the
3 Department of Revenue Law (20 ILCS 2505/2505-650) shall be paid
4 into the Child Support Enforcement Trust Fund, a special fund
5 outside the State Treasury, or to the State Disbursement Unit
6 established under Section 10-26 of the Illinois Public Aid
7 Code, as directed by the Department of Healthcare and Family
8 Services.

9 (b) Local Government Distributive Fund.

10 Beginning August 1, 1969, and continuing through June 30,
11 1994, the Treasurer shall transfer each month from the General
12 Revenue Fund to a special fund in the State treasury, to be
13 known as the "Local Government Distributive Fund", an amount
14 equal to 1/12 of the net revenue realized from the tax imposed
15 by subsections (a) and (b) of Section 201 of this Act during
16 the preceding month. Beginning July 1, 1994, and continuing
17 through June 30, 1995, the Treasurer shall transfer each month
18 from the General Revenue Fund to the Local Government
19 Distributive Fund an amount equal to 1/11 of the net revenue
20 realized from the tax imposed by subsections (a) and (b) of
21 Section 201 of this Act during the preceding month. Beginning
22 July 1, 1995 and continuing through January 31, 2011, the
23 Treasurer shall transfer each month from the General Revenue
24 Fund to the Local Government Distributive Fund an amount equal
25 to the net of (i) 1/10 of the net revenue realized from the tax
26 imposed by subsections (a) and (b) of Section 201 of the

1 Illinois Income Tax Act during the preceding month (ii) minus,
2 beginning July 1, 2003 and ending June 30, 2004, \$6,666,666,
3 and beginning July 1, 2004, zero. Beginning February 1, 2011,
4 and continuing through January 31, 2015, the Treasurer shall
5 transfer each month from the General Revenue Fund to the Local
6 Government Distributive Fund an amount equal to the sum of (i)
7 6% (10% of the ratio of the 3% individual income tax rate prior
8 to 2011 to the 5% individual income tax rate after 2010) of the
9 net revenue realized from the tax imposed by subsections (a)
10 and (b) of Section 201 of this Act upon individuals, trusts,
11 and estates during the preceding month and (ii) 6.86% (10% of
12 the ratio of the 4.8% corporate income tax rate prior to 2011
13 to the 7% corporate income tax rate after 2010) of the net
14 revenue realized from the tax imposed by subsections (a) and
15 (b) of Section 201 of this Act upon corporations during the
16 preceding month. Beginning February 1, 2015 and continuing
17 through January 31, 2025, the Treasurer shall transfer each
18 month from the General Revenue Fund to the Local Government
19 Distributive Fund an amount equal to the sum of (i) 8% (10% of
20 the ratio of the 3% individual income tax rate prior to 2011 to
21 the 3.75% individual income tax rate after 2014) of the net
22 revenue realized from the tax imposed by subsections (a) and
23 (b) of Section 201 of this Act upon individuals, trusts, and
24 estates during the preceding month and (ii) 9.14% (10% of the
25 ratio of the 4.8% corporate income tax rate prior to 2011 to
26 the 5.25% corporate income tax rate after 2014) of the net

1 revenue realized from the tax imposed by subsections (a) and
2 (b) of Section 201 of this Act upon corporations during the
3 preceding month. Beginning February 1, 2025, the Treasurer
4 shall transfer each month from the General Revenue Fund to the
5 Local Government Distributive Fund an amount equal to the sum
6 of (i) 9.23% (10% of the ratio of the 3% individual income tax
7 rate prior to 2011 to the 3.25% individual income tax rate
8 after 2024) of the net revenue realized from the tax imposed by
9 subsections (a) and (b) of Section 201 of this Act upon
10 individuals, trusts, and estates during the preceding month and
11 (ii) 10% of the net revenue realized from the tax imposed by
12 subsections (a) and (b) of Section 201 of this Act upon
13 corporations during the preceding month. Net revenue realized
14 for a month shall be defined as the revenue from the tax
15 imposed by subsections (a) and (b) of Section 201 of this Act
16 which is deposited in the General Revenue Fund, the Education
17 Assistance Fund, the Income Tax Surcharge Local Government
18 Distributive Fund, the Fund for the Advancement of Education,
19 and the Commitment to Human Services Fund during the month
20 minus the amount paid out of the General Revenue Fund in State
21 warrants during that same month as refunds to taxpayers for
22 overpayment of liability under the tax imposed by subsections
23 (a) and (b) of Section 201 of this Act.

24 Beginning on August 26, 2014 (the effective date of Public
25 Act 98-1052), the Comptroller shall perform the transfers
26 required by this subsection (b) no later than 60 days after he

1 or she receives the certification from the Treasurer as
2 provided in Section 1 of the State Revenue Sharing Act.

3 (c) Deposits Into Income Tax Refund Fund.

4 (1) Beginning on January 1, 1989 and thereafter, the
5 Department shall deposit a percentage of the amounts
6 collected pursuant to subsections (a) and (b) (1), (2), ~~and~~
7 (3), (4), (5), (5.1), (5.2), (5.3), and (5.4) of Section
8 201 of this Act into a fund in the State treasury known as
9 the Income Tax Refund Fund. The Department shall deposit 6%
10 of such amounts during the period beginning January 1, 1989
11 and ending on June 30, 1989. Beginning with State fiscal
12 year 1990 and for each fiscal year thereafter, the
13 percentage deposited into the Income Tax Refund Fund during
14 a fiscal year shall be the Annual Percentage. For fiscal
15 years 1999 through 2001, the Annual Percentage shall be
16 7.1%. For fiscal year 2003, the Annual Percentage shall be
17 8%. For fiscal year 2004, the Annual Percentage shall be
18 11.7%. Upon the effective date of this amendatory Act of
19 the 93rd General Assembly, the Annual Percentage shall be
20 10% for fiscal year 2005. For fiscal year 2006, the Annual
21 Percentage shall be 9.75%. For fiscal year 2007, the Annual
22 Percentage shall be 9.75%. For fiscal year 2008, the Annual
23 Percentage shall be 7.75%. For fiscal year 2009, the Annual
24 Percentage shall be 9.75%. For fiscal year 2010, the Annual
25 Percentage shall be 9.75%. For fiscal year 2011, the Annual
26 Percentage shall be 8.75%. For fiscal year 2012, the Annual

1 Percentage shall be 8.75%. For fiscal year 2013, the Annual
2 Percentage shall be 9.75%. For fiscal year 2014, the Annual
3 Percentage shall be 9.5%. For fiscal year 2015, the Annual
4 Percentage shall be 10%. For all other fiscal years, the
5 Annual Percentage shall be calculated as a fraction, the
6 numerator of which shall be the amount of refunds approved
7 for payment by the Department during the preceding fiscal
8 year as a result of overpayment of tax liability under
9 subsections (a) and (b) (1), (2), ~~and~~ (3), (4), (5), (5.1),
10 (5.2), (5.3), and (5.4) of Section 201 of this Act plus the
11 amount of such refunds remaining approved but unpaid at the
12 end of the preceding fiscal year, minus the amounts
13 transferred into the Income Tax Refund Fund from the
14 Tobacco Settlement Recovery Fund, and the denominator of
15 which shall be the amounts which will be collected pursuant
16 to subsections (a) and (b) (1), (2), ~~and~~ (3), (4), (5),
17 (5.1), (5.2), (5.3), and (5.4) of Section 201 of this Act
18 during the preceding fiscal year; except that in State
19 fiscal year 2002, the Annual Percentage shall in no event
20 exceed 7.6%. The Director of Revenue shall certify the
21 Annual Percentage to the Comptroller on the last business
22 day of the fiscal year immediately preceding the fiscal
23 year for which it is to be effective.

24 (2) Beginning on January 1, 1989 and thereafter, the
25 Department shall deposit a percentage of the amounts
26 collected pursuant to subsections (a), ~~and~~ (b) (6), (7), ~~and~~

1 (8), (9), (10), (11), (12), (13), and (14), (c), and (d) of
2 Section 201 of this Act and pursuant to the Business
3 Occupation Assessment Act into a fund in the State treasury
4 known as the Income Tax Refund Fund. The Department shall
5 deposit 18% of such amounts during the period beginning
6 January 1, 1989 and ending on June 30, 1989. Beginning with
7 State fiscal year 1990 and for each fiscal year thereafter,
8 the percentage deposited into the Income Tax Refund Fund
9 during a fiscal year shall be the Annual Percentage. For
10 fiscal years 1999, 2000, and 2001, the Annual Percentage
11 shall be 19%. For fiscal year 2003, the Annual Percentage
12 shall be 27%. For fiscal year 2004, the Annual Percentage
13 shall be 32%. Upon the effective date of this amendatory
14 Act of the 93rd General Assembly, the Annual Percentage
15 shall be 24% for fiscal year 2005. For fiscal year 2006,
16 the Annual Percentage shall be 20%. For fiscal year 2007,
17 the Annual Percentage shall be 17.5%. For fiscal year 2008,
18 the Annual Percentage shall be 15.5%. For fiscal year 2009,
19 the Annual Percentage shall be 17.5%. For fiscal year 2010,
20 the Annual Percentage shall be 17.5%. For fiscal year 2011,
21 the Annual Percentage shall be 17.5%. For fiscal year 2012,
22 the Annual Percentage shall be 17.5%. For fiscal year 2013,
23 the Annual Percentage shall be 14%. For fiscal year 2014,
24 the Annual Percentage shall be 13.4%. For fiscal year 2015,
25 the Annual Percentage shall be 14%. For all other fiscal
26 years, the Annual Percentage shall be calculated as a

1 fraction, the numerator of which shall be the amount of
2 refunds approved for payment by the Department during the
3 preceding fiscal year as a result of overpayment of tax
4 liability under subsections (a), ~~and~~ (b) (6), (7), ~~and~~ (8),
5 (9), (10), (11), (12), (13), and (14), (c), ~~and~~ (d) of
6 Section 201 of this Act and pursuant to the Business
7 Occupation Assessment Act plus the amount of such refunds
8 remaining approved but unpaid at the end of the preceding
9 fiscal year, and the denominator of which shall be the
10 amounts which will be collected pursuant to subsections
11 (a), ~~and~~ (b) (6), (7), ~~and~~ (8), (9), (10), (11), (12), (13),
12 and (14), (c), ~~and~~ (d) of Section 201 of this Act and
13 pursuant to the Business Occupation Assessment Act during
14 the preceding fiscal year; except that in State fiscal year
15 2002, the Annual Percentage shall in no event exceed 23%.
16 The Director of Revenue shall certify the Annual Percentage
17 to the Comptroller on the last business day of the fiscal
18 year immediately preceding the fiscal year for which it is
19 to be effective.

20 (3) The Comptroller shall order transferred and the
21 Treasurer shall transfer from the Tobacco Settlement
22 Recovery Fund to the Income Tax Refund Fund (i) \$35,000,000
23 in January, 2001, (ii) \$35,000,000 in January, 2002, and
24 (iii) \$35,000,000 in January, 2003.

25 (d) Expenditures from Income Tax Refund Fund.

26 (1) Beginning January 1, 1989, money in the Income Tax

1 Refund Fund shall be expended exclusively for the purpose
2 of paying refunds resulting from overpayment of tax
3 liability under Section 201 of this Act or an overpayment
4 of the assessment under the Business Occupation Assessment
5 Act, for paying rebates under Section 208.1 in the event
6 that the amounts in the Homeowners' Tax Relief Fund are
7 insufficient for that purpose, and for making transfers
8 pursuant to this subsection (d).

9 (2) The Director shall order payment of refunds
10 resulting from overpayment of tax liability under Section
11 201 of this Act or an overpayment of the assessment under
12 the Business Occupation Assessment Act from the Income Tax
13 Refund Fund only to the extent that amounts collected
14 pursuant to Section 201 of this Act and transfers pursuant
15 to this subsection (d) and item (3) of subsection (c) have
16 been deposited and retained in the Fund.

17 (3) As soon as possible after the end of each fiscal
18 year, the Director shall order transferred and the State
19 Treasurer and State Comptroller shall transfer from the
20 Income Tax Refund Fund to the Personal Property Tax
21 Replacement Fund an amount, certified by the Director to
22 the Comptroller, equal to the excess of the amount
23 collected pursuant to subsections (c) and (d) of Section
24 201 of this Act deposited into the Income Tax Refund Fund
25 during the fiscal year over the amount of refunds resulting
26 from overpayment of tax liability under subsections (c) and

1 (d) of Section 201 of this Act paid from the Income Tax
2 Refund Fund during the fiscal year.

3 (4) As soon as possible after the end of each fiscal
4 year, the Director shall order transferred and the State
5 Treasurer and State Comptroller shall transfer from the
6 Personal Property Tax Replacement Fund to the Income Tax
7 Refund Fund an amount, certified by the Director to the
8 Comptroller, equal to the excess of the amount of refunds
9 resulting from overpayment of tax liability under
10 subsections (c) and (d) of Section 201 of this Act paid
11 from the Income Tax Refund Fund during the fiscal year over
12 the amount collected pursuant to subsections (c) and (d) of
13 Section 201 of this Act deposited into the Income Tax
14 Refund Fund during the fiscal year.

15 (4.5) As soon as possible after the end of fiscal year
16 1999 and of each fiscal year thereafter, the Director shall
17 order transferred and the State Treasurer and State
18 Comptroller shall transfer from the Income Tax Refund Fund
19 to the General Revenue Fund any surplus remaining in the
20 Income Tax Refund Fund as of the end of such fiscal year;
21 excluding for fiscal years 2000, 2001, and 2002 amounts
22 attributable to transfers under item (3) of subsection (c)
23 less refunds resulting from the earned income tax credit.

24 (5) This Act shall constitute an irrevocable and
25 continuing appropriation from the Income Tax Refund Fund
26 for the purpose of paying refunds upon the order of the

1 Director in accordance with the provisions of this Section.

2 (e) Deposits into the Education Assistance Fund and the
3 Income Tax Surcharge Local Government Distributive Fund.

4 On July 1, 1991, and thereafter, of the amounts collected
5 pursuant to subsections (a) and (b) of Section 201 of this Act,
6 minus deposits into the Income Tax Refund Fund, the Department
7 shall deposit 7.3% into the Education Assistance Fund in the
8 State Treasury. Beginning July 1, 1991, and continuing through
9 January 31, 1993, of the amounts collected pursuant to
10 subsections (a) and (b) of Section 201 of the Illinois Income
11 Tax Act, minus deposits into the Income Tax Refund Fund, the
12 Department shall deposit 3.0% into the Income Tax Surcharge
13 Local Government Distributive Fund in the State Treasury.
14 Beginning February 1, 1993 and continuing through June 30,
15 1993, of the amounts collected pursuant to subsections (a) and
16 (b) of Section 201 of the Illinois Income Tax Act, minus
17 deposits into the Income Tax Refund Fund, the Department shall
18 deposit 4.4% into the Income Tax Surcharge Local Government
19 Distributive Fund in the State Treasury. Beginning July 1,
20 1993, and continuing through June 30, 1994, of the amounts
21 collected under subsections (a) and (b) of Section 201 of this
22 Act, minus deposits into the Income Tax Refund Fund, the
23 Department shall deposit 1.475% into the Income Tax Surcharge
24 Local Government Distributive Fund in the State Treasury.

25 (f) Deposits into the Fund for the Advancement of
26 Education. Beginning February 1, 2015, the Department shall

1 deposit the following portions of the revenue realized from the
2 tax imposed upon individuals, trusts, and estates by
3 subsections (a) and (b) of Section 201 of this Act during the
4 preceding month, minus deposits into the Income Tax Refund
5 Fund, into the Fund for the Advancement of Education:

6 (1) beginning February 1, 2015, and prior to February
7 1, 2025, 1/30; and

8 (2) beginning February 1, 2025, 1/26.

9 If the rate of tax imposed by subsection (a) and (b) of
10 Section 201 is reduced pursuant to Section 201.5 of this Act,
11 the Department shall not make the deposits required by this
12 subsection (f) on or after the effective date of the reduction.

13 (g) Deposits into the Commitment to Human Services Fund.
14 Beginning February 1, 2015, the Department shall deposit the
15 following portions of the revenue realized from the tax imposed
16 upon individuals, trusts, and estates by subsections (a) and
17 (b) of Section 201 of this Act during the preceding month,
18 minus deposits into the Income Tax Refund Fund, into the
19 Commitment to Human Services Fund:

20 (1) beginning February 1, 2015, and prior to February
21 1, 2025, 1/30; and

22 (2) beginning February 1, 2025, 1/26.

23 If the rate of tax imposed by subsection (a) and (b) of
24 Section 201 is reduced pursuant to Section 201.5 of this Act,
25 the Department shall not make the deposits required by this
26 subsection (g) on or after the effective date of the reduction.

1 (h) Deposits into the Tax Compliance and Administration
2 Fund. Beginning on the first day of the first calendar month to
3 occur on or after August 26, 2014 (the effective date of Public
4 Act 98-1098), each month the Department shall pay into the Tax
5 Compliance and Administration Fund, to be used, subject to
6 appropriation, to fund additional auditors and compliance
7 personnel at the Department, an amount equal to 1/12 of 5% of
8 the cash receipts collected during the preceding fiscal year by
9 the Audit Bureau of the Department from the tax imposed by
10 subsections (a), (b), (c), and (d) of Section 201 of this Act,
11 net of deposits into the Income Tax Refund Fund made from those
12 cash receipts.

13 (Source: P.A. 98-24, eff. 6-19-13; 98-674, eff. 6-30-14;
14 98-1052, eff. 8-26-14; 98-1098, eff. 8-26-14; 99-78, eff.
15 7-20-15.)

16 ARTICLE 10. ECONOMIC DEVELOPMENT FOR A GROWING ECONOMY TAX

17 CREDIT ACT

18 Section 10-5. The Economic Development for a Growing
19 Economy Tax Credit Act is amended by changing Sections 5-5,
20 5-10, 5-15, 5-20, 5-25, 5-50, 5-65, and 5-70 and by adding
21 Section 5-57 as follows:

22 (35 ILCS 10/5-5)

23 Sec. 5-5. Definitions. As used in this Act:

1 "Agreement" means the Agreement between a Taxpayer and the
2 Department under the provisions of Section 5-50 of this Act.

3 "Applicant" means a Taxpayer that is operating a business
4 located or that the Taxpayer plans to locate within the State
5 of Illinois and that is engaged in interstate or intrastate
6 commerce for the purpose of manufacturing, processing,
7 assembling, warehousing, or distributing products, conducting
8 research and development, providing tourism services, or
9 providing services in interstate commerce, office industries,
10 health services, professional services, including, but not
11 limited to, data centers, or agricultural processing, but
12 excluding retail and ~~retail food, health, or professional~~
13 ~~services~~. "Applicant" does not include a Taxpayer who closes or
14 substantially reduces an operation at one location in the State
15 and relocates substantially the same operation to another
16 location in the State. This does not prohibit a Taxpayer from
17 expanding its operations at another location in the State,
18 provided that existing operations of a similar nature located
19 within the State are not closed or substantially reduced. This
20 also does not prohibit a Taxpayer from moving its operations
21 from one location in the State to another location in the State
22 for the purpose of expanding the operation provided that the
23 Department determines that expansion cannot reasonably be
24 accommodated within the municipality in which the business is
25 located, or in the case of a business located in an
26 incorporated area of the county, within the county in which the

1 business is located, after conferring with the chief elected
2 official of the municipality or county and taking into
3 consideration any evidence offered by the municipality or
4 county regarding the ability to accommodate expansion within
5 the municipality or county.

6 "Committee" means the Illinois Business Investment
7 Committee created under Section 5-25 of this Act within the
8 Illinois Economic Development Board.

9 "Credit" means the amount agreed to between the Department
10 and Applicant under this Act, but not to exceed the lesser of:
11 (1) the sum of (i) 50% of the Incremental Income Tax
12 attributable to the Applicant's project and (ii) 10% of the
13 training costs of New Employees; or (2) 100% of the Incremental
14 Income Tax attributable to the Applicant's project. However, if
15 the project is located in an underserved area, then the amount
16 of the Credit may not exceed the lesser of: (1) the sum of (i)
17 75% of the Incremental Income Tax attributable to the
18 Applicant's project and (ii) 10% of the training costs of New
19 Employees; or (2) 100% of the Incremental Income Tax
20 attributable to the Applicant's project.

21 "Data center" means a building or a series of buildings
22 rehabilitated or constructed to house a group of networked
23 server computers in one physical location or several sites in
24 order to centralize the storage, management, and dissemination
25 of data and information.

26 "Department" means the Department of Commerce and Economic

1 Opportunity.

2 "Director" means the Director of Commerce and Economic
3 Opportunity.

4 "Full-time Employee" means an individual who is employed
5 for consideration for at least 35 hours each week or who
6 renders any other standard of service generally accepted by
7 industry custom or practice as full-time employment. An
8 individual for whom a W-2 is issued by a Professional Employer
9 Organization (PEO) is a full-time employee if employed in the
10 service of the Applicant for consideration for at least 35
11 hours each week or who renders any other standard of service
12 generally accepted by industry custom or practice as full-time
13 employment to Applicant.

14 "Incremental Income Tax" means the total amount withheld
15 during the taxable year from the compensation of New Employees
16 under Article 7 of the Illinois Income Tax Act arising from
17 employment at a project that is the subject of an Agreement.

18 "New Employee" means:

19 (a) A Full-time Employee first employed by a Taxpayer
20 in the project that is the subject of an Agreement and who
21 is hired after the Taxpayer enters into the tax credit
22 Agreement.

23 (b) The term "New Employee" does not include:

24 (1) an employee of the Taxpayer who performs a job
25 that was previously performed by another employee, if
26 that job existed for at least 6 months before hiring

1 the employee;

2 (2) an employee of the Taxpayer who was previously
3 employed in Illinois by a Related Member of the
4 Taxpayer and whose employment was shifted to the
5 Taxpayer after the Taxpayer entered into the tax credit
6 Agreement; or

7 (3) a child, grandchild, parent, or spouse, other
8 than a spouse who is legally separated from the
9 individual, of any individual who has a direct or an
10 indirect ownership interest of at least 5% in the
11 profits, capital, or value of the Taxpayer.

12 (c) Notwithstanding paragraph (1) of subsection (b),
13 an employee may be considered a New Employee under the
14 Agreement if the employee performs a job that was
15 previously performed by an employee who was:

16 (1) treated under the Agreement as a New Employee;
17 and

18 (2) promoted by the Taxpayer to another job.

19 (d) Notwithstanding subsection (a), the Department may
20 award Credit to an Applicant with respect to an employee
21 hired prior to the date of the Agreement if:

22 (1) the Applicant is in receipt of a letter from
23 the Department stating an intent to enter into a credit
24 Agreement;

25 (2) the letter described in paragraph (1) is issued
26 by the Department not later than 15 days after the

1 effective date of this Act; and

2 (3) the employee was hired after the date the
3 letter described in paragraph (1) was issued.

4 "Noncompliance Date" means, in the case of a Taxpayer that
5 is not complying with the requirements of the Agreement or the
6 provisions of this Act, the day following the last date upon
7 which the Taxpayer was in compliance with the requirements of
8 the Agreement and the provisions of this Act, as determined by
9 the Director, pursuant to Section 5-65.

10 "Pass Through Entity" means an entity that is exempt from
11 the tax under subsection (b) or (c) of Section 205 of the
12 Illinois Income Tax Act.

13 "Professional Employer Organization" (PEO) means an
14 employee leasing company, as defined in Section 206.1(A)(2) of
15 the Illinois Unemployment Insurance Act.

16 "Related Member" means a person that, with respect to the
17 Taxpayer during any portion of the taxable year, is any one of
18 the following:

19 (1) An individual stockholder, if the stockholder and
20 the members of the stockholder's family (as defined in
21 Section 318 of the Internal Revenue Code) own directly,
22 indirectly, beneficially, or constructively, in the
23 aggregate, at least 50% of the value of the Taxpayer's
24 outstanding stock.

25 (2) A partnership, estate, or trust and any partner or
26 beneficiary, if the partnership, estate, or trust, and its

1 partners or beneficiaries own directly, indirectly,
2 beneficially, or constructively, in the aggregate, at
3 least 50% of the profits, capital, stock, or value of the
4 Taxpayer.

5 (3) A corporation, and any party related to the
6 corporation in a manner that would require an attribution
7 of stock from the corporation to the party or from the
8 party to the corporation under the attribution rules of
9 Section 318 of the Internal Revenue Code, if the Taxpayer
10 owns directly, indirectly, beneficially, or constructively
11 at least 50% of the value of the corporation's outstanding
12 stock.

13 (4) A corporation and any party related to that
14 corporation in a manner that would require an attribution
15 of stock from the corporation to the party or from the
16 party to the corporation under the attribution rules of
17 Section 318 of the Internal Revenue Code, if the
18 corporation and all such related parties own in the
19 aggregate at least 50% of the profits, capital, stock, or
20 value of the Taxpayer.

21 (5) A person to or from whom there is attribution of
22 stock ownership in accordance with Section 1563(e) of the
23 Internal Revenue Code, except, for purposes of determining
24 whether a person is a Related Member under this paragraph,
25 20% shall be substituted for 5% wherever 5% appears in
26 Section 1563(e) of the Internal Revenue Code.

1 "Taxpayer" means an individual, corporation, partnership,
2 or other entity that has any Illinois Income Tax liability.

3 "Underserved area" means a geographic area that meets one
4 or more of the following conditions:

5 (1) the area has a poverty rate of at least 20%
6 according to the latest federal decennial census;

7 (2) 50% or more of the children in the area participate
8 in the federal free lunch program according to reported
9 statistics from the State Board of Education;

10 (3) at least 20% of the households in the area receive
11 assistance under the Supplemental Nutrition Assistance
12 Program (SNAP); or

13 (4) the area has an average unemployment rate, as
14 determined by the Illinois Department of Employment
15 Security, that is more than 120% of the national
16 unemployment average, as determined by the U.S. Department
17 of Labor, for a period of at least 2 consecutive calendar
18 years preceding the date of the application.

19 (Source: P.A. 94-793, eff. 5-19-06; 95-375, eff. 8-23-07.)

20 (35 ILCS 10/5-10)

21 Sec. 5-10. Powers of the Department. The Department, in
22 addition to those powers granted under the Civil Administrative
23 Code of Illinois, is granted and shall have all the powers
24 necessary or convenient to carry out and effectuate the
25 purposes and provisions of this Act, including, but not limited

1 to, power and authority to:

2 (a) Promulgate procedures, rules, or regulations deemed
3 necessary and appropriate for the administration of the
4 programs; establish forms for applications, notifications,
5 contracts, or any other agreements; and accept applications at
6 any time during the year.

7 (b) Provide and assist Taxpayers pursuant to the provisions
8 of this Act, and cooperate with Taxpayers that are parties to
9 Agreements to promote, foster, and support economic
10 development, capital investment, and job creation ~~or retention~~
11 within the State.

12 (c) Enter into agreements and memoranda of understanding
13 for participation of and engage in cooperation with agencies of
14 the federal government, local units of government,
15 universities, research foundations or institutions, regional
16 economic development corporations, or other organizations for
17 the purposes of this Act.

18 (d) Gather information and conduct inquiries, in the manner
19 and by the methods as it deems desirable, including without
20 limitation, gathering information with respect to Applicants
21 for the purpose of making any designations or certifications
22 necessary or desirable or to gather information to assist the
23 Committee with any recommendation or guidance in the
24 furtherance of the purposes of this Act.

25 (e) Establish, negotiate and effectuate any term,
26 agreement or other document with any person, necessary or

1 appropriate to accomplish the purposes of this Act; and to
2 consent, subject to the provisions of any Agreement with
3 another party, to the modification or restructuring of any
4 Agreement to which the Department is a party.

5 (f) Fix, determine, charge, and collect any premiums, fees,
6 charges, costs, and expenses from Applicants, including,
7 without limitation, any application fees, commitment fees,
8 program fees, financing charges, or publication fees as deemed
9 appropriate to pay expenses necessary or incident to the
10 administration, staffing, or operation in connection with the
11 Department's or Committee's activities under this Act, or for
12 preparation, implementation, and enforcement of the terms of
13 the Agreement, or for consultation, advisory and legal fees,
14 and other costs; however, all fees and expenses incident
15 thereto shall be the responsibility of the Applicant.

16 (g) Provide for sufficient personnel to permit
17 administration, staffing, operation, and related support
18 required to adequately discharge its duties and
19 responsibilities described in this Act from funds made
20 available through charges to Applicants or from funds as may be
21 appropriated by the General Assembly for the administration of
22 this Act.

23 (h) Require Applicants, upon written request, to issue any
24 necessary authorization to the appropriate federal, state, or
25 local authority for the release of information concerning a
26 project being considered under the provisions of this Act, with

1 the information requested to include, but not be limited to,
2 financial reports, returns, or records relating to the
3 Taxpayers' or its project.

4 (i) Require that a Taxpayer shall at all times keep proper
5 books of record and account in accordance with generally
6 accepted accounting principles consistently applied, with the
7 books, records, or papers related to the Agreement in the
8 custody or control of the Taxpayer open for reasonable
9 Department inspection and audits, and including, without
10 limitation, the making of copies of the books, records, or
11 papers, and the inspection or appraisal of any of the Taxpayer
12 or project assets.

13 (j) Take whatever actions are necessary or appropriate to
14 protect the State's interest in the event of bankruptcy,
15 default, foreclosure, or noncompliance with the terms and
16 conditions of financial assistance or participation required
17 under this Act, including the power to sell, dispose, lease, or
18 rent, upon terms and conditions determined by the Director to
19 be appropriate, real or personal property that the Department
20 may receive as a result of these actions.

21 (Source: P.A. 91-476, eff. 8-11-99.)

22 (35 ILCS 10/5-15)

23 Sec. 5-15. Tax Credit Awards. Subject to the conditions set
24 forth in this Act, a Taxpayer is entitled to a Credit against
25 or, as described in subsection (g) of this Section, a payment

1 towards taxes imposed pursuant to subsections (a) and (b) of
2 Section 201 of the Illinois Income Tax Act that may be imposed
3 on the Taxpayer for a taxable year beginning on or after
4 January 1, 1999, if the Taxpayer is awarded a Credit by the
5 Department under this Act for that taxable year.

6 (a) The Department shall make Credit awards under this Act
7 to foster job creation ~~and retention~~ in Illinois.

8 (b) A person that proposes a project to create new jobs in
9 Illinois must enter into an Agreement with the Department for
10 the Credit under this Act.

11 (c) The Credit shall be claimed for the taxable years
12 specified in the Agreement.

13 (d) The Credit shall not exceed the Incremental Income Tax
14 attributable to the project that is the subject of the
15 Agreement.

16 (e) Nothing herein shall prohibit a Tax Credit Award to an
17 Applicant that uses a PEO if all other award criteria are
18 satisfied.

19 (f) In lieu of the Credit allowed under this Act against
20 the taxes imposed pursuant to subsections (a) and (b) of
21 Section 201 of the Illinois Income Tax Act for any taxable year
22 ending on or after December 31, 2009, for Taxpayers that
23 entered into Agreements prior to January 1, 2015 and otherwise
24 meet the criteria set forth in this subsection (f), the
25 Taxpayer may elect to claim the Credit against its obligation
26 to pay over withholding under Section 704A of the Illinois

1 Income Tax Act.

2 (1) The election under this subsection (f) may be made
3 only by a Taxpayer that (i) is primarily engaged in one of
4 the following business activities: water purification and
5 treatment, motor vehicle metal stamping, automobile
6 manufacturing, automobile and light duty motor vehicle
7 manufacturing, motor vehicle manufacturing, light truck
8 and utility vehicle manufacturing, heavy duty truck
9 manufacturing, motor vehicle body manufacturing, cable
10 television infrastructure design or manufacturing, or
11 wireless telecommunication or computing terminal device
12 design or manufacturing for use on public networks and (ii)
13 meets the following criteria:

14 (A) the Taxpayer (i) had an Illinois net loss or an
15 Illinois net loss deduction under Section 207 of the
16 Illinois Income Tax Act for the taxable year in which
17 the Credit is awarded, (ii) employed a minimum of 1,000
18 full-time employees in this State during the taxable
19 year in which the Credit is awarded, (iii) has an
20 Agreement under this Act on December 14, 2009 (the
21 effective date of Public Act 96-834), and (iv) is in
22 compliance with all provisions of that Agreement;

23 (B) the Taxpayer (i) had an Illinois net loss or an
24 Illinois net loss deduction under Section 207 of the
25 Illinois Income Tax Act for the taxable year in which
26 the Credit is awarded, (ii) employed a minimum of 1,000

1 full-time employees in this State during the taxable
2 year in which the Credit is awarded, and (iii) has
3 applied for an Agreement within 365 days after December
4 14, 2009 (the effective date of Public Act 96-834);

5 (C) the Taxpayer (i) had an Illinois net operating
6 loss carryforward under Section 207 of the Illinois
7 Income Tax Act in a taxable year ending during calendar
8 year 2008, (ii) has applied for an Agreement within 150
9 days after the effective date of this amendatory Act of
10 the 96th General Assembly, (iii) creates at least 400
11 new jobs in Illinois, (iv) retains at least 2,000 jobs
12 in Illinois that would have been at risk of relocation
13 out of Illinois over a 10-year period, and (v) makes a
14 capital investment of at least \$75,000,000;

15 (D) the Taxpayer (i) had an Illinois net operating
16 loss carryforward under Section 207 of the Illinois
17 Income Tax Act in a taxable year ending during calendar
18 year 2009, (ii) has applied for an Agreement within 150
19 days after the effective date of this amendatory Act of
20 the 96th General Assembly, (iii) creates at least 150
21 new jobs, (iv) retains at least 1,000 jobs in Illinois
22 that would have been at risk of relocation out of
23 Illinois over a 10-year period, and (v) makes a capital
24 investment of at least \$57,000,000; or

25 (E) the Taxpayer (i) employed at least 2,500
26 full-time employees in the State during the year in

1 which the Credit is awarded, (ii) commits to make at
2 least \$500,000,000 in combined capital improvements
3 and project costs under the Agreement, (iii) applies
4 for an Agreement between January 1, 2011 and June 30,
5 2011, (iv) executes an Agreement for the Credit during
6 calendar year 2011, and (v) was incorporated no more
7 than 5 years before the filing of an application for an
8 Agreement.

9 (1.5) The election under this subsection (f) may also
10 be made by a Taxpayer for any Credit awarded pursuant to an
11 agreement that was executed between January 1, 2011 and
12 June 30, 2011, if the Taxpayer (i) is primarily engaged in
13 the manufacture of inner tubes or tires, or both, from
14 natural and synthetic rubber, (ii) employs a minimum of
15 2,400 full-time employees in Illinois at the time of
16 application, (iii) creates at least 350 full-time jobs and
17 retains at least 250 full-time jobs in Illinois that would
18 have been at risk of being created or retained outside of
19 Illinois, and (iv) makes a capital investment of at least
20 \$200,000,000 at the project location.

21 (1.6) The election under this subsection (f) may also
22 be made by a Taxpayer for any Credit awarded pursuant to an
23 agreement that was executed within 150 days after the
24 effective date of this amendatory Act of the 97th General
25 Assembly, if the Taxpayer (i) is primarily engaged in the
26 operation of a discount department store, (ii) maintains

1 its corporate headquarters in Illinois, (iii) employs a
2 minimum of 4,250 full-time employees at its corporate
3 headquarters in Illinois at the time of application, (iv)
4 retains at least 4,250 full-time jobs in Illinois that
5 would have been at risk of being relocated outside of
6 Illinois, (v) had a minimum of \$40,000,000,000 in total
7 revenue in 2010, and (vi) makes a capital investment of at
8 least \$300,000,000 at the project location.

9 (1.7) Notwithstanding any other provision of law, the
10 election under this subsection (f) may also be made by a
11 Taxpayer for any Credit awarded pursuant to an agreement
12 that was executed or applied for on or after July 1, 2011
13 and on or before March 31, 2012, if the Taxpayer is
14 primarily engaged in the manufacture of original and
15 aftermarket filtration parts and products for automobiles,
16 motor vehicles, light duty motor vehicles, light trucks and
17 utility vehicles, and heavy duty trucks, (ii) employs a
18 minimum of 1,000 full-time employees in Illinois at the
19 time of application, (iii) creates at least 250 full-time
20 jobs in Illinois, (iv) relocates its corporate
21 headquarters to Illinois from another state, and (v) makes
22 a capital investment of at least \$4,000,000 at the project
23 location.

24 (2) An election under this subsection shall allow the
25 credit to be taken against payments otherwise due under
26 Section 704A of the Illinois Income Tax Act during the

1 first calendar year beginning after the end of the taxable
2 year in which the credit is awarded under this Act.

3 (3) The election shall be made in the form and manner
4 required by the Illinois Department of Revenue and, once
5 made, shall be irrevocable.

6 (4) If a Taxpayer who meets the requirements of
7 subparagraph (A) of paragraph (1) of this subsection (f)
8 elects to claim the Credit against its withholdings as
9 provided in this subsection (f), then, on and after the
10 date of the election, the terms of the Agreement between
11 the Taxpayer and the Department may not be further amended
12 during the term of the Agreement.

13 (g) A pass-through entity that has been awarded a credit
14 under this Act, its shareholders, or its partners may treat
15 some or all of the credit awarded pursuant to this Act as a tax
16 payment for purposes of the Illinois Income Tax Act. The term
17 "tax payment" means a payment as described in Article 6 or
18 Article 8 of the Illinois Income Tax Act or a composite payment
19 made by a pass-through entity on behalf of any of its
20 shareholders or partners to satisfy such shareholders' or
21 partners' taxes imposed pursuant to subsections (a) and (b) of
22 Section 201 of the Illinois Income Tax Act. In no event shall
23 the amount of the award credited pursuant to this Act exceed
24 the Illinois income tax liability of the pass-through entity or
25 its shareholders or partners for the taxable year.

26 (Source: P.A. 96-834, eff. 12-14-09; 96-836, eff. 12-16-09;

1 96-905, eff. 6-4-10; 96-1000, eff. 7-2-10; 96-1534, eff.
2 3-4-11; 97-2, eff. 5-6-11; 97-636, eff. 6-1-12.)

3 (35 ILCS 10/5-20)

4 Sec. 5-20. Application for a project to create and retain
5 new jobs.

6 (a) Any Taxpayer proposing a project located or planned to
7 be located in Illinois may request consideration for
8 designation of its project, by formal written letter of request
9 or by formal application to the Department, in which the
10 Applicant states its intent to make at least a specified level
11 of investment and intends to hire or retain a specified number
12 of full-time employees at a designated location in Illinois. As
13 circumstances require, the Department may require a formal
14 application from an Applicant and a formal letter of request
15 for assistance.

16 (b) In order to qualify for Credits under this Act, an
17 Applicant's project must:

18 (1) if the Applicant has more than 100 employees,
19 involve an investment of at least \$2,500,000 ~~\$5,000,000~~ in
20 capital improvements to be placed in service ~~and to employ~~
21 ~~at least 25 New Employees~~ within the State as a direct
22 result of the project; if the Applicant has 100 or fewer
23 employees, then there is no capital investment
24 requirement; and

25 (1.5) if the Applicant has more than 100 employees,

1 employ a number of new employees in the State equal to the
2 lesser of (A) 10% of the number of full-time employees
3 employed by the applicant world-wide on the date the
4 application is filed with the Department or (B) 50 New
5 Employees; and, if the Applicant has 100 or fewer
6 employees, employ a number of new employees in the State
7 equal to the lesser of (A) 5% of the number of full-time
8 employees employed by the applicant world-wide on the date
9 the application is filed with the Department or (B) 50 New
10 Employees;

11 (2) (blank); ~~involve an investment of at least an~~
12 ~~amount (to be expressly specified by the Department and the~~
13 ~~Committee) in capital improvements to be placed in service~~
14 ~~and will employ at least an amount (to be expressly~~
15 ~~specified by the Department and the Committee) of New~~
16 ~~Employees within the State, provided that the Department~~
17 ~~and the Committee have determined that the project will~~
18 ~~provide a substantial economic benefit to the State; or~~

19 (3) (blank). ~~if the applicant has 100 or fewer~~
20 ~~employees, involve an investment of at least \$1,000,000 in~~
21 ~~capital improvements to be placed in service and to employ~~
22 ~~at least 5 New Employees within the State as a direct~~
23 ~~result of the project.~~

24 (c) After receipt of an application, the Department may
25 enter into an Agreement with the Applicant if the application
26 is accepted in accordance with Section 5-25.

1 (Source: P.A. 93-882, eff. 1-1-05.)

2 (35 ILCS 10/5-25)

3 Sec. 5-25. Review of Application.

4 (a) In addition to those duties granted under the Illinois
5 Economic Development Board Act, the Illinois Economic
6 Development Board shall form a Business Investment Committee
7 for the purpose of making recommendations for applications. At
8 the request of the Board, the Director of Commerce and Economic
9 Opportunity or his or her designee, the Director of the
10 Governor's Office of Management and Budget or his or her
11 designee, the Director of Revenue or his or her designee, the
12 Director of Employment Security or his or her designee, and an
13 elected official of the affected locality, such as the chair of
14 the county board or the mayor, may serve as members of the
15 Committee to assist with its analysis and deliberations.

16 (b) At the Department's request, the Committee shall
17 convene, make inquiries, and conduct studies in the manner and
18 by the methods as it deems desirable, review information with
19 respect to Applicants, and make recommendations for projects to
20 benefit the State. In making its recommendation that an
21 Applicant's application for Credit should or should not be
22 accepted, which shall occur within a reasonable time frame as
23 determined by the nature of the application, the Committee
24 shall determine that all the following conditions exist:

25 (1) The Applicant's project intends, as required by

1 subsection (b) of Section 5-20 to make the required
2 investment in the State and intends to hire the required
3 number of New Employees in Illinois as a result of that
4 project.

5 (2) The Applicant's project is economically sound and
6 will benefit the people of the State of Illinois by
7 increasing opportunities for employment and strengthen the
8 economy of Illinois.

9 (3) That, if not for the Credit, the project would not
10 occur in Illinois, which may be demonstrated by evidence
11 that receipt of the Credit is essential to the Applicant's
12 decision to create new jobs in the State, such as the
13 magnitude of the cost differential between Illinois and a
14 competing State ~~any means including, but not limited to,~~
15 ~~evidence the Applicant has multi state location options~~
16 ~~and could reasonably and efficiently locate outside of the~~
17 ~~State, or demonstration that at least one other state is~~
18 ~~being considered for the project, or evidence the receipt~~
19 ~~of the Credit is a major factor in the Applicant's decision~~
20 ~~and that without the Credit, the Applicant likely would not~~
21 ~~create new jobs in Illinois, or demonstration that~~
22 ~~receiving the Credit is essential to the Applicant's~~
23 ~~decision to create or retain new jobs in the State.~~

24 (4) A cost differential is identified, using best
25 available data, in the projected costs for the Applicant's
26 project compared to the costs in the competing state,

1 including the impact of the competing state's incentive
2 programs. The competing state's incentive programs shall
3 include state, local, private, and federal funds
4 available.

5 (5) The political subdivisions affected by the project
6 have committed local incentives with respect to the
7 project, considering local ability to assist.

8 (6) Awarding the Credit will result in an overall
9 positive fiscal impact to the State, as certified by the
10 Committee using the best available data.

11 (7) The Credit is not prohibited by Section 5-35 of
12 this Act.

13 (Source: P.A. 94-793, eff. 5-19-06.)

14 (35 ILCS 10/5-50)

15 Sec. 5-50. Contents of Agreements with Applicants. The
16 Department shall enter into an Agreement with an Applicant that
17 is awarded a Credit under this Act. The Agreement must include
18 all of the following:

19 (1) A detailed description of the project that is the
20 subject of the Agreement, including the location and amount
21 of the investment and jobs created or retained.

22 (2) The duration of the Credit and the first taxable
23 year for which the Credit may be claimed.

24 (3) The Credit amount that will be allowed for each
25 taxable year.

1 (4) A requirement that the Taxpayer shall maintain
2 operations at the project location that shall be stated as
3 a minimum number of years not to exceed 10.

4 (5) A specific method for determining the number of New
5 Employees employed during a taxable year.

6 (6) A requirement that the Taxpayer shall annually
7 report to the Department the number of New Employees, the
8 Incremental Income Tax withheld in connection with the New
9 Employees, and any other information the Director needs to
10 perform the Director's duties under this Act.

11 (7) A requirement that the Director is authorized to
12 verify with the appropriate State agencies the amounts
13 reported under paragraph (6), and after doing so shall
14 issue a certificate to the Taxpayer stating that the
15 amounts have been verified.

16 (8) A requirement that the Taxpayer shall provide
17 written notification to the Director not more than 30 days
18 after the Taxpayer makes or receives a proposal that would
19 transfer the Taxpayer's State tax liability obligations to
20 a successor Taxpayer.

21 (9) A detailed description of the number of New
22 Employees to be hired, and the occupation and payroll of
23 the full-time jobs to be created or retained as a result of
24 the project.

25 (10) The minimum investment the business enterprise
26 will make in capital improvements, the time period for

1 placing the property in service, and the designated
2 location in Illinois for the investment.

3 (11) A requirement that the Taxpayer shall provide
4 written notification to the Director and the Committee not
5 more than 30 days after the Taxpayer determines that the
6 minimum job creation ~~or retention~~, employment payroll, or
7 investment no longer is being or will be achieved or
8 maintained as set forth in the terms and conditions of the
9 Agreement.

10 (12) A provision that, if the total number of New
11 Employees falls below a specified level, the allowance of
12 Credit shall be suspended until the number of New Employees
13 equals or exceeds the Agreement amount.

14 (13) A detailed description of the items for which the
15 costs incurred by the Taxpayer will be included in the
16 limitation on the Credit provided in Section 5-30.

17 (13.5) A provision that, if the Taxpayer never meets
18 either the investment or job creation ~~and retention~~
19 requirements specified in the Agreement during the entire
20 5-year period beginning on the first day of the first
21 taxable year in which the Agreement is executed and ending
22 on the last day of the fifth taxable year after the
23 Agreement is executed, then the Agreement is automatically
24 terminated on the last day of the fifth taxable year after
25 the Agreement is executed and the Taxpayer is not entitled
26 to the award of any credits for any of that 5-year period.

1 (14) Any other performance conditions or contract
2 provisions as the Department determines are appropriate.

3 The Department shall post on its website the terms of each
4 Agreement entered into under this Act on or after the effective
5 date of this amendatory Act of the 97th General Assembly. Such
6 information shall be posted within 10 days after entering into
7 the Agreement and must include the following:

8 (1) the name of the recipient business;

9 (2) the location of the project;

10 (3) the estimated value of the credit;

11 (4) the number of new jobs pledged as a result of the
12 project; and

13 (5) whether or not the project is located in an
14 underserved area.

15 (Source: P.A. 97-2, eff. 5-6-11; 97-749, eff. 7-6-12.)

16 (35 ILCS 10/5-57 new)

17 Sec. 5-57. Supplier diversity goals; reports. Each
18 taxpayer claiming a credit under this Act shall, no later than
19 April 15 of each taxable year for which the taxpayer claims a
20 credit under this Act, submit to the Department of Commerce and
21 Economic Opportunity an annual report containing the
22 information described in subsections (b), (c), (d), and (e) of
23 Section 5-117 of the Public Utilities Act. Those reports shall
24 be submitted in the form and manner required by the Department
25 of Commerce and Economic Opportunity.

1 (35 ILCS 10/5-65)

2 Sec. 5-65. Noncompliance; notice; assessment. If the
3 Director determines that a Taxpayer who has received a Credit
4 under this Act is not complying with the requirements of the
5 Agreement or all of the provisions of this Act, the Director
6 shall provide notice to the Taxpayer of the alleged
7 noncompliance, and allow the Taxpayer a hearing under the
8 provisions of the Illinois Administrative Procedure Act. If,
9 after such notice and any hearing, the Director determines that
10 a noncompliance exists, the Director shall issue to the
11 Department of Revenue notice to that effect, stating the
12 Noncompliance Date. If, during the term of the Agreement, the
13 Taxpayer ceases operations at a project location that is the
14 subject of an Agreement with the intent to terminate operations
15 in the State, the Department and the Department of Revenue
16 shall recapture from the Taxpayer the entire Credit amount
17 awarded prior to the date the taxpayer ceases operations.

18 (Source: P.A. 91-476, eff. 8-11-99.)

19 (35 ILCS 10/5-70)

20 Sec. 5-70. Annual report. On or before July 1 each year,
21 the Committee shall submit a report to the Department on the
22 tax credit program under this Act to the Governor and the
23 General Assembly. The report shall include information on the
24 number of Agreements that were entered into under this Act

1 during the preceding calendar year, a description of the
2 project that is the subject of each Agreement, an update on the
3 status of projects under Agreements entered into before the
4 preceding calendar year, and the sum of the Credits awarded
5 under this Act. A copy of the report shall be delivered to the
6 Governor and to each member of the General Assembly.

7 The report must include, for each Agreement:

8 (1) the original estimates of the value of the Credit
9 and the number of new jobs to be created;

10 (2) any relevant modifications to existing Agreements;

11 (3) a statement of the progress made by each Taxpayer
12 in meeting the terms of the original Agreement;

13 (4) a statement of wages paid to New Employees and
14 existing employees in the State;

15 (5) any information reported under Section 5-57 of this
16 Act; and

17 (6) a copy of the original Agreement.

18 (Source: P.A. 91-476, eff. 8-11-99.)

19 ARTICLE 15. FILM AND THEATER TAX CREDITS

20 Section 15-5. The Film Production Services Tax Credit Act
21 of 2008 is amended by changing Section 42 as follows:

22 (35 ILCS 16/42)

23 Sec. 42. Sunset of credits. ~~The application of credits~~

1 ~~awarded pursuant to this Act shall be limited by a reasonable~~
2 ~~and appropriate sunset date.~~ A taxpayer shall not be entitled
3 to take a credit awarded pursuant to this Act for tax years
4 beginning on or after January 1, 2026. ~~10 years after the~~
5 ~~effective date of this amendatory Act of the 97th General~~
6 ~~Assembly. After the initial 10 year sunset, the General~~
7 ~~Assembly may extend the sunset date by 5 year intervals.~~

8 (Source: P.A. 97-2, eff. 5-6-11; 97-3, eff. 5-6-11.)

9 Section 15-10. The Live Theater Production Tax Credit Act
10 is amended by adding Section 10-56 as follows:

11 (35 ILCS 17/10-56 new)

12 Sec. 10-56. Sunset of credits. A taxpayer shall not be
13 entitled to take a credit awarded pursuant to this Act for tax
14 years beginning on or after January 1, 2022.

15 ARTICLE 20. USE AND OCCUPATION TAXES

16 Section 20-5. The Use Tax Act is amended by changing
17 Sections 2 and 3-5 as follows:

18 (35 ILCS 105/2) (from Ch. 120, par. 439.2)

19 Sec. 2. Definitions.

20 "Use" means the exercise by any person of any right or
21 power over tangible personal property incident to the ownership

1 of that property, except that it does not include the sale of
2 such property in any form as tangible personal property in the
3 regular course of business to the extent that such property is
4 not first subjected to a use for which it was purchased, and
5 does not include the use of such property by its owner for
6 demonstration purposes: Provided that the property purchased
7 is deemed to be purchased for the purpose of resale, despite
8 first being used, to the extent to which it is resold as an
9 ingredient of an intentionally produced product or by-product
10 of manufacturing. "Use" does not mean the demonstration use or
11 interim use of tangible personal property by a retailer before
12 he sells that tangible personal property. For watercraft or
13 aircraft, if the period of demonstration use or interim use by
14 the retailer exceeds 18 months, the retailer shall pay on the
15 retailers' original cost price the tax imposed by this Act, and
16 no credit for that tax is permitted if the watercraft or
17 aircraft is subsequently sold by the retailer. "Use" does not
18 mean the physical incorporation of tangible personal property,
19 to the extent not first subjected to a use for which it was
20 purchased, as an ingredient or constituent, into other tangible
21 personal property (a) which is sold in the regular course of
22 business or (b) which the person incorporating such ingredient
23 or constituent therein has undertaken at the time of such
24 purchase to cause to be transported in interstate commerce to
25 destinations outside the State of Illinois: Provided that the
26 property purchased is deemed to be purchased for the purpose of

1 resale, despite first being used, to the extent to which it is
2 resold as an ingredient of an intentionally produced product or
3 by-product of manufacturing.

4 "Watercraft" means a Class 2, Class 3, or Class 4
5 watercraft as defined in Section 3-2 of the Boat Registration
6 and Safety Act, a personal watercraft, or any boat equipped
7 with an inboard motor.

8 "Purchase at retail" means the acquisition of the ownership
9 of or title to tangible personal property through a sale at
10 retail.

11 "Purchaser" means anyone who, through a sale at retail,
12 acquires the ownership of tangible personal property for a
13 valuable consideration.

14 "Sale at retail" means any transfer of the ownership of or
15 title to tangible personal property to a purchaser, for the
16 purpose of use, and not for the purpose of resale in any form
17 as tangible personal property to the extent not first subjected
18 to a use for which it was purchased, for a valuable
19 consideration: Provided that the property purchased is deemed
20 to be purchased for the purpose of resale, despite first being
21 used, to the extent to which it is resold as an ingredient of
22 an intentionally produced product or by-product of
23 manufacturing. For this purpose, slag produced as an incident
24 to manufacturing pig iron or steel and sold is considered to be
25 an intentionally produced by-product of manufacturing. "Sale
26 at retail" includes any such transfer made for resale unless

1 made in compliance with Section 2c of the Retailers' Occupation
2 Tax Act, as incorporated by reference into Section 12 of this
3 Act. Transactions whereby the possession of the property is
4 transferred but the seller retains the title as security for
5 payment of the selling price are sales.

6 "Sale at retail" shall also be construed to include any
7 Illinois florist's sales transaction in which the purchase
8 order is received in Illinois by a florist and the sale is for
9 use or consumption, but the Illinois florist has a florist in
10 another state deliver the property to the purchaser or the
11 purchaser's donee in such other state.

12 Nonreusable tangible personal property that is used by
13 persons engaged in the business of operating a restaurant,
14 cafeteria, or drive-in is a sale for resale when it is
15 transferred to customers in the ordinary course of business as
16 part of the sale of food or beverages and is used to deliver,
17 package, or consume food or beverages, regardless of where
18 consumption of the food or beverages occurs. Examples of those
19 items include, but are not limited to nonreusable, paper and
20 plastic cups, plates, baskets, boxes, sleeves, buckets or other
21 containers, utensils, straws, placemats, napkins, doggie bags,
22 and wrapping or packaging materials that are transferred to
23 customers as part of the sale of food or beverages in the
24 ordinary course of business.

25 The purchase, employment and transfer of such tangible
26 personal property as newsprint and ink for the primary purpose

1 of conveying news (with or without other information) is not a
2 purchase, use or sale of tangible personal property.

3 "Selling price" means the consideration for a sale valued
4 in money whether received in money or otherwise, including
5 cash, credits, property other than as hereinafter provided, and
6 services, but not including the value of or credit given for
7 traded-in tangible personal property where the item that is
8 traded-in is of like kind and character as that which is being
9 sold, and shall be determined without any deduction on account
10 of the cost of the property sold, the cost of materials used,
11 labor or service cost or any other expense whatsoever, but does
12 not include interest or finance charges which appear as
13 separate items on the bill of sale or sales contract nor
14 charges that are added to prices by sellers on account of the
15 seller's tax liability under the "Retailers' Occupation Tax
16 Act", or on account of the seller's duty to collect, from the
17 purchaser, the tax that is imposed by this Act, or, except as
18 otherwise provided with respect to any cigarette tax imposed by
19 a home rule unit, on account of the seller's tax liability
20 under any local occupation tax administered by the Department,
21 or, except as otherwise provided with respect to any cigarette
22 tax imposed by a home rule unit on account of the seller's duty
23 to collect, from the purchasers, the tax that is imposed under
24 any local use tax administered by the Department. Effective
25 December 1, 1985, "selling price" shall include charges that
26 are added to prices by sellers on account of the seller's tax

1 liability under the Cigarette Tax Act, on account of the
2 seller's duty to collect, from the purchaser, the tax imposed
3 under the Cigarette Use Tax Act, and on account of the seller's
4 duty to collect, from the purchaser, any cigarette tax imposed
5 by a home rule unit. Beginning January 1, 2018, "selling price"
6 shall not include any shipping or delivery charges, which means
7 any freight, express, mail, truck, or other carrier conveyance
8 or delivery process.

9 Notwithstanding any law to the contrary, for any motor
10 vehicle, as defined in Section 1-146 of the Vehicle Code, that
11 is sold on or after January 1, 2015 for the purpose of leasing
12 the vehicle for a defined period that is longer than one year
13 and (1) is a motor vehicle of the second division that: (A) is
14 a self-contained motor vehicle designed or permanently
15 converted to provide living quarters for recreational,
16 camping, or travel use, with direct walk through access to the
17 living quarters from the driver's seat; (B) is of the van
18 configuration designed for the transportation of not less than
19 7 nor more than 16 passengers; or (C) has a gross vehicle
20 weight rating of 8,000 pounds or less or (2) is a motor vehicle
21 of the first division, "selling price" or "amount of sale"
22 means the consideration received by the lessor pursuant to the
23 lease contract, including amounts due at lease signing and all
24 monthly or other regular payments charged over the term of the
25 lease. Also included in the selling price is any amount
26 received by the lessor from the lessee for the leased vehicle

1 that is not calculated at the time the lease is executed,
2 including, but not limited to, excess mileage charges and
3 charges for excess wear and tear. For sales that occur in
4 Illinois, with respect to any amount received by the lessor
5 from the lessee for the leased vehicle that is not calculated
6 at the time the lease is executed, the lessor who purchased the
7 motor vehicle does not incur the tax imposed by the Use Tax Act
8 on those amounts, and the retailer who makes the retail sale of
9 the motor vehicle to the lessor is not required to collect the
10 tax imposed by this Act or to pay the tax imposed by the
11 Retailers' Occupation Tax Act on those amounts. However, the
12 lessor who purchased the motor vehicle assumes the liability
13 for reporting and paying the tax on those amounts directly to
14 the Department in the same form (Illinois Retailers' Occupation
15 Tax, and local retailers' occupation taxes, if applicable) in
16 which the retailer would have reported and paid such tax if the
17 retailer had accounted for the tax to the Department. For
18 amounts received by the lessor from the lessee that are not
19 calculated at the time the lease is executed, the lessor must
20 file the return and pay the tax to the Department by the due
21 date otherwise required by this Act for returns other than
22 transaction returns. If the retailer is entitled under this Act
23 to a discount for collecting and remitting the tax imposed
24 under this Act to the Department with respect to the sale of
25 the motor vehicle to the lessor, then the right to the discount
26 provided in this Act shall be transferred to the lessor with

1 respect to the tax paid by the lessor for any amount received
2 by the lessor from the lessee for the leased vehicle that is
3 not calculated at the time the lease is executed; provided that
4 the discount is only allowed if the return is timely filed and
5 for amounts timely paid. The "selling price" of a motor vehicle
6 that is sold on or after January 1, 2015 for the purpose of
7 leasing for a defined period of longer than one year shall not
8 be reduced by the value of or credit given for traded-in
9 tangible personal property owned by the lessor, nor shall it be
10 reduced by the value of or credit given for traded-in tangible
11 personal property owned by the lessee, regardless of whether
12 the trade-in value thereof is assigned by the lessee to the
13 lessor. In the case of a motor vehicle that is sold for the
14 purpose of leasing for a defined period of longer than one
15 year, the sale occurs at the time of the delivery of the
16 vehicle, regardless of the due date of any lease payments. A
17 lessor who incurs a Retailers' Occupation Tax liability on the
18 sale of a motor vehicle coming off lease may not take a credit
19 against that liability for the Use Tax the lessor paid upon the
20 purchase of the motor vehicle (or for any tax the lessor paid
21 with respect to any amount received by the lessor from the
22 lessee for the leased vehicle that was not calculated at the
23 time the lease was executed) if the selling price of the motor
24 vehicle at the time of purchase was calculated using the
25 definition of "selling price" as defined in this paragraph.
26 Notwithstanding any other provision of this Act to the

1 contrary, lessors shall file all returns and make all payments
2 required under this paragraph to the Department by electronic
3 means in the manner and form as required by the Department.
4 This paragraph does not apply to leases of motor vehicles for
5 which, at the time the lease is entered into, the term of the
6 lease is not a defined period, including leases with a defined
7 initial period with the option to continue the lease on a
8 month-to-month or other basis beyond the initial defined
9 period.

10 The phrase "like kind and character" shall be liberally
11 construed (including but not limited to any form of motor
12 vehicle for any form of motor vehicle, or any kind of farm or
13 agricultural implement for any other kind of farm or
14 agricultural implement), while not including a kind of item
15 which, if sold at retail by that retailer, would be exempt from
16 retailers' occupation tax and use tax as an isolated or
17 occasional sale.

18 "Department" means the Department of Revenue.

19 "Person" means any natural individual, firm, partnership,
20 association, joint stock company, joint adventure, public or
21 private corporation, limited liability company, or a receiver,
22 executor, trustee, guardian or other representative appointed
23 by order of any court.

24 "Retailer" means and includes every person engaged in the
25 business of making sales at retail as defined in this Section.

26 A person who holds himself or herself out as being engaged

1 (or who habitually engages) in selling tangible personal
2 property at retail is a retailer hereunder with respect to such
3 sales (and not primarily in a service occupation)
4 notwithstanding the fact that such person designs and produces
5 such tangible personal property on special order for the
6 purchaser and in such a way as to render the property of value
7 only to such purchaser, if such tangible personal property so
8 produced on special order serves substantially the same
9 function as stock or standard items of tangible personal
10 property that are sold at retail.

11 A person whose activities are organized and conducted
12 primarily as a not-for-profit service enterprise, and who
13 engages in selling tangible personal property at retail
14 (whether to the public or merely to members and their guests)
15 is a retailer with respect to such transactions, excepting only
16 a person organized and operated exclusively for charitable,
17 religious or educational purposes either (1), to the extent of
18 sales by such person to its members, students, patients or
19 inmates of tangible personal property to be used primarily for
20 the purposes of such person, or (2), to the extent of sales by
21 such person of tangible personal property which is not sold or
22 offered for sale by persons organized for profit. The selling
23 of school books and school supplies by schools at retail to
24 students is not "primarily for the purposes of" the school
25 which does such selling. This paragraph does not apply to nor
26 subject to taxation occasional dinners, social or similar

1 activities of a person organized and operated exclusively for
2 charitable, religious or educational purposes, whether or not
3 such activities are open to the public.

4 A person who is the recipient of a grant or contract under
5 Title VII of the Older Americans Act of 1965 (P.L. 92-258) and
6 serves meals to participants in the federal Nutrition Program
7 for the Elderly in return for contributions established in
8 amount by the individual participant pursuant to a schedule of
9 suggested fees as provided for in the federal Act is not a
10 retailer under this Act with respect to such transactions.

11 Persons who engage in the business of transferring tangible
12 personal property upon the redemption of trading stamps are
13 retailers hereunder when engaged in such business.

14 The isolated or occasional sale of tangible personal
15 property at retail by a person who does not hold himself out as
16 being engaged (or who does not habitually engage) in selling
17 such tangible personal property at retail or a sale through a
18 bulk vending machine does not make such person a retailer
19 hereunder. However, any person who is engaged in a business
20 which is not subject to the tax imposed by the "Retailers'
21 Occupation Tax Act" because of involving the sale of or a
22 contract to sell real estate or a construction contract to
23 improve real estate, but who, in the course of conducting such
24 business, transfers tangible personal property to users or
25 consumers in the finished form in which it was purchased, and
26 which does not become real estate, under any provision of a

1 construction contract or real estate sale or real estate sales
2 agreement entered into with some other person arising out of or
3 because of such nontaxable business, is a retailer to the
4 extent of the value of the tangible personal property so
5 transferred. If, in such transaction, a separate charge is made
6 for the tangible personal property so transferred, the value of
7 such property, for the purposes of this Act, is the amount so
8 separately charged, but not less than the cost of such property
9 to the transferor; if no separate charge is made, the value of
10 such property, for the purposes of this Act, is the cost to the
11 transferor of such tangible personal property.

12 "Retailer maintaining a place of business in this State",
13 or any like term, means and includes any of the following
14 retailers:

15 1. A retailer having or maintaining within this State,
16 directly or by a subsidiary, an office, distribution house,
17 sales house, warehouse or other place of business, or any
18 agent or other representative operating within this State
19 under the authority of the retailer or its subsidiary,
20 irrespective of whether such place of business or agent or
21 other representative is located here permanently or
22 temporarily, or whether such retailer or subsidiary is
23 licensed to do business in this State. However, the
24 ownership of property that is located at the premises of a
25 printer with which the retailer has contracted for printing
26 and that consists of the final printed product, property

1 that becomes a part of the final printed product, or copy
2 from which the printed product is produced shall not result
3 in the retailer being deemed to have or maintain an office,
4 distribution house, sales house, warehouse, or other place
5 of business within this State.

6 1.1. A retailer having a contract with a person located
7 in this State under which the person, for a commission or
8 other consideration based upon the sale of tangible
9 personal property by the retailer, directly or indirectly
10 refers potential customers to the retailer by providing to
11 the potential customers a promotional code or other
12 mechanism that allows the retailer to track purchases
13 referred by such persons. Examples of mechanisms that allow
14 the retailer to track purchases referred by such persons
15 include but are not limited to the use of a link on the
16 person's Internet website, promotional codes distributed
17 through the person's hand-delivered or mailed material,
18 and promotional codes distributed by the person through
19 radio or other broadcast media. The provisions of this
20 paragraph 1.1 shall apply only if the cumulative gross
21 receipts from sales of tangible personal property by the
22 retailer to customers who are referred to the retailer by
23 all persons in this State under such contracts exceed
24 \$10,000 during the preceding 4 quarterly periods ending on
25 the last day of March, June, September, and December. A
26 retailer meeting the requirements of this paragraph 1.1

1 shall be presumed to be maintaining a place of business in
2 this State but may rebut this presumption by submitting
3 proof that the referrals or other activities pursued within
4 this State by such persons were not sufficient to meet the
5 nexus standards of the United States Constitution during
6 the preceding 4 quarterly periods.

7 1.2. Beginning July 1, 2011, a retailer having a
8 contract with a person located in this State under which:

9 A. the retailer sells the same or substantially
10 similar line of products as the person located in this
11 State and does so using an identical or substantially
12 similar name, trade name, or trademark as the person
13 located in this State; and

14 B. the retailer provides a commission or other
15 consideration to the person located in this State based
16 upon the sale of tangible personal property by the
17 retailer.

18 The provisions of this paragraph 1.2 shall apply only if
19 the cumulative gross receipts from sales of tangible
20 personal property by the retailer to customers in this
21 State under all such contracts exceed \$10,000 during the
22 preceding 4 quarterly periods ending on the last day of
23 March, June, September, and December.

24 2. A retailer soliciting orders for tangible personal
25 property by means of a telecommunication or television
26 shopping system (which utilizes toll free numbers) which is

1 intended by the retailer to be broadcast by cable
2 television or other means of broadcasting, to consumers
3 located in this State.

4 3. A retailer, pursuant to a contract with a
5 broadcaster or publisher located in this State, soliciting
6 orders for tangible personal property by means of
7 advertising which is disseminated primarily to consumers
8 located in this State and only secondarily to bordering
9 jurisdictions.

10 4. A retailer soliciting orders for tangible personal
11 property by mail if the solicitations are substantial and
12 recurring and if the retailer benefits from any banking,
13 financing, debt collection, telecommunication, or
14 marketing activities occurring in this State or benefits
15 from the location in this State of authorized installation,
16 servicing, or repair facilities.

17 5. A retailer that is owned or controlled by the same
18 interests that own or control any retailer engaging in
19 business in the same or similar line of business in this
20 State.

21 6. A retailer having a franchisee or licensee operating
22 under its trade name if the franchisee or licensee is
23 required to collect the tax under this Section.

24 7. A retailer, pursuant to a contract with a cable
25 television operator located in this State, soliciting
26 orders for tangible personal property by means of

1 advertising which is transmitted or distributed over a
2 cable television system in this State.

3 8. A retailer engaging in activities in Illinois, which
4 activities in the state in which the retail business
5 engaging in such activities is located would constitute
6 maintaining a place of business in that state.

7 "Bulk vending machine" means a vending machine, containing
8 unsorted confections, nuts, toys, or other items designed
9 primarily to be used or played with by children which, when a
10 coin or coins of a denomination not larger than \$0.50 are
11 inserted, are dispensed in equal portions, at random and
12 without selection by the customer.

13 (Source: P.A. 98-628, eff. 1-1-15; 98-1080, eff. 8-26-14;
14 98-1089, eff. 1-1-15; 99-78, eff. 7-20-15.)

15 (35 ILCS 105/3-5)

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

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

25 (2) Personal property purchased by a not-for-profit

1 Illinois county fair association for use in conducting,
2 operating, or promoting the county fair.

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

18 (4) Personal property purchased by a governmental body, by
19 a corporation, society, association, foundation, or
20 institution organized and operated exclusively for charitable,
21 religious, or educational purposes, or by a not-for-profit
22 corporation, society, association, foundation, institution, or
23 organization that has no compensated officers or employees and
24 that is organized and operated primarily for the recreation of
25 persons 55 years of age or older. A limited liability company
26 may qualify for the exemption under this paragraph only if the

1 limited liability company is organized and operated
2 exclusively for educational purposes. On and after July 1,
3 1987, however, no entity otherwise eligible for this exemption
4 shall make tax-free purchases unless it has an active exemption
5 identification number issued by the Department.

6 (5) Until July 1, 2003, a passenger car that is a
7 replacement vehicle to the extent that the purchase price of
8 the car is subject to the Replacement Vehicle Tax.

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

19 (7) Farm chemicals.

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

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

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

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

23 Farm machinery and equipment shall include precision
24 farming equipment that is installed or purchased to be
25 installed on farm machinery and equipment including, but not
26 limited to, tractors, harvesters, sprayers, planters, seeders,

1 or spreaders. Precision farming equipment includes, but is not
2 limited to, soil testing sensors, computers, monitors,
3 software, global positioning and mapping systems, and other
4 such equipment.

5 Farm machinery and equipment also includes computers,
6 sensors, software, and related equipment used primarily in the
7 computer-assisted operation of production agriculture
8 facilities, equipment, and activities such as, but not limited
9 to, the collection, monitoring, and correlation of animal and
10 crop data for the purpose of formulating animal diets and
11 agricultural chemicals. This item (11) is exempt from the
12 provisions of Section 3-90.

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

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

1 origination to the city of final destination on the same
2 aircraft, without regard to a change in the flight number of
3 that aircraft.

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

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

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

26 (16) Until December 31, 2022, coal ~~Coal~~ and aggregate

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

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

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

1 a particular purchaser. The exemption provided by this
2 paragraph (18) does not include machinery and equipment used in
3 (i) the generation of electricity for wholesale or retail sale;
4 (ii) the generation or treatment of natural or artificial gas
5 for wholesale or retail sale that is delivered to customers
6 through pipes, pipelines, or mains; or (iii) the treatment of
7 water for wholesale or retail sale that is delivered to
8 customers through pipes, pipelines, or mains. The provisions of
9 Public Act 98-583 are declaratory of existing law as to the
10 meaning and scope of this exemption.

11 (19) Personal property delivered to a purchaser or
12 purchaser's donee inside Illinois when the purchase order for
13 that personal property was received by a florist located
14 outside Illinois who has a florist located inside Illinois
15 deliver the personal property.

16 (20) Semen used for artificial insemination of livestock
17 for direct agricultural production.

18 (21) Horses, or interests in horses, registered with and
19 meeting the requirements of any of the Arabian Horse Club
20 Registry of America, Appaloosa Horse Club, American Quarter
21 Horse Association, United States Trotting Association, or
22 Jockey Club, as appropriate, used for purposes of breeding or
23 racing for prizes. This item (21) is exempt from the provisions
24 of Section 3-90, and the exemption provided for under this item
25 (21) applies for all periods beginning May 30, 1995, but no
26 claim for credit or refund is allowed on or after January 1,

1 2008 for such taxes paid during the period beginning May 30,
2 2000 and ending on January 1, 2008.

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

26 (23) Personal property purchased by a lessor who leases the

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

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

1 that has been issued a sales tax exemption identification
2 number by the Department that assists victims of the disaster
3 who reside within the declared disaster area.

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

16 (26) Beginning July 1, 1999, game or game birds purchased
17 at a "game breeding and hunting preserve area" as that term is
18 used in the Wildlife Code. This paragraph is exempt from the
19 provisions of Section 3-90.

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

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

12 (28) Beginning January 1, 2000, personal property,
13 including food, purchased through fundraising events for the
14 benefit of a public or private elementary or secondary school,
15 a group of those schools, or one or more school districts if
16 the events are sponsored by an entity recognized by the school
17 district that consists primarily of volunteers and includes
18 parents and teachers of the school children. This paragraph
19 does not apply to fundraising events (i) for the benefit of
20 private home instruction or (ii) for which the fundraising
21 entity purchases the personal property sold at the events from
22 another individual or entity that sold the property for the
23 purpose of resale by the fundraising entity and that profits
24 from the sale to the fundraising entity. This paragraph is
25 exempt from the provisions of Section 3-90.

26 (29) Beginning January 1, 2000 and through December 31,

1 2001, new or used automatic vending machines that prepare and
2 serve hot food and beverages, including coffee, soup, and other
3 items, and replacement parts for these machines. Beginning
4 January 1, 2002 and through June 30, 2003, machines and parts
5 for machines used in commercial, coin-operated amusement and
6 vending business if a use or occupation tax is paid on the
7 gross receipts derived from the use of the commercial,
8 coin-operated amusement and vending machines. This paragraph
9 is exempt from the provisions of Section 3-90.

10 (30) Beginning January 1, 2001 and through June 30, 2016,
11 food for human consumption that is to be consumed off the
12 premises where it is sold (other than alcoholic beverages, soft
13 drinks, and food that has been prepared for immediate
14 consumption) and prescription and nonprescription medicines,
15 drugs, medical appliances, and insulin, urine testing
16 materials, syringes, and needles used by diabetics, for human
17 use, when purchased for use by a person receiving medical
18 assistance under Article V of the Illinois Public Aid Code who
19 resides in a licensed long-term care facility, as defined in
20 the Nursing Home Care Act, or in a licensed facility as defined
21 in the ID/DD Community Care Act, the MC/DD Act, or the
22 Specialized Mental Health Rehabilitation Act of 2013.

23 (31) Beginning on the effective date of this amendatory Act
24 of the 92nd General Assembly, computers and communications
25 equipment utilized for any hospital purpose and equipment used
26 in the diagnosis, analysis, or treatment of hospital patients

1 purchased by a lessor who leases the equipment, under a lease
2 of one year or longer executed or in effect at the time the
3 lessor would otherwise be subject to the tax imposed by this
4 Act, to a hospital that has been issued an active tax exemption
5 identification number by the Department under Section 1g of the
6 Retailers' Occupation Tax Act. If the equipment is leased in a
7 manner that does not qualify for this exemption or is used in
8 any other nonexempt manner, the lessor shall be liable for the
9 tax imposed under this Act or the Service Use Tax Act, as the
10 case may be, based on the fair market value of the property at
11 the time the nonqualifying use occurs. No lessor shall collect
12 or attempt to collect an amount (however designated) that
13 purports to reimburse that lessor for the tax imposed by this
14 Act or the Service Use Tax Act, as the case may be, if the tax
15 has not been paid by the lessor. If a lessor improperly
16 collects any such amount from the lessee, the lessee shall have
17 a legal right to claim a refund of that amount from the lessor.
18 If, however, that amount is not refunded to the lessee for any
19 reason, the lessor is liable to pay that amount to the
20 Department. This paragraph is exempt from the provisions of
21 Section 3-90.

22 (32) Beginning on the effective date of this amendatory Act
23 of the 92nd General Assembly, personal property purchased by a
24 lessor who leases the property, under a lease of one year or
25 longer executed or in effect at the time the lessor would
26 otherwise be subject to the tax imposed by this Act, to a

1 governmental body that has been issued an active sales tax
2 exemption identification number by the Department under
3 Section 1g of the Retailers' Occupation Tax Act. If the
4 property is leased in a manner that does not qualify for this
5 exemption or used in any other nonexempt manner, the lessor
6 shall be liable for the tax imposed under this Act or the
7 Service Use Tax Act, as the case may be, based on the fair
8 market value of the property at the time the nonqualifying use
9 occurs. No lessor shall collect or attempt to collect an amount
10 (however designated) that purports to reimburse that lessor for
11 the tax imposed by this Act or the Service Use Tax Act, as the
12 case may be, if the tax has not been paid by the lessor. If a
13 lessor improperly collects any such amount from the lessee, the
14 lessee shall have a legal right to claim a refund of that
15 amount from the lessor. If, however, that amount is not
16 refunded to the lessee for any reason, the lessor is liable to
17 pay that amount to the Department. This paragraph is exempt
18 from the provisions of Section 3-90.

19 (33) On and after July 1, 2003 and through June 30, 2004,
20 the use in this State of motor vehicles of the second division
21 with a gross vehicle weight in excess of 8,000 pounds and that
22 are subject to the commercial distribution fee imposed under
23 Section 3-815.1 of the Illinois Vehicle Code. Beginning on July
24 1, 2004 and through June 30, 2005, the use in this State of
25 motor vehicles of the second division: (i) with a gross vehicle
26 weight rating in excess of 8,000 pounds; (ii) that are subject

1 to the commercial distribution fee imposed under Section
2 3-815.1 of the Illinois Vehicle Code; and (iii) that are
3 primarily used for commercial purposes. Through June 30, 2005,
4 this exemption applies to repair and replacement parts added
5 after the initial purchase of such a motor vehicle if that
6 motor vehicle is used in a manner that would qualify for the
7 rolling stock exemption otherwise provided for in this Act. For
8 purposes of this paragraph, the term "used for commercial
9 purposes" means the transportation of persons or property in
10 furtherance of any commercial or industrial enterprise,
11 whether for-hire or not.

12 (34) Beginning January 1, 2008, tangible personal property
13 used in the construction or maintenance of a community water
14 supply, as defined under Section 3.145 of the Environmental
15 Protection Act, that is operated by a not-for-profit
16 corporation that holds a valid water supply permit issued under
17 Title IV of the Environmental Protection Act. This paragraph is
18 exempt from the provisions of Section 3-90.

19 (35) Beginning January 1, 2010, materials, parts,
20 equipment, components, and furnishings incorporated into or
21 upon an aircraft as part of the modification, refurbishment,
22 completion, replacement, repair, or maintenance of the
23 aircraft. This exemption includes consumable supplies used in
24 the modification, refurbishment, completion, replacement,
25 repair, and maintenance of aircraft, but excludes any
26 materials, parts, equipment, components, and consumable

1 supplies used in the modification, replacement, repair, and
2 maintenance of aircraft engines or power plants, whether such
3 engines or power plants are installed or uninstalled upon any
4 such aircraft. "Consumable supplies" include, but are not
5 limited to, adhesive, tape, sandpaper, general purpose
6 lubricants, cleaning solution, latex gloves, and protective
7 films. This exemption applies only to the use of qualifying
8 tangible personal property by persons who modify, refurbish,
9 complete, repair, replace, or maintain aircraft and who (i)
10 hold an Air Agency Certificate and are empowered to operate an
11 approved repair station by the Federal Aviation
12 Administration, (ii) have a Class IV Rating, and (iii) conduct
13 operations in accordance with Part 145 of the Federal Aviation
14 Regulations. The exemption does not include aircraft operated
15 by a commercial air carrier providing scheduled passenger air
16 service pursuant to authority issued under Part 121 or Part 129
17 of the Federal Aviation Regulations. The changes made to this
18 paragraph (35) by Public Act 98-534 are declarative of existing
19 law.

20 (36) Tangible personal property purchased by a
21 public-facilities corporation, as described in Section
22 11-65-10 of the Illinois Municipal Code, for purposes of
23 constructing or furnishing a municipal convention hall, but
24 only if the legal title to the municipal convention hall is
25 transferred to the municipality without any further
26 consideration by or on behalf of the municipality at the time

1 of the completion of the municipal convention hall or upon the
2 retirement or redemption of any bonds or other debt instruments
3 issued by the public-facilities corporation in connection with
4 the development of the municipal convention hall. This
5 exemption includes existing public-facilities corporations as
6 provided in Section 11-65-25 of the Illinois Municipal Code.
7 This paragraph is exempt from the provisions of Section 3-90.

8 (37) Beginning January 1, 2017, menstrual pads, tampons,
9 and menstrual cups.

10 (Source: P.A. 98-104, eff. 7-22-13; 98-422, eff. 8-16-13;
11 98-456, eff. 8-16-13; 98-534, eff. 8-23-13; 98-574, eff.
12 1-1-14; 98-583, eff. 1-1-14; 98-756, eff. 7-16-14; 99-180, eff.
13 7-29-15; 99-855, eff. 8-19-16.)

14 Section 20-10. The Service Use Tax Act is amended by
15 changing Sections 2 and 3-5 as follows:

16 (35 ILCS 110/2) (from Ch. 120, par. 439.32)

17 Sec. 2. Definitions.

18 "Use" means the exercise by any person of any right or
19 power over tangible personal property incident to the ownership
20 of that property, but does not include the sale or use for
21 demonstration by him of that property in any form as tangible
22 personal property in the regular course of business. "Use" does
23 not mean the interim use of tangible personal property nor the
24 physical incorporation of tangible personal property, as an

1 ingredient or constituent, into other tangible personal
2 property, (a) which is sold in the regular course of business
3 or (b) which the person incorporating such ingredient or
4 constituent therein has undertaken at the time of such purchase
5 to cause to be transported in interstate commerce to
6 destinations outside the State of Illinois.

7 "Purchased from a serviceman" means the acquisition of the
8 ownership of, or title to, tangible personal property through a
9 sale of service.

10 "Purchaser" means any person who, through a sale of
11 service, acquires the ownership of, or title to, any tangible
12 personal property.

13 "Cost price" means the consideration paid by the serviceman
14 for a purchase valued in money, whether paid in money or
15 otherwise, including cash, credits and services, and shall be
16 determined without any deduction on account of the supplier's
17 cost of the property sold or on account of any other expense
18 incurred by the supplier. When a serviceman contracts out part
19 or all of the services required in his sale of service, it
20 shall be presumed that the cost price to the serviceman of the
21 property transferred to him or her by his or her subcontractor
22 is equal to 50% of the subcontractor's charges to the
23 serviceman in the absence of proof of the consideration paid by
24 the subcontractor for the purchase of such property.

25 "Selling price" means the consideration for a sale valued
26 in money whether received in money or otherwise, including

1 cash, credits and service, and shall be determined without any
2 deduction on account of the serviceman's cost of the property
3 sold, the cost of materials used, labor or service cost or any
4 other expense whatsoever, but does not include interest or
5 finance charges which appear as separate items on the bill of
6 sale or sales contract nor charges that are added to prices by
7 sellers on account of the seller's duty to collect, from the
8 purchaser, the tax that is imposed by this Act. Beginning
9 January 1, 2018, "selling price" shall not include any shipping
10 or delivery charges, which means any freight, express, mail,
11 truck, or other carrier conveyance or delivery process.

12 "Department" means the Department of Revenue.

13 "Person" means any natural individual, firm, partnership,
14 association, joint stock company, joint venture, public or
15 private corporation, limited liability company, and any
16 receiver, executor, trustee, guardian or other representative
17 appointed by order of any court.

18 "Sale of service" means any transaction except:

19 (1) a retail sale of tangible personal property taxable
20 under the Retailers' Occupation Tax Act or under the Use
21 Tax Act.

22 (2) a sale of tangible personal property for the
23 purpose of resale made in compliance with Section 2c of the
24 Retailers' Occupation Tax Act.

25 (3) except as hereinafter provided, a sale or transfer
26 of tangible personal property as an incident to the

1 rendering of service for or by any governmental body, or
2 for or by any corporation, society, association,
3 foundation or institution organized and operated
4 exclusively for charitable, religious or educational
5 purposes or any not-for-profit corporation, society,
6 association, foundation, institution or organization which
7 has no compensated officers or employees and which is
8 organized and operated primarily for the recreation of
9 persons 55 years of age or older. A limited liability
10 company may qualify for the exemption under this paragraph
11 only if the limited liability company is organized and
12 operated exclusively for educational purposes.

13 (4) a sale or transfer of tangible personal property as
14 an incident to the rendering of service for interstate
15 carriers for hire for use as rolling stock moving in
16 interstate commerce or by lessors under a lease of one year
17 or longer, executed or in effect at the time of purchase of
18 personal property, to interstate carriers for hire for use
19 as rolling stock moving in interstate commerce so long as
20 so used by such interstate carriers for hire, and equipment
21 operated by a telecommunications provider, licensed as a
22 common carrier by the Federal Communications Commission,
23 which is permanently installed in or affixed to aircraft
24 moving in interstate commerce.

25 (4a) a sale or transfer of tangible personal property
26 as an incident to the rendering of service for owners,

1 lessors, or shippers of tangible personal property which is
2 utilized by interstate carriers for hire for use as rolling
3 stock moving in interstate commerce so long as so used by
4 interstate carriers for hire, and equipment operated by a
5 telecommunications provider, licensed as a common carrier
6 by the Federal Communications Commission, which is
7 permanently installed in or affixed to aircraft moving in
8 interstate commerce.

9 (4a-5) on and after July 1, 2003 and through June 30,
10 2004, a sale or transfer of a motor vehicle of the second
11 division with a gross vehicle weight in excess of 8,000
12 pounds as an incident to the rendering of service if that
13 motor vehicle is subject to the commercial distribution fee
14 imposed under Section 3-815.1 of the Illinois Vehicle Code.
15 Beginning on July 1, 2004 and through June 30, 2005, the
16 use in this State of motor vehicles of the second division:
17 (i) with a gross vehicle weight rating in excess of 8,000
18 pounds; (ii) that are subject to the commercial
19 distribution fee imposed under Section 3-815.1 of the
20 Illinois Vehicle Code; and (iii) that are primarily used
21 for commercial purposes. Through June 30, 2005, this
22 exemption applies to repair and replacement parts added
23 after the initial purchase of such a motor vehicle if that
24 motor vehicle is used in a manner that would qualify for
25 the rolling stock exemption otherwise provided for in this
26 Act. For purposes of this paragraph, "used for commercial

1 purposes" means the transportation of persons or property
2 in furtherance of any commercial or industrial enterprise
3 whether for-hire or not.

4 (5) a sale or transfer of machinery and equipment used
5 primarily in the process of the manufacturing or
6 assembling, either in an existing, an expanded or a new
7 manufacturing facility, of tangible personal property for
8 wholesale or retail sale or lease, whether such sale or
9 lease is made directly by the manufacturer or by some other
10 person, whether the materials used in the process are owned
11 by the manufacturer or some other person, or whether such
12 sale or lease is made apart from or as an incident to the
13 seller's engaging in a service occupation and the
14 applicable tax is a Service Use Tax or Service Occupation
15 Tax, rather than Use Tax or Retailers' Occupation Tax. The
16 exemption provided by this paragraph (5) does not include
17 machinery and equipment used in (i) the generation of
18 electricity for wholesale or retail sale; (ii) the
19 generation or treatment of natural or artificial gas for
20 wholesale or retail sale that is delivered to customers
21 through pipes, pipelines, or mains; or (iii) the treatment
22 of water for wholesale or retail sale that is delivered to
23 customers through pipes, pipelines, or mains. The
24 provisions of this amendatory Act of the 98th General
25 Assembly are declaratory of existing law as to the meaning
26 and scope of this exemption.

1 (5a) the repairing, reconditioning or remodeling, for
2 a common carrier by rail, of tangible personal property
3 which belongs to such carrier for hire, and as to which
4 such carrier receives the physical possession of the
5 repaired, reconditioned or remodeled item of tangible
6 personal property in Illinois, and which such carrier
7 transports, or shares with another common carrier in the
8 transportation of such property, out of Illinois on a
9 standard uniform bill of lading showing the person who
10 repaired, reconditioned or remodeled the property to a
11 destination outside Illinois, for use outside Illinois.

12 (5b) a sale or transfer of tangible personal property
13 which is produced by the seller thereof on special order in
14 such a way as to have made the applicable tax the Service
15 Occupation Tax or the Service Use Tax, rather than the
16 Retailers' Occupation Tax or the Use Tax, for an interstate
17 carrier by rail which receives the physical possession of
18 such property in Illinois, and which transports such
19 property, or shares with another common carrier in the
20 transportation of such property, out of Illinois on a
21 standard uniform bill of lading showing the seller of the
22 property as the shipper or consignor of such property to a
23 destination outside Illinois, for use outside Illinois.

24 (6) until July 1, 2003, a sale or transfer of
25 distillation machinery and equipment, sold as a unit or kit
26 and assembled or installed by the retailer, which machinery

1 and equipment is certified by the user to be used only for
2 the production of ethyl alcohol that will be used for
3 consumption as motor fuel or as a component of motor fuel
4 for the personal use of such user and not subject to sale
5 or resale.

6 (7) at the election of any serviceman not required to
7 be otherwise registered as a retailer under Section 2a of
8 the Retailers' Occupation Tax Act, made for each fiscal
9 year sales of service in which the aggregate annual cost
10 price of tangible personal property transferred as an
11 incident to the sales of service is less than 35%, or 75%
12 in the case of servicemen transferring prescription drugs
13 or servicemen engaged in graphic arts production, of the
14 aggregate annual total gross receipts from all sales of
15 service. The purchase of such tangible personal property by
16 the serviceman shall be subject to tax under the Retailers'
17 Occupation Tax Act and the Use Tax Act. However, if a
18 primary serviceman who has made the election described in
19 this paragraph subcontracts service work to a secondary
20 serviceman who has also made the election described in this
21 paragraph, the primary serviceman does not incur a Use Tax
22 liability if the secondary serviceman (i) has paid or will
23 pay Use Tax on his or her cost price of any tangible
24 personal property transferred to the primary serviceman
25 and (ii) certifies that fact in writing to the primary
26 serviceman.

1 Tangible personal property transferred incident to the
2 completion of a maintenance agreement is exempt from the tax
3 imposed pursuant to this Act.

4 Exemption (5) also includes machinery and equipment used in
5 the general maintenance or repair of such exempt machinery and
6 equipment or for in-house manufacture of exempt machinery and
7 equipment. The machinery and equipment exemption does not
8 include machinery and equipment used in (i) the generation of
9 electricity for wholesale or retail sale; (ii) the generation
10 or treatment of natural or artificial gas for wholesale or
11 retail sale that is delivered to customers through pipes,
12 pipelines, or mains; or (iii) the treatment of water for
13 wholesale or retail sale that is delivered to customers through
14 pipes, pipelines, or mains. The provisions of this amendatory
15 Act of the 98th General Assembly are declaratory of existing
16 law as to the meaning and scope of this exemption. For the
17 purposes of exemption (5), each of these terms shall have the
18 following meanings: (1) "manufacturing process" shall mean the
19 production of any article of tangible personal property,
20 whether such article is a finished product or an article for
21 use in the process of manufacturing or assembling a different
22 article of tangible personal property, by procedures commonly
23 regarded as manufacturing, processing, fabricating, or
24 refining which changes some existing material or materials into
25 a material with a different form, use or name. In relation to a
26 recognized integrated business composed of a series of

1 operations which collectively constitute manufacturing, or
2 individually constitute manufacturing operations, the
3 manufacturing process shall be deemed to commence with the
4 first operation or stage of production in the series, and shall
5 not be deemed to end until the completion of the final product
6 in the last operation or stage of production in the series; and
7 further, for purposes of exemption (5), photoprocessing is
8 deemed to be a manufacturing process of tangible personal
9 property for wholesale or retail sale; (2) "assembling process"
10 shall mean the production of any article of tangible personal
11 property, whether such article is a finished product or an
12 article for use in the process of manufacturing or assembling a
13 different article of tangible personal property, by the
14 combination of existing materials in a manner commonly regarded
15 as assembling which results in a material of a different form,
16 use or name; (3) "machinery" shall mean major mechanical
17 machines or major components of such machines contributing to a
18 manufacturing or assembling process; and (4) "equipment" shall
19 include any independent device or tool separate from any
20 machinery but essential to an integrated manufacturing or
21 assembly process; including computers used primarily in a
22 manufacturer's computer assisted design, computer assisted
23 manufacturing (CAD/CAM) system; or any subunit or assembly
24 comprising a component of any machinery or auxiliary, adjunct
25 or attachment parts of machinery, such as tools, dies, jigs,
26 fixtures, patterns and molds; or any parts which require

1 periodic replacement in the course of normal operation; but
2 shall not include hand tools. Equipment includes chemicals or
3 chemicals acting as catalysts but only if the chemicals or
4 chemicals acting as catalysts effect a direct and immediate
5 change upon a product being manufactured or assembled for
6 wholesale or retail sale or lease. The purchaser of such
7 machinery and equipment who has an active resale registration
8 number shall furnish such number to the seller at the time of
9 purchase. The user of such machinery and equipment and tools
10 without an active resale registration number shall prepare a
11 certificate of exemption for each transaction stating facts
12 establishing the exemption for that transaction, which
13 certificate shall be available to the Department for inspection
14 or audit. The Department shall prescribe the form of the
15 certificate.

16 Any informal rulings, opinions or letters issued by the
17 Department in response to an inquiry or request for any opinion
18 from any person regarding the coverage and applicability of
19 exemption (5) to specific devices shall be published,
20 maintained as a public record, and made available for public
21 inspection and copying. If the informal ruling, opinion or
22 letter contains trade secrets or other confidential
23 information, where possible the Department shall delete such
24 information prior to publication. Whenever such informal
25 rulings, opinions, or letters contain any policy of general
26 applicability, the Department shall formulate and adopt such

1 policy as a rule in accordance with the provisions of the
2 Illinois Administrative Procedure Act.

3 On and after July 1, 1987, no entity otherwise eligible
4 under exemption (3) of this Section shall make tax free
5 purchases unless it has an active exemption identification
6 number issued by the Department.

7 The purchase, employment and transfer of such tangible
8 personal property as newsprint and ink for the primary purpose
9 of conveying news (with or without other information) is not a
10 purchase, use or sale of service or of tangible personal
11 property within the meaning of this Act.

12 "Serviceman" means any person who is engaged in the
13 occupation of making sales of service.

14 "Sale at retail" means "sale at retail" as defined in the
15 Retailers' Occupation Tax Act.

16 "Supplier" means any person who makes sales of tangible
17 personal property to servicemen for the purpose of resale as an
18 incident to a sale of service.

19 "Serviceman maintaining a place of business in this State",
20 or any like term, means and includes any serviceman:

21 1. having or maintaining within this State, directly or
22 by a subsidiary, an office, distribution house, sales
23 house, warehouse or other place of business, or any agent
24 or other representative operating within this State under
25 the authority of the serviceman or its subsidiary,
26 irrespective of whether such place of business or agent or

1 other representative is located here permanently or
2 temporarily, or whether such serviceman or subsidiary is
3 licensed to do business in this State;

4 1.1. having a contract with a person located in this
5 State under which the person, for a commission or other
6 consideration based on the sale of service by the
7 serviceman, directly or indirectly refers potential
8 customers to the serviceman by providing to the potential
9 customers a promotional code or other mechanism that allows
10 the serviceman to track purchases referred by such persons.
11 Examples of mechanisms that allow the serviceman to track
12 purchases referred by such persons include but are not
13 limited to the use of a link on the person's Internet
14 website, promotional codes distributed through the
15 person's hand-delivered or mailed material, and
16 promotional codes distributed by the person through radio
17 or other broadcast media. The provisions of this paragraph
18 1.1 shall apply only if the cumulative gross receipts from
19 sales of service by the serviceman to customers who are
20 referred to the serviceman by all persons in this State
21 under such contracts exceed \$10,000 during the preceding 4
22 quarterly periods ending on the last day of March, June,
23 September, and December; a serviceman meeting the
24 requirements of this paragraph 1.1 shall be presumed to be
25 maintaining a place of business in this State but may rebut
26 this presumption by submitting proof that the referrals or

1 other activities pursued within this State by such persons
2 were not sufficient to meet the nexus standards of the
3 United States Constitution during the preceding 4
4 quarterly periods;

5 1.2. beginning July 1, 2011, having a contract with a
6 person located in this State under which:

7 A. the serviceman sells the same or substantially
8 similar line of services as the person located in this
9 State and does so using an identical or substantially
10 similar name, trade name, or trademark as the person
11 located in this State; and

12 B. the serviceman provides a commission or other
13 consideration to the person located in this State based
14 upon the sale of services by the serviceman.

15 The provisions of this paragraph 1.2 shall apply only if
16 the cumulative gross receipts from sales of service by the
17 serviceman to customers in this State under all such
18 contracts exceed \$10,000 during the preceding 4 quarterly
19 periods ending on the last day of March, June, September,
20 and December;

21 2. soliciting orders for tangible personal property by
22 means of a telecommunication or television shopping system
23 (which utilizes toll free numbers) which is intended by the
24 retailer to be broadcast by cable television or other means
25 of broadcasting, to consumers located in this State;

26 3. pursuant to a contract with a broadcaster or

1 publisher located in this State, soliciting orders for
2 tangible personal property by means of advertising which is
3 disseminated primarily to consumers located in this State
4 and only secondarily to bordering jurisdictions;

5 4. soliciting orders for tangible personal property by
6 mail if the solicitations are substantial and recurring and
7 if the retailer benefits from any banking, financing, debt
8 collection, telecommunication, or marketing activities
9 occurring in this State or benefits from the location in
10 this State of authorized installation, servicing, or
11 repair facilities;

12 5. being owned or controlled by the same interests
13 which own or control any retailer engaging in business in
14 the same or similar line of business in this State;

15 6. having a franchisee or licensee operating under its
16 trade name if the franchisee or licensee is required to
17 collect the tax under this Section;

18 7. pursuant to a contract with a cable television
19 operator located in this State, soliciting orders for
20 tangible personal property by means of advertising which is
21 transmitted or distributed over a cable television system
22 in this State; or

23 8. engaging in activities in Illinois, which
24 activities in the state in which the supply business
25 engaging in such activities is located would constitute
26 maintaining a place of business in that state.

1 (Source: P.A. 98-583, eff. 1-1-14; 98-1089, eff. 1-1-15.)

2 (35 ILCS 110/3-5)

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

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

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

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

1 of this amendatory Act of the 92nd General Assembly, however,
2 an entity otherwise eligible for this exemption shall not make
3 tax-free purchases unless it has an active identification
4 number issued by the Department.

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

9 (5) Until July 1, 2003 and beginning again on September 1,
10 2004 through August 30, 2014, graphic arts machinery and
11 equipment, including repair and replacement parts, both new and
12 used, and including that manufactured on special order or
13 purchased for lease, certified by the purchaser to be used
14 primarily for graphic arts production. Equipment includes
15 chemicals or chemicals acting as catalysts but only if the
16 chemicals or chemicals acting as catalysts effect a direct and
17 immediate change upon a graphic arts product.

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

21 (7) Farm machinery and equipment, both new and used,
22 including that manufactured on special order, certified by the
23 purchaser to be used primarily for production agriculture or
24 State or federal agricultural programs, including individual
25 replacement parts for the machinery and equipment, including
26 machinery and equipment purchased for lease, and including

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

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

22 Farm machinery and equipment also includes computers,
23 sensors, software, and related equipment used primarily in the
24 computer-assisted operation of production agriculture
25 facilities, equipment, and activities such as, but not limited
26 to, the collection, monitoring, and correlation of animal and

1 crop data for the purpose of formulating animal diets and
2 agricultural chemicals. This item (7) is exempt from the
3 provisions of Section 3-75.

4 (8) Until June 30, 2013, fuel and petroleum products sold
5 to or used by an air common carrier, certified by the carrier
6 to be used for consumption, shipment, or storage in the conduct
7 of its business as an air common carrier, for a flight destined
8 for or returning from a location or locations outside the
9 United States without regard to previous or subsequent domestic
10 stopovers.

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

21 (9) Proceeds of mandatory service charges separately
22 stated on customers' bills for the purchase and consumption of
23 food and beverages acquired as an incident to the purchase of a
24 service from a serviceman, to the extent that the proceeds of
25 the service charge are in fact turned over as tips or as a
26 substitute for tips to the employees who participate directly

1 in preparing, serving, hosting or cleaning up the food or
2 beverage function with respect to which the service charge is
3 imposed.

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

13 (11) Proceeds from the sale of photoprocessing machinery
14 and equipment, including repair and replacement parts, both new
15 and used, including that manufactured on special order,
16 certified by the purchaser to be used primarily for
17 photoprocessing, and including photoprocessing machinery and
18 equipment purchased for lease.

19 (12) Until December 31, 2022, coal ~~Coal~~ and aggregate
20 exploration, mining, off-highway hauling, processing,
21 maintenance, and reclamation equipment, including replacement
22 parts and equipment, and including equipment purchased for
23 lease, but excluding motor vehicles required to be registered
24 under the Illinois Vehicle Code. The changes made to this
25 Section by Public Act 97-767 apply on and after July 1, 2003,
26 but no claim for credit or refund is allowed on or after August

1 16, 2013 (the effective date of Public Act 98-456) for such
2 taxes paid during the period beginning July 1, 2003 and ending
3 on August 16, 2013 (the effective date of Public Act 98-456).

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

6 (14) Horses, or interests in horses, registered with and
7 meeting the requirements of any of the Arabian Horse Club
8 Registry of America, Appaloosa Horse Club, American Quarter
9 Horse Association, United States Trotting Association, or
10 Jockey Club, as appropriate, used for purposes of breeding or
11 racing for prizes. This item (14) is exempt from the provisions
12 of Section 3-75, and the exemption provided for under this item
13 (14) applies for all periods beginning May 30, 1995, but no
14 claim for credit or refund is allowed on or after the effective
15 date of this amendatory Act of the 95th General Assembly for
16 such taxes paid during the period beginning May 30, 2000 and
17 ending on the effective date of this amendatory Act of the 95th
18 General Assembly.

19 (15) Computers and communications equipment utilized for
20 any hospital purpose and equipment used in the diagnosis,
21 analysis, or treatment of hospital patients purchased by a
22 lessor who leases the equipment, under a lease of one year or
23 longer executed or in effect at the time the lessor would
24 otherwise be subject to the tax imposed by this Act, to a
25 hospital that has been issued an active tax exemption
26 identification number by the Department under Section 1g of the

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

15 (16) Personal property purchased by a lessor who leases the
16 property, under a lease of one year or longer executed or in
17 effect at the time the lessor would otherwise be subject to the
18 tax imposed by this Act, to a governmental body that has been
19 issued an active tax exemption identification number by the
20 Department under Section 1g of the Retailers' Occupation Tax
21 Act. If the property is leased in a manner that does not
22 qualify for this exemption or is used in any other non-exempt
23 manner, the lessor shall be liable for the tax imposed under
24 this Act or the Use Tax Act, as the case may be, based on the
25 fair market value of the property at the time the
26 non-qualifying use occurs. No lessor shall collect or attempt

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

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

19 (18) Beginning with taxable years ending on or after
20 December 31, 1995 and ending with taxable years ending on or
21 before December 31, 2004, personal property that is used in the
22 performance of infrastructure repairs in this State, including
23 but not limited to municipal roads and streets, access roads,
24 bridges, sidewalks, waste disposal systems, water and sewer
25 line extensions, water distribution and purification
26 facilities, storm water drainage and retention facilities, and

1 sewage treatment facilities, resulting from a State or
2 federally declared disaster in Illinois or bordering Illinois
3 when such repairs are initiated on facilities located in the
4 declared disaster area within 6 months after the disaster.

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

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

1 (21) Beginning January 1, 2000, personal property,
2 including food, purchased through fundraising events for the
3 benefit of a public or private elementary or secondary school,
4 a group of those schools, or one or more school districts if
5 the events are sponsored by an entity recognized by the school
6 district that consists primarily of volunteers and includes
7 parents and teachers of the school children. This paragraph
8 does not apply to fundraising events (i) for the benefit of
9 private home instruction or (ii) for which the fundraising
10 entity purchases the personal property sold at the events from
11 another individual or entity that sold the property for the
12 purpose of resale by the fundraising entity and that profits
13 from the sale to the fundraising entity. This paragraph is
14 exempt from the provisions of Section 3-75.

15 (22) Beginning January 1, 2000 and through December 31,
16 2001, new or used automatic vending machines that prepare and
17 serve hot food and beverages, including coffee, soup, and other
18 items, and replacement parts for these machines. Beginning
19 January 1, 2002 and through June 30, 2003, machines and parts
20 for machines used in commercial, coin-operated amusement and
21 vending business if a use or occupation tax is paid on the
22 gross receipts derived from the use of the commercial,
23 coin-operated amusement and vending machines. This paragraph
24 is exempt from the provisions of Section 3-75.

25 (23) Beginning August 23, 2001 and through June 30, 2016,
26 food for human consumption that is to be consumed off the

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

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

1 attempt to collect an amount (however designated) that purports
2 to reimburse that lessor for the tax imposed by this Act or the
3 Use Tax Act, as the case may be, if the tax has not been paid by
4 the lessor. If a lessor improperly collects any such amount
5 from the lessee, the lessee shall have a legal right to claim a
6 refund of that amount from the lessor. If, however, that amount
7 is not refunded to the lessee for any reason, the lessor is
8 liable to pay that amount to the Department. This paragraph is
9 exempt from the provisions of Section 3-75.

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

1 from the lessee, the lessee shall have a legal right to claim a
2 refund of that amount from the lessor. If, however, that amount
3 is not refunded to the lessee for any reason, the lessor is
4 liable to pay that amount to the Department. This paragraph is
5 exempt from the provisions of Section 3-75.

6 (26) Beginning January 1, 2008, tangible personal property
7 used in the construction or maintenance of a community water
8 supply, as defined under Section 3.145 of the Environmental
9 Protection Act, that is operated by a not-for-profit
10 corporation that holds a valid water supply permit issued under
11 Title IV of the Environmental Protection Act. This paragraph is
12 exempt from the provisions of Section 3-75.

13 (27) Beginning January 1, 2010, materials, parts,
14 equipment, components, and furnishings incorporated into or
15 upon an aircraft as part of the modification, refurbishment,
16 completion, replacement, repair, or maintenance of the
17 aircraft. This exemption includes consumable supplies used in
18 the modification, refurbishment, completion, replacement,
19 repair, and maintenance of aircraft, but excludes any
20 materials, parts, equipment, components, and consumable
21 supplies used in the modification, replacement, repair, and
22 maintenance of aircraft engines or power plants, whether such
23 engines or power plants are installed or uninstalled upon any
24 such aircraft. "Consumable supplies" include, but are not
25 limited to, adhesive, tape, sandpaper, general purpose
26 lubricants, cleaning solution, latex gloves, and protective

1 films. This exemption applies only to the use of qualifying
2 tangible personal property transferred incident to the
3 modification, refurbishment, completion, replacement, repair,
4 or maintenance of aircraft by persons who (i) hold an Air
5 Agency Certificate and are empowered to operate an approved
6 repair station by the Federal Aviation Administration, (ii)
7 have a Class IV Rating, and (iii) conduct operations in
8 accordance with Part 145 of the Federal Aviation Regulations.
9 The exemption does not include aircraft operated by a
10 commercial air carrier providing scheduled passenger air
11 service pursuant to authority issued under Part 121 or Part 129
12 of the Federal Aviation Regulations. The changes made to this
13 paragraph (27) by Public Act 98-534 are declarative of existing
14 law.

15 (28) Tangible personal property purchased by a
16 public-facilities corporation, as described in Section
17 11-65-10 of the Illinois Municipal Code, for purposes of
18 constructing or furnishing a municipal convention hall, but
19 only if the legal title to the municipal convention hall is
20 transferred to the municipality without any further
21 consideration by or on behalf of the municipality at the time
22 of the completion of the municipal convention hall or upon the
23 retirement or redemption of any bonds or other debt instruments
24 issued by the public-facilities corporation in connection with
25 the development of the municipal convention hall. This
26 exemption includes existing public-facilities corporations as

1 provided in Section 11-65-25 of the Illinois Municipal Code.
2 This paragraph is exempt from the provisions of Section 3-75.

3 (29) Beginning January 1, 2017, menstrual pads, tampons,
4 and menstrual cups.

5 (Source: P.A. 98-104, eff. 7-22-13; 98-422, eff. 8-16-13;
6 98-456, eff. 8-16-13; 98-534, eff. 8-23-13; 98-756, eff.
7 7-16-14; 99-180, eff. 7-29-15; 99-855, eff. 8-19-16.)

8 Section 20-15. The Service Occupation Tax Act is amended by
9 changing Section 3-5 as follows:

10 (35 ILCS 115/3-5)

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

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

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

23 (3) Personal property purchased by any not-for-profit arts
24 or cultural organization that establishes, by proof required by

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

14 (4) Legal tender, currency, medallions, or gold or silver
15 coinage issued by the State of Illinois, the government of the
16 United States of America, or the government of any foreign
17 country, and bullion.

18 (5) Until July 1, 2003 and beginning again on September 1,
19 2004 through August 30, 2014, graphic arts machinery and
20 equipment, including repair and replacement parts, both new and
21 used, and including that manufactured on special order or
22 purchased for lease, certified by the purchaser to be used
23 primarily for graphic arts production. Equipment includes
24 chemicals or chemicals acting as catalysts but only if the
25 chemicals or chemicals acting as catalysts effect a direct and
26 immediate change upon a graphic arts product.

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

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

23 Farm machinery and equipment shall include precision
24 farming equipment that is installed or purchased to be
25 installed on farm machinery and equipment including, but not
26 limited to, tractors, harvesters, sprayers, planters, seeders,

1 or spreaders. Precision farming equipment includes, but is not
2 limited to, soil testing sensors, computers, monitors,
3 software, global positioning and mapping systems, and other
4 such equipment.

5 Farm machinery and equipment also includes computers,
6 sensors, software, and related equipment used primarily in the
7 computer-assisted operation of production agriculture
8 facilities, equipment, and activities such as, but not limited
9 to, the collection, monitoring, and correlation of animal and
10 crop data for the purpose of formulating animal diets and
11 agricultural chemicals. This item (7) is exempt from the
12 provisions of Section 3-55.

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

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

1 origination to the city of final destination on the same
2 aircraft, without regard to a change in the flight number of
3 that aircraft.

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

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

21 (11) Photoprocessing machinery and equipment, including
22 repair and replacement parts, both new and used, including that
23 manufactured on special order, certified by the purchaser to be
24 used primarily for photoprocessing, and including
25 photoprocessing machinery and equipment purchased for lease.

26 (12) Until December 31, 2022, coal ~~Coal~~ and aggregate

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

11 (13) Beginning January 1, 1992 and through June 30, 2016,
12 food for human consumption that is to be consumed off the
13 premises where it is sold (other than alcoholic beverages, soft
14 drinks and food that has been prepared for immediate
15 consumption) and prescription and non-prescription medicines,
16 drugs, medical appliances, and insulin, urine testing
17 materials, syringes, and needles used by diabetics, for human
18 use, when purchased for use by a person receiving medical
19 assistance under Article V of the Illinois Public Aid Code who
20 resides in a licensed long-term care facility, as defined in
21 the Nursing Home Care Act, or in a licensed facility as defined
22 in the ID/DD Community Care Act, the MC/DD Act, or the
23 Specialized Mental Health Rehabilitation Act of 2013.

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

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

1 meeting the requirements of any of the Arabian Horse Club
2 Registry of America, Appaloosa Horse Club, American Quarter
3 Horse Association, United States Trotting Association, or
4 Jockey Club, as appropriate, used for purposes of breeding or
5 racing for prizes. This item (15) is exempt from the provisions
6 of Section 3-55, and the exemption provided for under this item
7 (15) applies for all periods beginning May 30, 1995, but no
8 claim for credit or refund is allowed on or after January 1,
9 2008 (the effective date of Public Act 95-88) for such taxes
10 paid during the period beginning May 30, 2000 and ending on
11 January 1, 2008 (the effective date of Public Act 95-88).

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

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

26 (18) Beginning with taxable years ending on or after

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

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

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

26 (21) A motor vehicle, as that term is defined in Section

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

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

1 entity purchases the personal property sold at the events from
2 another individual or entity that sold the property for the
3 purpose of resale by the fundraising entity and that profits
4 from the sale to the fundraising entity. This paragraph is
5 exempt from the provisions of Section 3-55.

6 (23) Beginning January 1, 2000 and through December 31,
7 2001, new or used automatic vending machines that prepare and
8 serve hot food and beverages, including coffee, soup, and other
9 items, and replacement parts for these machines. Beginning
10 January 1, 2002 and through June 30, 2003, machines and parts
11 for machines used in commercial, coin-operated amusement and
12 vending business if a use or occupation tax is paid on the
13 gross receipts derived from the use of the commercial,
14 coin-operated amusement and vending machines. This paragraph
15 is exempt from the provisions of Section 3-55.

16 (24) Beginning on the effective date of this amendatory Act
17 of the 92nd General Assembly, computers and communications
18 equipment utilized for any hospital purpose and equipment used
19 in the diagnosis, analysis, or treatment of hospital patients
20 sold to a lessor who leases the equipment, under a lease of one
21 year or longer executed or in effect at the time of the
22 purchase, to a hospital that has been issued an active tax
23 exemption identification number by the Department under
24 Section 1g of the Retailers' Occupation Tax Act. This paragraph
25 is exempt from the provisions of Section 3-55.

26 (25) Beginning on the effective date of this amendatory Act

1 of the 92nd General Assembly, personal property sold to a
2 lessor who leases the property, under a lease of one year or
3 longer executed or in effect at the time of the purchase, to a
4 governmental body that has been issued an active tax exemption
5 identification number by the Department under Section 1g of the
6 Retailers' Occupation Tax Act. This paragraph is exempt from
7 the provisions of Section 3-55.

8 (26) Beginning on January 1, 2002 and through June 30,
9 2016, tangible personal property purchased from an Illinois
10 retailer by a taxpayer engaged in centralized purchasing
11 activities in Illinois who will, upon receipt of the property
12 in Illinois, temporarily store the property in Illinois (i) for
13 the purpose of subsequently transporting it outside this State
14 for use or consumption thereafter solely outside this State or
15 (ii) for the purpose of being processed, fabricated, or
16 manufactured into, attached to, or incorporated into other
17 tangible personal property to be transported outside this State
18 and thereafter used or consumed solely outside this State. The
19 Director of Revenue shall, pursuant to rules adopted in
20 accordance with the Illinois Administrative Procedure Act,
21 issue a permit to any taxpayer in good standing with the
22 Department who is eligible for the exemption under this
23 paragraph (26). The permit issued under this paragraph (26)
24 shall authorize the holder, to the extent and in the manner
25 specified in the rules adopted under this Act, to purchase
26 tangible personal property from a retailer exempt from the

1 taxes imposed by this Act. Taxpayers shall maintain all
2 necessary books and records to substantiate the use and
3 consumption of all such tangible personal property outside of
4 the State of Illinois.

5 (27) Beginning January 1, 2008, tangible personal property
6 used in the construction or maintenance of a community water
7 supply, as defined under Section 3.145 of the Environmental
8 Protection Act, that is operated by a not-for-profit
9 corporation that holds a valid water supply permit issued under
10 Title IV of the Environmental Protection Act. This paragraph is
11 exempt from the provisions of Section 3-55.

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

26 (29) Beginning January 1, 2010, materials, parts,

1 equipment, components, and furnishings incorporated into or
2 upon an aircraft as part of the modification, refurbishment,
3 completion, replacement, repair, or maintenance of the
4 aircraft. This exemption includes consumable supplies used in
5 the modification, refurbishment, completion, replacement,
6 repair, and maintenance of aircraft, but excludes any
7 materials, parts, equipment, components, and consumable
8 supplies used in the modification, replacement, repair, and
9 maintenance of aircraft engines or power plants, whether such
10 engines or power plants are installed or uninstalled upon any
11 such aircraft. "Consumable supplies" include, but are not
12 limited to, adhesive, tape, sandpaper, general purpose
13 lubricants, cleaning solution, latex gloves, and protective
14 films. This exemption applies only to the transfer of
15 qualifying tangible personal property incident to the
16 modification, refurbishment, completion, replacement, repair,
17 or maintenance of an aircraft by persons who (i) hold an Air
18 Agency Certificate and are empowered to operate an approved
19 repair station by the Federal Aviation Administration, (ii)
20 have a Class IV Rating, and (iii) conduct operations in
21 accordance with Part 145 of the Federal Aviation Regulations.
22 The exemption does not include aircraft operated by a
23 commercial air carrier providing scheduled passenger air
24 service pursuant to authority issued under Part 121 or Part 129
25 of the Federal Aviation Regulations. The changes made to this
26 paragraph (29) by Public Act 98-534 are declarative of existing

1 law.

2 (30) Beginning January 1, 2017, menstrual pads, tampons,
3 and menstrual cups.

4 (Source: P.A. 98-104, eff. 7-22-13; 98-422, eff. 8-16-13;
5 98-456, eff. 8-16-13; 98-534, eff. 8-23-13; 98-756, eff.
6 7-16-14; 99-180, eff. 7-29-15; 99-855, eff. 8-19-16.)

7 Section 20-20. The Retailers' Occupation Tax Act is amended
8 by changing Sections 1, 2-5, and 2a as follows:

9 (35 ILCS 120/1) (from Ch. 120, par. 440)

10 Sec. 1. Definitions. "Sale at retail" means any transfer of
11 the ownership of or title to tangible personal property to a
12 purchaser, for the purpose of use or consumption, and not for
13 the purpose of resale in any form as tangible personal property
14 to the extent not first subjected to a use for which it was
15 purchased, for a valuable consideration: Provided that the
16 property purchased is deemed to be purchased for the purpose of
17 resale, despite first being used, to the extent to which it is
18 resold as an ingredient of an intentionally produced product or
19 byproduct of manufacturing. For this purpose, slag produced as
20 an incident to manufacturing pig iron or steel and sold is
21 considered to be an intentionally produced byproduct of
22 manufacturing. Transactions whereby the possession of the
23 property is transferred but the seller retains the title as
24 security for payment of the selling price shall be deemed to be

1 sales.

2 "Sale at retail" shall be construed to include any transfer
3 of the ownership of or title to tangible personal property to a
4 purchaser, for use or consumption by any other person to whom
5 such purchaser may transfer the tangible personal property
6 without a valuable consideration, and to include any transfer,
7 whether made for or without a valuable consideration, for
8 resale in any form as tangible personal property unless made in
9 compliance with Section 2c of this Act.

10 Sales of tangible personal property, which property, to the
11 extent not first subjected to a use for which it was purchased,
12 as an ingredient or constituent, goes into and forms a part of
13 tangible personal property subsequently the subject of a "Sale
14 at retail", are not sales at retail as defined in this Act:
15 Provided that the property purchased is deemed to be purchased
16 for the purpose of resale, despite first being used, to the
17 extent to which it is resold as an ingredient of an
18 intentionally produced product or byproduct of manufacturing.

19 "Sale at retail" shall be construed to include any Illinois
20 florist's sales transaction in which the purchase order is
21 received in Illinois by a florist and the sale is for use or
22 consumption, but the Illinois florist has a florist in another
23 state deliver the property to the purchaser or the purchaser's
24 donee in such other state.

25 Nonreusable tangible personal property that is used by
26 persons engaged in the business of operating a restaurant,

1 cafeteria, or drive-in is a sale for resale when it is
2 transferred to customers in the ordinary course of business as
3 part of the sale of food or beverages and is used to deliver,
4 package, or consume food or beverages, regardless of where
5 consumption of the food or beverages occurs. Examples of those
6 items include, but are not limited to nonreusable, paper and
7 plastic cups, plates, baskets, boxes, sleeves, buckets or other
8 containers, utensils, straws, placemats, napkins, doggie bags,
9 and wrapping or packaging materials that are transferred to
10 customers as part of the sale of food or beverages in the
11 ordinary course of business.

12 The purchase, employment and transfer of such tangible
13 personal property as newsprint and ink for the primary purpose
14 of conveying news (with or without other information) is not a
15 purchase, use or sale of tangible personal property.

16 A person whose activities are organized and conducted
17 primarily as a not-for-profit service enterprise, and who
18 engages in selling tangible personal property at retail
19 (whether to the public or merely to members and their guests)
20 is engaged in the business of selling tangible personal
21 property at retail with respect to such transactions, excepting
22 only a person organized and operated exclusively for
23 charitable, religious or educational purposes either (1), to
24 the extent of sales by such person to its members, students,
25 patients or inmates of tangible personal property to be used
26 primarily for the purposes of such person, or (2), to the

1 extent of sales by such person of tangible personal property
2 which is not sold or offered for sale by persons organized for
3 profit. The selling of school books and school supplies by
4 schools at retail to students is not "primarily for the
5 purposes of" the school which does such selling. The provisions
6 of this paragraph shall not apply to nor subject to taxation
7 occasional dinners, socials or similar activities of a person
8 organized and operated exclusively for charitable, religious
9 or educational purposes, whether or not such activities are
10 open to the public.

11 A person who is the recipient of a grant or contract under
12 Title VII of the Older Americans Act of 1965 (P.L. 92-258) and
13 serves meals to participants in the federal Nutrition Program
14 for the Elderly in return for contributions established in
15 amount by the individual participant pursuant to a schedule of
16 suggested fees as provided for in the federal Act is not
17 engaged in the business of selling tangible personal property
18 at retail with respect to such transactions.

19 "Purchaser" means anyone who, through a sale at retail,
20 acquires the ownership of or title to tangible personal
21 property for a valuable consideration.

22 "Reseller of motor fuel" means any person engaged in the
23 business of selling or delivering or transferring title of
24 motor fuel to another person other than for use or consumption.
25 No person shall act as a reseller of motor fuel within this
26 State without first being registered as a reseller pursuant to

1 Section 2c or a retailer pursuant to Section 2a.

2 "Selling price" or the "amount of sale" means the
3 consideration for a sale valued in money whether received in
4 money or otherwise, including cash, credits, property, other
5 than as hereinafter provided, and services, but not including
6 the value of or credit given for traded-in tangible personal
7 property where the item that is traded-in is of like kind and
8 character as that which is being sold, and shall be determined
9 without any deduction on account of the cost of the property
10 sold, the cost of materials used, labor or service cost or any
11 other expense whatsoever, but does not include charges that are
12 added to prices by sellers on account of the seller's tax
13 liability under this Act, or on account of the seller's duty to
14 collect, from the purchaser, the tax that is imposed by the Use
15 Tax Act, or, except as otherwise provided with respect to any
16 cigarette tax imposed by a home rule unit, on account of the
17 seller's tax liability under any local occupation tax
18 administered by the Department, or, except as otherwise
19 provided with respect to any cigarette tax imposed by a home
20 rule unit on account of the seller's duty to collect, from the
21 purchasers, the tax that is imposed under any local use tax
22 administered by the Department. Effective December 1, 1985,
23 "selling price" shall include charges that are added to prices
24 by sellers on account of the seller's tax liability under the
25 Cigarette Tax Act, on account of the sellers' duty to collect,
26 from the purchaser, the tax imposed under the Cigarette Use Tax

1 Act, and on account of the seller's duty to collect, from the
2 purchaser, any cigarette tax imposed by a home rule unit.
3 Beginning January 1, 2018, "selling price" shall not include
4 any shipping or delivery charges, which means any freight,
5 express, mail, truck, or other carrier conveyance or delivery
6 process.

7 Notwithstanding any law to the contrary, for any motor
8 vehicle, as defined in Section 1-146 of the Vehicle Code, that
9 is sold on or after January 1, 2015 for the purpose of leasing
10 the vehicle for a defined period that is longer than one year
11 and (1) is a motor vehicle of the second division that: (A) is
12 a self-contained motor vehicle designed or permanently
13 converted to provide living quarters for recreational,
14 camping, or travel use, with direct walk through access to the
15 living quarters from the driver's seat; (B) is of the van
16 configuration designed for the transportation of not less than
17 7 nor more than 16 passengers; or (C) has a gross vehicle
18 weight rating of 8,000 pounds or less or (2) is a motor vehicle
19 of the first division, "selling price" or "amount of sale"
20 means the consideration received by the lessor pursuant to the
21 lease contract, including amounts due at lease signing and all
22 monthly or other regular payments charged over the term of the
23 lease. Also included in the selling price is any amount
24 received by the lessor from the lessee for the leased vehicle
25 that is not calculated at the time the lease is executed,
26 including, but not limited to, excess mileage charges and

1 charges for excess wear and tear. For sales that occur in
2 Illinois, with respect to any amount received by the lessor
3 from the lessee for the leased vehicle that is not calculated
4 at the time the lease is executed, the lessor who purchased the
5 motor vehicle does not incur the tax imposed by the Use Tax Act
6 on those amounts, and the retailer who makes the retail sale of
7 the motor vehicle to the lessor is not required to collect the
8 tax imposed by the Use Tax Act or to pay the tax imposed by this
9 Act on those amounts. However, the lessor who purchased the
10 motor vehicle assumes the liability for reporting and paying
11 the tax on those amounts directly to the Department in the same
12 form (Illinois Retailers' Occupation Tax, and local retailers'
13 occupation taxes, if applicable) in which the retailer would
14 have reported and paid such tax if the retailer had accounted
15 for the tax to the Department. For amounts received by the
16 lessor from the lessee that are not calculated at the time the
17 lease is executed, the lessor must file the return and pay the
18 tax to the Department by the due date otherwise required by
19 this Act for returns other than transaction returns. If the
20 retailer is entitled under this Act to a discount for
21 collecting and remitting the tax imposed under this Act to the
22 Department with respect to the sale of the motor vehicle to the
23 lessor, then the right to the discount provided in this Act
24 shall be transferred to the lessor with respect to the tax paid
25 by the lessor for any amount received by the lessor from the
26 lessee for the leased vehicle that is not calculated at the

1 time the lease is executed; provided that the discount is only
2 allowed if the return is timely filed and for amounts timely
3 paid. The "selling price" of a motor vehicle that is sold on or
4 after January 1, 2015 for the purpose of leasing for a defined
5 period of longer than one year shall not be reduced by the
6 value of or credit given for traded-in tangible personal
7 property owned by the lessor, nor shall it be reduced by the
8 value of or credit given for traded-in tangible personal
9 property owned by the lessee, regardless of whether the
10 trade-in value thereof is assigned by the lessee to the lessor.
11 In the case of a motor vehicle that is sold for the purpose of
12 leasing for a defined period of longer than one year, the sale
13 occurs at the time of the delivery of the vehicle, regardless
14 of the due date of any lease payments. A lessor who incurs a
15 Retailers' Occupation Tax liability on the sale of a motor
16 vehicle coming off lease may not take a credit against that
17 liability for the Use Tax the lessor paid upon the purchase of
18 the motor vehicle (or for any tax the lessor paid with respect
19 to any amount received by the lessor from the lessee for the
20 leased vehicle that was not calculated at the time the lease
21 was executed) if the selling price of the motor vehicle at the
22 time of purchase was calculated using the definition of
23 "selling price" as defined in this paragraph. Notwithstanding
24 any other provision of this Act to the contrary, lessors shall
25 file all returns and make all payments required under this
26 paragraph to the Department by electronic means in the manner

1 and form as required by the Department. This paragraph does not
2 apply to leases of motor vehicles for which, at the time the
3 lease is entered into, the term of the lease is not a defined
4 period, including leases with a defined initial period with the
5 option to continue the lease on a month-to-month or other basis
6 beyond the initial defined period.

7 The phrase "like kind and character" shall be liberally
8 construed (including but not limited to any form of motor
9 vehicle for any form of motor vehicle, or any kind of farm or
10 agricultural implement for any other kind of farm or
11 agricultural implement), while not including a kind of item
12 which, if sold at retail by that retailer, would be exempt from
13 retailers' occupation tax and use tax as an isolated or
14 occasional sale.

15 "Gross receipts" from the sales of tangible personal
16 property at retail means the total selling price or the amount
17 of such sales, as hereinbefore defined. In the case of charge
18 and time sales, the amount thereof shall be included only as
19 and when payments are received by the seller. Receipts or other
20 consideration derived by a seller from the sale, transfer or
21 assignment of accounts receivable to a wholly owned subsidiary
22 will not be deemed payments prior to the time the purchaser
23 makes payment on such accounts.

24 "Department" means the Department of Revenue.

25 "Person" means any natural individual, firm, partnership,
26 association, joint stock company, joint adventure, public or

1 private corporation, limited liability company, or a receiver,
2 executor, trustee, guardian or other representative appointed
3 by order of any court.

4 The isolated or occasional sale of tangible personal
5 property at retail by a person who does not hold himself out as
6 being engaged (or who does not habitually engage) in selling
7 such tangible personal property at retail, or a sale through a
8 bulk vending machine, does not constitute engaging in a
9 business of selling such tangible personal property at retail
10 within the meaning of this Act; provided that any person who is
11 engaged in a business which is not subject to the tax imposed
12 by this Act because of involving the sale of or a contract to
13 sell real estate or a construction contract to improve real
14 estate or a construction contract to engineer, install, and
15 maintain an integrated system of products, but who, in the
16 course of conducting such business, transfers tangible
17 personal property to users or consumers in the finished form in
18 which it was purchased, and which does not become real estate
19 or was not engineered and installed, under any provision of a
20 construction contract or real estate sale or real estate sales
21 agreement entered into with some other person arising out of or
22 because of such nontaxable business, is engaged in the business
23 of selling tangible personal property at retail to the extent
24 of the value of the tangible personal property so transferred.
25 If, in such a transaction, a separate charge is made for the
26 tangible personal property so transferred, the value of such

1 property, for the purpose of this Act, shall be the amount so
2 separately charged, but not less than the cost of such property
3 to the transferor; if no separate charge is made, the value of
4 such property, for the purposes of this Act, is the cost to the
5 transferor of such tangible personal property. Construction
6 contracts for the improvement of real estate consisting of
7 engineering, installation, and maintenance of voice, data,
8 video, security, and all telecommunication systems do not
9 constitute engaging in a business of selling tangible personal
10 property at retail within the meaning of this Act if they are
11 sold at one specified contract price.

12 A person who holds himself or herself out as being engaged
13 (or who habitually engages) in selling tangible personal
14 property at retail is a person engaged in the business of
15 selling tangible personal property at retail hereunder with
16 respect to such sales (and not primarily in a service
17 occupation) notwithstanding the fact that such person designs
18 and produces such tangible personal property on special order
19 for the purchaser and in such a way as to render the property
20 of value only to such purchaser, if such tangible personal
21 property so produced on special order serves substantially the
22 same function as stock or standard items of tangible personal
23 property that are sold at retail.

24 Persons who engage in the business of transferring tangible
25 personal property upon the redemption of trading stamps are
26 engaged in the business of selling such property at retail and

1 shall be liable for and shall pay the tax imposed by this Act
2 on the basis of the retail value of the property transferred
3 upon redemption of such stamps.

4 "Bulk vending machine" means a vending machine, containing
5 unsorted confections, nuts, toys, or other items designed
6 primarily to be used or played with by children which, when a
7 coin or coins of a denomination not larger than \$0.50 are
8 inserted, are dispensed in equal portions, at random and
9 without selection by the customer.

10 (Source: P.A. 98-628, eff. 1-1-15; 98-1080, eff. 8-26-14.)

11 (35 ILCS 120/2-5)

12 Sec. 2-5. Exemptions. Gross receipts from proceeds from the
13 sale of the following tangible personal property are exempt
14 from the tax imposed by this Act:

15 (1) Farm chemicals.

16 (2) Farm machinery and equipment, both new and used,
17 including that manufactured on special order, certified by the
18 purchaser to be used primarily for production agriculture or
19 State or federal agricultural programs, including individual
20 replacement parts for the machinery and equipment, including
21 machinery and equipment purchased for lease, and including
22 implements of husbandry defined in Section 1-130 of the
23 Illinois Vehicle Code, farm machinery and agricultural
24 chemical and fertilizer spreaders, and nurse wagons required to
25 be registered under Section 3-809 of the Illinois Vehicle Code,

1 but excluding other motor vehicles required to be registered
2 under the Illinois Vehicle Code. Horticultural polyhouses or
3 hoop houses used for propagating, growing, or overwintering
4 plants shall be considered farm machinery and equipment under
5 this item (2). Agricultural chemical tender tanks and dry boxes
6 shall include units sold separately from a motor vehicle
7 required to be licensed and units sold mounted on a motor
8 vehicle required to be licensed, if the selling price of the
9 tender is separately stated.

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

18 Farm machinery and equipment also includes computers,
19 sensors, software, and related equipment used primarily in the
20 computer-assisted operation of production agriculture
21 facilities, equipment, and activities such as, but not limited
22 to, the collection, monitoring, and correlation of animal and
23 crop data for the purpose of formulating animal diets and
24 agricultural chemicals. This item (2) is exempt from the
25 provisions of Section 2-70.

26 (3) Until July 1, 2003, distillation machinery and

1 equipment, sold as a unit or kit, assembled or installed by the
2 retailer, certified by the user to be used only for the
3 production of ethyl alcohol that will be used for consumption
4 as motor fuel or as a component of motor fuel for the personal
5 use of the user, and not subject to sale or resale.

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

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

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

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

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

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

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

23 (11) Personal property sold to a governmental body, to a
24 corporation, society, association, foundation, or institution
25 organized and operated exclusively for charitable, religious,
26 or educational purposes, or to a not-for-profit corporation,

1 society, association, foundation, institution, or organization
2 that has no compensated officers or employees and that is
3 organized and operated primarily for the recreation of persons
4 55 years of age or older. A limited liability company may
5 qualify for the exemption under this paragraph only if the
6 limited liability company is organized and operated
7 exclusively for educational purposes. On and after July 1,
8 1987, however, no entity otherwise eligible for this exemption
9 shall make tax-free purchases unless it has an active
10 identification number issued by the Department.

11 (12) Tangible personal property sold to interstate
12 carriers for hire for use as rolling stock moving in interstate
13 commerce or to lessors under leases of one year or longer
14 executed or in effect at the time of purchase by interstate
15 carriers for hire for use as rolling stock moving in interstate
16 commerce and equipment operated by a telecommunications
17 provider, licensed as a common carrier by the Federal
18 Communications Commission, which is permanently installed in
19 or affixed to aircraft moving in interstate commerce.

20 (12-5) On and after July 1, 2003 and through June 30, 2004,
21 motor vehicles of the second division with a gross vehicle
22 weight in excess of 8,000 pounds that are subject to the
23 commercial distribution fee imposed under Section 3-815.1 of
24 the Illinois Vehicle Code. Beginning on July 1, 2004 and
25 through June 30, 2005, the use in this State of motor vehicles
26 of the second division: (i) with a gross vehicle weight rating

1 in excess of 8,000 pounds; (ii) that are subject to the
2 commercial distribution fee imposed under Section 3-815.1 of
3 the Illinois Vehicle Code; and (iii) that are primarily used
4 for commercial purposes. Through June 30, 2005, this exemption
5 applies to repair and replacement parts added after the initial
6 purchase of such a motor vehicle if that motor vehicle is used
7 in a manner that would qualify for the rolling stock exemption
8 otherwise provided for in this Act. For purposes of this
9 paragraph, "used for commercial purposes" means the
10 transportation of persons or property in furtherance of any
11 commercial or industrial enterprise whether for-hire or not.

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

19 (14) Machinery and equipment that will be used by the
20 purchaser, or a lessee of the purchaser, primarily in the
21 process of manufacturing or assembling tangible personal
22 property for wholesale or retail sale or lease, whether the
23 sale or lease is made directly by the manufacturer or by some
24 other person, whether the materials used in the process are
25 owned by the manufacturer or some other person, or whether the
26 sale or lease is made apart from or as an incident to the

1 seller's engaging in the service occupation of producing
2 machines, tools, dies, jigs, patterns, gauges, or other similar
3 items of no commercial value on special order for a particular
4 purchaser. The exemption provided by this paragraph (14) does
5 not include machinery and equipment used in (i) the generation
6 of electricity for wholesale or retail sale; (ii) the
7 generation or treatment of natural or artificial gas for
8 wholesale or retail sale that is delivered to customers through
9 pipes, pipelines, or mains; or (iii) the treatment of water for
10 wholesale or retail sale that is delivered to customers through
11 pipes, pipelines, or mains. The provisions of Public Act 98-583
12 are declaratory of existing law as to the meaning and scope of
13 this exemption.

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

21 (16) Petroleum products sold to a purchaser if the seller
22 is prohibited by federal law from charging tax to the
23 purchaser.

24 (17) Tangible personal property sold to a common carrier by
25 rail or motor that receives the physical possession of the
26 property in Illinois and that transports the property, or

1 shares with another common carrier in the transportation of the
2 property, out of Illinois on a standard uniform bill of lading
3 showing the seller of the property as the shipper or consignor
4 of the property to a destination outside Illinois, for use
5 outside Illinois.

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

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

19 (20) Photoprocessing machinery and equipment, including
20 repair and replacement parts, both new and used, including that
21 manufactured on special order, certified by the purchaser to be
22 used primarily for photoprocessing, and including
23 photoprocessing machinery and equipment purchased for lease.

24 (21) Until December 31, 2022, coal ~~Coal~~ and aggregate
25 exploration, mining, off-highway hauling, processing,
26 maintenance, and reclamation equipment, including replacement

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

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

16 Beginning July 1, 2013, fuel and petroleum products sold to
17 or used by an air carrier, certified by the carrier to be used
18 for consumption, shipment, or storage in the conduct of its
19 business as an air common carrier, for a flight that (i) is
20 engaged in foreign trade or is engaged in trade between the
21 United States and any of its possessions and (ii) transports at
22 least one individual or package for hire from the city of
23 origination to the city of final destination on the same
24 aircraft, without regard to a change in the flight number of
25 that aircraft.

26 (23) A transaction in which the purchase order is received

1 by a florist who is located outside Illinois, but who has a
2 florist located in Illinois deliver the property to the
3 purchaser or the purchaser's donee in Illinois.

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

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

22 (25-5) The exemption under item (25) does not apply if the
23 state in which the motor vehicle will be titled does not allow
24 a reciprocal exemption for a motor vehicle sold and delivered
25 in that state to an Illinois resident but titled in Illinois.
26 The tax collected under this Act on the sale of a motor vehicle

1 in this State to a resident of another state that does not
2 allow a reciprocal exemption shall be imposed at a rate equal
3 to the state's rate of tax on taxable property in the state in
4 which the purchaser is a resident, except that the tax shall
5 not exceed the tax that would otherwise be imposed under this
6 Act. At the time of the sale, the purchaser shall execute a
7 statement, signed under penalty of perjury, of his or her
8 intent to title the vehicle in the state in which the purchaser
9 is a resident within 30 days after the sale and of the fact of
10 the payment to the State of Illinois of tax in an amount
11 equivalent to the state's rate of tax on taxable property in
12 his or her state of residence and shall submit the statement to
13 the appropriate tax collection agency in his or her state of
14 residence. In addition, the retailer must retain a signed copy
15 of the statement in his or her records. Nothing in this item
16 shall be construed to require the removal of the vehicle from
17 this state following the filing of an intent to title the
18 vehicle in the purchaser's state of residence if the purchaser
19 titles the vehicle in his or her state of residence within 30
20 days after the date of sale. The tax collected under this Act
21 in accordance with this item (25-5) shall be proportionately
22 distributed as if the tax were collected at the 6.25% general
23 rate imposed under this Act.

24 (25-7) Beginning on July 1, 2007, no tax is imposed under
25 this Act on the sale of an aircraft, as defined in Section 3 of
26 the Illinois Aeronautics Act, if all of the following

1 conditions are met:

2 (1) the aircraft leaves this State within 15 days after
3 the later of either the issuance of the final billing for
4 the sale of the aircraft, or the authorized approval for
5 return to service, completion of the maintenance record
6 entry, and completion of the test flight and ground test
7 for inspection, as required by 14 C.F.R. 91.407;

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

10 (3) the seller retains in his or her books and records
11 and provides to the Department a signed and dated
12 certification from the purchaser, on a form prescribed by
13 the Department, certifying that the requirements of this
14 item (25-7) are met. The certificate must also include the
15 name and address of the purchaser, the address of the
16 location where the aircraft is to be titled or registered,
17 the address of the primary physical location of the
18 aircraft, and other information that the Department may
19 reasonably require.

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

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

25 "Registered in this State" means an aircraft registered
26 with the Department of Transportation, Aeronautics Division,

1 or titled or registered with the Federal Aviation
2 Administration to an address located in this State.

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

5 (26) Semen used for artificial insemination of livestock
6 for direct agricultural production.

7 (27) Horses, or interests in horses, registered with and
8 meeting the requirements of any of the Arabian Horse Club
9 Registry of America, Appaloosa Horse Club, American Quarter
10 Horse Association, United States Trotting Association, or
11 Jockey Club, as appropriate, used for purposes of breeding or
12 racing for prizes. This item (27) is exempt from the provisions
13 of Section 2-70, and the exemption provided for under this item
14 (27) applies for all periods beginning May 30, 1995, but no
15 claim for credit or refund is allowed on or after January 1,
16 2008 (the effective date of Public Act 95-88) for such taxes
17 paid during the period beginning May 30, 2000 and ending on
18 January 1, 2008 (the effective date of Public Act 95-88).

19 (28) Computers and communications equipment utilized for
20 any hospital purpose and equipment used in the diagnosis,
21 analysis, or treatment of hospital patients sold to a lessor
22 who leases the equipment, under a lease of one year or longer
23 executed or in effect at the time of the purchase, to a
24 hospital that has been issued an active tax exemption
25 identification number by the Department under Section 1g of
26 this Act.

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

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

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

1 declared disaster area within 6 months after the disaster.

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

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

24 (34) Beginning January 1, 2000, personal property,
25 including food, purchased through fundraising events for the
26 benefit of a public or private elementary or secondary school,

1 a group of those schools, or one or more school districts if
2 the events are sponsored by an entity recognized by the school
3 district that consists primarily of volunteers and includes
4 parents and teachers of the school children. This paragraph
5 does not apply to fundraising events (i) for the benefit of
6 private home instruction or (ii) for which the fundraising
7 entity purchases the personal property sold at the events from
8 another individual or entity that sold the property for the
9 purpose of resale by the fundraising entity and that profits
10 from the sale to the fundraising entity. This paragraph is
11 exempt from the provisions of Section 2-70.

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

22 (35-5) Beginning August 23, 2001 and through June 30, 2016,
23 food for human consumption that is to be consumed off the
24 premises where it is sold (other than alcoholic beverages, soft
25 drinks, and food that has been prepared for immediate
26 consumption) and prescription and nonprescription medicines,

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

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

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

25 (38) Beginning on January 1, 2002 and through June 30,
26 2016, tangible personal property purchased from an Illinois

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

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

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

3 (40) Beginning January 1, 2010, materials, parts,
4 equipment, components, and furnishings incorporated into or
5 upon an aircraft as part of the modification, refurbishment,
6 completion, replacement, repair, or maintenance of the
7 aircraft. This exemption includes consumable supplies used in
8 the modification, refurbishment, completion, replacement,
9 repair, and maintenance of aircraft, but excludes any
10 materials, parts, equipment, components, and consumable
11 supplies used in the modification, replacement, repair, and
12 maintenance of aircraft engines or power plants, whether such
13 engines or power plants are installed or uninstalled upon any
14 such aircraft. "Consumable supplies" include, but are not
15 limited to, adhesive, tape, sandpaper, general purpose
16 lubricants, cleaning solution, latex gloves, and protective
17 films. This exemption applies only to the sale of qualifying
18 tangible personal property to persons who modify, refurbish,
19 complete, replace, or maintain an aircraft and who (i) hold an
20 Air Agency Certificate and are empowered to operate an approved
21 repair station by the Federal Aviation Administration, (ii)
22 have a Class IV Rating, and (iii) conduct operations in
23 accordance with Part 145 of the Federal Aviation Regulations.
24 The exemption does not include aircraft operated by a
25 commercial air carrier providing scheduled passenger air
26 service pursuant to authority issued under Part 121 or Part 129

1 of the Federal Aviation Regulations. The changes made to this
2 paragraph (40) by Public Act 98-534 are declarative of existing
3 law.

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

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

20 (Source: P.A. 98-104, eff. 7-22-13; 98-422, eff. 8-16-13;
21 98-456, eff. 8-16-13; 98-534, eff. 8-23-13; 98-574, eff.
22 1-1-14; 98-583, eff. 1-1-14; 98-756, eff. 7-16-14; 99-180, eff.
23 7-29-15; 99-855, eff. 8-19-16.)

24 (35 ILCS 120/2a) (from Ch. 120, par. 441a)

25 Sec. 2a. It is unlawful for any person to engage in the

1 business of selling tangible personal property at retail in
2 this State without a certificate of registration from the
3 Department. Application for a certificate of registration
4 shall be made to the Department upon forms furnished by it.
5 Each such application shall be signed and verified and shall
6 state: (1) the name and social security number of the
7 applicant; (2) the address of his principal place of business;
8 (3) the address of the principal place of business from which
9 he engages in the business of selling tangible personal
10 property at retail in this State and the addresses of all other
11 places of business, if any (enumerating such addresses, if any,
12 in a separate list attached to and made a part of the
13 application), from which he engages in the business of selling
14 tangible personal property at retail in this State; (4) the
15 name and address of the person or persons who will be
16 responsible for filing returns and payment of taxes due under
17 this Act; (5) in the case of a publicly traded corporation, the
18 name and title of the Chief Financial Officer, Chief Operating
19 Officer, and any other officer or employee with responsibility
20 for preparing tax returns under this Act, ~~along with the last 4~~
21 ~~digits of each of their social security numbers,~~ and, in the
22 case of all other corporations, the name, title, and social
23 security number of each corporate officer; (6) in the case of a
24 limited liability company, the name, social security number,
25 and FEIN number of each manager and member; and (7) such other
26 information as the Department may reasonably require. The

1 application shall contain an acceptance of responsibility
2 signed by the person or persons who will be responsible for
3 filing returns and payment of the taxes due under this Act. If
4 the applicant will sell tangible personal property at retail
5 through vending machines, his application to register shall
6 indicate the number of vending machines to be so operated. If
7 requested by the Department at any time, that person shall
8 verify the total number of vending machines he or she uses in
9 his or her business of selling tangible personal property at
10 retail.

11 The Department may deny a certificate of registration to
12 any applicant if a person who is named as the owner, a partner,
13 a manager or member of a limited liability company, or a
14 corporate officer of the applicant on the application for the
15 certificate of registration is or has been named as the owner,
16 a partner, a manager or member of a limited liability company,
17 or a corporate officer on the application for the certificate
18 of registration of another retailer that is in default for
19 moneys due under this Act or any other tax or fee Act
20 administered by the Department. For purposes of this paragraph
21 only, in determining whether a person is in default for moneys
22 due, the Department shall include only amounts established as a
23 final liability within the 20 years prior to the date of the
24 Department's notice of denial of a certificate of registration.

25 The Department may require an applicant for a certificate
26 of registration hereunder to, at the time of filing such

1 application, furnish a bond from a surety company authorized to
2 do business in the State of Illinois, or an irrevocable bank
3 letter of credit or a bond signed by 2 personal sureties who
4 have filed, with the Department, sworn statements disclosing
5 net assets equal to at least 3 times the amount of the bond to
6 be required of such applicant, or a bond secured by an
7 assignment of a bank account or certificate of deposit, stocks
8 or bonds, conditioned upon the applicant paying to the State of
9 Illinois all moneys becoming due under this Act and under any
10 other State tax law or municipal or county tax ordinance or
11 resolution under which the certificate of registration that is
12 issued to the applicant under this Act will permit the
13 applicant to engage in business without registering separately
14 under such other law, ordinance or resolution. In making a
15 determination as to whether to require a bond or other
16 security, the Department shall take into consideration whether
17 the owner, any partner, any manager or member of a limited
18 liability company, or a corporate officer of the applicant is
19 or has been the owner, a partner, a manager or member of a
20 limited liability company, or a corporate officer of another
21 retailer that is in default for moneys due under this Act or
22 any other tax or fee Act administered by the Department; and
23 whether the owner, any partner, any manager or member of a
24 limited liability company, or a corporate officer of the
25 applicant is or has been the owner, a partner, a manager or
26 member of a limited liability company, or a corporate officer

1 of another retailer whose certificate of registration has been
2 revoked within the previous 5 years under this Act or any other
3 tax or fee Act administered by the Department. If a bond or
4 other security is required, the Department shall fix the amount
5 of the bond or other security, taking into consideration the
6 amount of money expected to become due from the applicant under
7 this Act and under any other State tax law or municipal or
8 county tax ordinance or resolution under which the certificate
9 of registration that is issued to the applicant under this Act
10 will permit the applicant to engage in business without
11 registering separately under such other law, ordinance, or
12 resolution. The amount of security required by the Department
13 shall be such as, in its opinion, will protect the State of
14 Illinois against failure to pay the amount which may become due
15 from the applicant under this Act and under any other State tax
16 law or municipal or county tax ordinance or resolution under
17 which the certificate of registration that is issued to the
18 applicant under this Act will permit the applicant to engage in
19 business without registering separately under such other law,
20 ordinance or resolution, but the amount of the security
21 required by the Department shall not exceed three times the
22 amount of the applicant's average monthly tax liability, or
23 \$50,000.00, whichever amount is lower.

24 No certificate of registration under this Act shall be
25 issued by the Department until the applicant provides the
26 Department with satisfactory security, if required, as herein

1 provided for.

2 Upon receipt of the application for certificate of
3 registration in proper form, and upon approval by the
4 Department of the security furnished by the applicant, if
5 required, the Department shall issue to such applicant a
6 certificate of registration which shall permit the person to
7 whom it is issued to engage in the business of selling tangible
8 personal property at retail in this State. The certificate of
9 registration shall be conspicuously displayed at the place of
10 business which the person so registered states in his
11 application to be the principal place of business from which he
12 engages in the business of selling tangible personal property
13 at retail in this State.

14 No certificate of registration issued to a taxpayer who
15 files returns required by this Act on a monthly basis shall be
16 valid after the expiration of 5 years from the date of its
17 issuance or last renewal. The expiration date of a
18 sub-certificate of registration shall be that of the
19 certificate of registration to which the sub-certificate
20 relates. A certificate of registration shall automatically be
21 renewed, subject to revocation as provided by this Act, for an
22 additional 5 years from the date of its expiration unless
23 otherwise notified by the Department as provided by this
24 paragraph. Where a taxpayer to whom a certificate of
25 registration is issued under this Act is in default to the
26 State of Illinois for delinquent returns or for moneys due

1 under this Act or any other State tax law or municipal or
2 county ordinance administered or enforced by the Department,
3 the Department shall, not less than 60 days before the
4 expiration date of such certificate of registration, give
5 notice to the taxpayer to whom the certificate was issued of
6 the account period of the delinquent returns, the amount of
7 tax, penalty and interest due and owing from the taxpayer, and
8 that the certificate of registration shall not be automatically
9 renewed upon its expiration date unless the taxpayer, on or
10 before the date of expiration, has filed and paid the
11 delinquent returns or paid the defaulted amount in full. A
12 taxpayer to whom such a notice is issued shall be deemed an
13 applicant for renewal. The Department shall promulgate
14 regulations establishing procedures for taxpayers who file
15 returns on a monthly basis but desire and qualify to change to
16 a quarterly or yearly filing basis and will no longer be
17 subject to renewal under this Section, and for taxpayers who
18 file returns on a yearly or quarterly basis but who desire or
19 are required to change to a monthly filing basis and will be
20 subject to renewal under this Section.

21 The Department may in its discretion approve renewal by an
22 applicant who is in default if, at the time of application for
23 renewal, the applicant files all of the delinquent returns or
24 pays to the Department such percentage of the defaulted amount
25 as may be determined by the Department and agrees in writing to
26 waive all limitations upon the Department for collection of the

1 remaining defaulted amount to the Department over a period not
2 to exceed 5 years from the date of renewal of the certificate;
3 however, no renewal application submitted by an applicant who
4 is in default shall be approved if the immediately preceding
5 renewal by the applicant was conditioned upon the installment
6 payment agreement described in this Section. The payment
7 agreement herein provided for shall be in addition to and not
8 in lieu of the security that may be required by this Section of
9 a taxpayer who is no longer considered a prior continuous
10 compliance taxpayer. The execution of the payment agreement as
11 provided in this Act shall not toll the accrual of interest at
12 the statutory rate.

13 The Department may suspend a certificate of registration if
14 the Department finds that the person to whom the certificate of
15 registration has been issued knowingly sold contraband
16 cigarettes.

17 A certificate of registration issued under this Act more
18 than 5 years before the effective date of this amendatory Act
19 of 1989 shall expire and be subject to the renewal provisions
20 of this Section on the next anniversary of the date of issuance
21 of such certificate which occurs more than 6 months after the
22 effective date of this amendatory Act of 1989. A certificate of
23 registration issued less than 5 years before the effective date
24 of this amendatory Act of 1989 shall expire and be subject to
25 the renewal provisions of this Section on the 5th anniversary
26 of the issuance of the certificate.

1 If the person so registered states that he operates other
2 places of business from which he engages in the business of
3 selling tangible personal property at retail in this State, the
4 Department shall furnish him with a sub-certificate of
5 registration for each such place of business, and the applicant
6 shall display the appropriate sub-certificate of registration
7 at each such place of business. All sub-certificates of
8 registration shall bear the same registration number as that
9 appearing upon the certificate of registration to which such
10 sub-certificates relate.

11 If the applicant will sell tangible personal property at
12 retail through vending machines, the Department shall furnish
13 him with a sub-certificate of registration for each such
14 vending machine, and the applicant shall display the
15 appropriate sub-certificate of registration on each such
16 vending machine by attaching the sub-certificate of
17 registration to a conspicuous part of such vending machine. If
18 a person who is registered to sell tangible personal property
19 at retail through vending machines adds an additional vending
20 machine or additional vending machines to the number of vending
21 machines he or she uses in his or her business of selling
22 tangible personal property at retail, he or she shall notify
23 the Department, on a form prescribed by the Department, to
24 request an additional sub-certificate or additional
25 sub-certificates of registration, as applicable. With each
26 such request, the applicant shall report the number of

1 sub-certificates of registration he or she is requesting as
2 well as the total number of vending machines from which he or
3 she makes retail sales.

4 Where the same person engages in 2 or more businesses of
5 selling tangible personal property at retail in this State,
6 which businesses are substantially different in character or
7 engaged in under different trade names or engaged in under
8 other substantially dissimilar circumstances (so that it is
9 more practicable, from an accounting, auditing or bookkeeping
10 standpoint, for such businesses to be separately registered),
11 the Department may require or permit such person (subject to
12 the same requirements concerning the furnishing of security as
13 those that are provided for hereinbefore in this Section as to
14 each application for a certificate of registration) to apply
15 for and obtain a separate certificate of registration for each
16 such business or for any of such businesses, under a single
17 certificate of registration supplemented by related
18 sub-certificates of registration.

19 Any person who is registered under the "Retailers'
20 Occupation Tax Act" as of March 8, 1963, and who, during the
21 3-year period immediately prior to March 8, 1963, or during a
22 continuous 3-year period part of which passed immediately
23 before and the remainder of which passes immediately after
24 March 8, 1963, has been so registered continuously and who is
25 determined by the Department not to have been either delinquent
26 or deficient in the payment of tax liability during that period

1 under this Act or under any other State tax law or municipal or
2 county tax ordinance or resolution under which the certificate
3 of registration that is issued to the registrant under this Act
4 will permit the registrant to engage in business without
5 registering separately under such other law, ordinance or
6 resolution, shall be considered to be a Prior Continuous
7 Compliance taxpayer. Also any taxpayer who has, as verified by
8 the Department, faithfully and continuously complied with the
9 condition of his bond or other security under the provisions of
10 this Act for a period of 3 consecutive years shall be
11 considered to be a Prior Continuous Compliance taxpayer.

12 Every Prior Continuous Compliance taxpayer shall be exempt
13 from all requirements under this Act concerning the furnishing
14 of a bond or other security as a condition precedent to his
15 being authorized to engage in the business of selling tangible
16 personal property at retail in this State. This exemption shall
17 continue for each such taxpayer until such time as he may be
18 determined by the Department to be delinquent in the filing of
19 any returns, or is determined by the Department (either through
20 the Department's issuance of a final assessment which has
21 become final under the Act, or by the taxpayer's filing of a
22 return which admits tax that is not paid to be due) to be
23 delinquent or deficient in the paying of any tax under this Act
24 or under any other State tax law or municipal or county tax
25 ordinance or resolution under which the certificate of
26 registration that is issued to the registrant under this Act

1 will permit the registrant to engage in business without
2 registering separately under such other law, ordinance or
3 resolution, at which time that taxpayer shall become subject to
4 all the financial responsibility requirements of this Act and,
5 as a condition of being allowed to continue to engage in the
6 business of selling tangible personal property at retail, may
7 be required to post bond or other acceptable security with the
8 Department covering liability which such taxpayer may
9 thereafter incur. Any taxpayer who fails to pay an admitted or
10 established liability under this Act may also be required to
11 post bond or other acceptable security with this Department
12 guaranteeing the payment of such admitted or established
13 liability.

14 No certificate of registration shall be issued to any
15 person who is in default to the State of Illinois for moneys
16 due under this Act or under any other State tax law or
17 municipal or county tax ordinance or resolution under which the
18 certificate of registration that is issued to the applicant
19 under this Act will permit the applicant to engage in business
20 without registering separately under such other law, ordinance
21 or resolution.

22 Any person aggrieved by any decision of the Department
23 under this Section may, within 20 days after notice of such
24 decision, protest and request a hearing, whereupon the
25 Department shall give notice to such person of the time and
26 place fixed for such hearing and shall hold a hearing in

1 conformity with the provisions of this Act and then issue its
2 final administrative decision in the matter to such person. In
3 the absence of such a protest within 20 days, the Department's
4 decision shall become final without any further determination
5 being made or notice given.

6 With respect to security other than bonds (upon which the
7 Department may sue in the event of a forfeiture), if the
8 taxpayer fails to pay, when due, any amount whose payment such
9 security guarantees, the Department shall, after such
10 liability is admitted by the taxpayer or established by the
11 Department through the issuance of a final assessment that has
12 become final under the law, convert the security which that
13 taxpayer has furnished into money for the State, after first
14 giving the taxpayer at least 10 days' written notice, by
15 registered or certified mail, to pay the liability or forfeit
16 such security to the Department. If the security consists of
17 stocks or bonds or other securities which are listed on a
18 public exchange, the Department shall sell such securities
19 through such public exchange. If the security consists of an
20 irrevocable bank letter of credit, the Department shall convert
21 the security in the manner provided for in the Uniform
22 Commercial Code. If the security consists of a bank certificate
23 of deposit, the Department shall convert the security into
24 money by demanding and collecting the amount of such bank
25 certificate of deposit from the bank which issued such
26 certificate. If the security consists of a type of stocks or

1 other securities which are not listed on a public exchange, the
2 Department shall sell such security to the highest and best
3 bidder after giving at least 10 days' notice of the date, time
4 and place of the intended sale by publication in the "State
5 Official Newspaper". If the Department realizes more than the
6 amount of such liability from the security, plus the expenses
7 incurred by the Department in converting the security into
8 money, the Department shall pay such excess to the taxpayer who
9 furnished such security, and the balance shall be paid into the
10 State Treasury.

11 The Department shall discharge any surety and shall release
12 and return any security deposited, assigned, pledged or
13 otherwise provided to it by a taxpayer under this Section
14 within 30 days after:

15 (1) such taxpayer becomes a Prior Continuous
16 Compliance taxpayer; or

17 (2) such taxpayer has ceased to collect receipts on
18 which he is required to remit tax to the Department, has
19 filed a final tax return, and has paid to the Department an
20 amount sufficient to discharge his remaining tax
21 liability, as determined by the Department, under this Act
22 and under every other State tax law or municipal or county
23 tax ordinance or resolution under which the certificate of
24 registration issued under this Act permits the registrant
25 to engage in business without registering separately under
26 such other law, ordinance or resolution. The Department

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

8 (Source: P.A. 97-335, eff. 1-1-12; 98-496, eff. 1-1-14; 98-583,
9 eff. 1-1-14; 98-756, eff. 7-16-14; 98-974, eff. 1-1-15.)

10 ARTICLE 25. REVENUE; EXCESS PAYMENTS

11 Section 25-5. The Renewable Energy, Energy Efficiency, and
12 Coal Resources Development Law of 1997 is amended by changing
13 Section 6-5 and by adding Section 6-8 as follows:

14 (20 ILCS 687/6-5)

15 (Section scheduled to be repealed on December 31, 2020)

16 Sec. 6-5. Renewable Energy Resources and Coal Technology
17 Development Assistance Charge.

18 (a) Notwithstanding the provisions of Section 16-111 of the
19 Public Utilities Act but subject to subsection (e) of this
20 Section, each public utility, electric cooperative, as defined
21 in Section 3.4 of the Electric Supplier Act, and municipal
22 utility, as referenced in Section 3-105 of the Public Utilities
23 Act, that is engaged in the delivery of electricity or the

1 distribution of natural gas within the State of Illinois shall,
2 effective January 1, 1998, assess each of its customer accounts
3 a monthly Renewable Energy Resources and Coal Technology
4 Development Assistance Charge. The delivering public utility,
5 municipal electric or gas utility, or electric or gas
6 cooperative for a self-assessing purchaser remains subject to
7 the collection of the fee imposed by this Section. The monthly
8 charge shall be as follows:

9 (1) \$0.05 per month on each account for residential
10 electric service as defined in Section 13 of the Energy
11 Assistance Act;

12 (2) \$0.05 per month on each account for residential gas
13 service as defined in Section 13 of the Energy Assistance
14 Act;

15 (3) \$0.50 per month on each account for nonresidential
16 electric service, as defined in Section 13 of the Energy
17 Assistance Act, which had less than 10 megawatts of peak
18 demand during the previous calendar year;

19 (4) \$0.50 per month on each account for nonresidential
20 gas service, as defined in Section 13 of the Energy
21 Assistance Act, which had distributed to it less than
22 4,000,000 therms of gas during the previous calendar year;

23 (5) \$37.50 per month on each account for nonresidential
24 electric service, as defined in Section 13 of the Energy
25 Assistance Act, which had 10 megawatts or greater of peak
26 demand during the previous calendar year; and

1 (6) \$37.50 per month on each account for nonresidential
2 gas service, as defined in Section 13 of the Energy
3 Assistance Act, which had 4,000,000 or more therms of gas
4 distributed to it during the previous calendar year.

5 (b) The Renewable Energy Resources and Coal Technology
6 Development Assistance Charge assessed by electric and gas
7 public utilities shall be considered a charge for public
8 utility service.

9 (c) Fifty percent of the moneys collected pursuant to this
10 Section shall be deposited in the Renewable Energy Resources
11 Trust Fund by the Department of Revenue. The remaining 50
12 percent of the moneys collected pursuant to this Section shall
13 be deposited in the Coal Technology Development Assistance Fund
14 by the Department of Revenue for the exclusive purposes of (1)
15 capturing or sequestering carbon emissions produced by coal
16 combustion; (2) supporting research on the capture and
17 sequestration of carbon emissions produced by coal combustion;
18 and (3) improving coal miner safety.

19 (d) By the 20th day of the month following the month in
20 which the charges imposed by this Section were collected, each
21 utility and alternative retail electric supplier collecting
22 charges pursuant to this Section shall remit to the Department
23 of Revenue for deposit in the Renewable Energy Resources Trust
24 Fund and the Coal Technology Development Assistance Fund all
25 moneys received as payment of the charge provided for in this
26 Section on a return prescribed and furnished by the Department

1 of Revenue showing such information as the Department of
2 Revenue may reasonably require.

3 If any payment provided for in this Section exceeds the
4 utility or alternative retail electric supplier's liabilities
5 under this Act, as shown on an original return, the utility or
6 alternative retail electric supplier may credit the excess
7 payment against liability subsequently to be remitted to the
8 Department of Revenue under this Act.

9 (e) The charges imposed by this Section shall only apply to
10 customers of municipal electric or gas utilities and electric
11 or gas cooperatives if the municipal electric or gas utility or
12 electric or gas cooperative makes an affirmative decision to
13 impose the charge. If a municipal electric or gas utility or an
14 electric or gas cooperative makes an affirmative decision to
15 impose the charge provided by this Section, the municipal
16 electric or gas utility or electric or gas cooperative shall
17 inform the Department of Revenue in writing of such decision
18 when it begins to impose the charge. If a municipal electric or
19 gas utility or electric or gas cooperative does not assess this
20 charge, its customers shall not be eligible for the Renewable
21 Energy Resources Program.

22 (f) The Department of Revenue may establish such rules as
23 it deems necessary to implement this Section.

24 (Source: P.A. 95-481, eff. 8-28-07.)

25 (20 ILCS 687/6-8 new)

1 Sec. 6-8. Application of Retailers' Occupation Tax
2 provisions. All the provisions of Sections 4, 5, 5a, 5b, 5c,
3 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 11a, 12,
4 and 13 of the Retailers' Occupation Tax Act that are not
5 inconsistent with this Act apply, as far as practicable, to the
6 surcharge imposed by this Act to the same extent as if those
7 provisions were included in this Act. References in the
8 incorporated Sections of the Retailers' Occupation Tax Act to
9 retailers, to sellers, or to persons engaged in the business of
10 selling tangible personal property mean persons required to
11 remit the charge imposed under this Act.

12 Section 25-10. The Cigarette Machine Operators' Occupation
13 Tax Act is amended by changing Section 1-40 as follows:

14 (35 ILCS 128/1-40)

15 Sec. 1-40. Returns.

16 (a) Cigarette machine operators shall file a return and
17 remit the tax imposed by Section 1-10 by the 15th day of each
18 month covering the preceding calendar month. Each such return
19 shall show: the quantity of cigarettes made or fabricated
20 during the period covered by the return; the beginning and
21 ending meter reading for each cigarette machine for the period
22 covered by the return; the quantity of such cigarettes sold or
23 otherwise disposed of during the period covered by the return;
24 the brand family and manufacturer and quantity of tobacco

1 products used to make or fabricate cigarettes by use of a
2 cigarette machine; the license number of each distributor from
3 whom tobacco products are purchased; the type and quantity of
4 cigarette tubes purchased for use in a cigarette machine; the
5 type and quantity of cigarette tubes used in a cigarette
6 machine; and such other information as the Department may
7 require. Such returns shall be filed on forms prescribed and
8 furnished by the Department. The Department may promulgate
9 rules to require that the cigarette machine operator's return
10 be accompanied by appropriate computer-generated magnetic
11 media supporting schedule data in the format required by the
12 Department, unless, as provided by rule, the Department grants
13 an exception upon petition of a cigarette machine operator.

14 Cigarette machine operators shall send a copy of those
15 returns, together with supporting schedule data, to the
16 Attorney General's Office by the 15th day of each month for the
17 period covering the preceding calendar month.

18 (b) Cigarette machine operators may take a credit against
19 any tax due under Section 1-10 of this Act for taxes imposed
20 and paid under the Tobacco Products Tax Act of 1995 on tobacco
21 products sold to a customer and used in a rolling machine
22 located at the cigarette machine operator's place of business.
23 To be eligible for such credit, the tobacco product must meet
24 the requirements of subsection (a) of Section 1-25 of this Act.
25 This subsection (b) is exempt from the provisions of Section
26 1-155 of this Act.

1 (c) If any payment provided for in this Section exceeds the
2 cigarette machine operator's liabilities under this Act, as
3 shown on an original return, the cigarette machine operator may
4 credit such excess payment against liability subsequently to be
5 remitted to the Department under this Act, in accordance with
6 reasonable rules adopted by the Department.

7 (Source: P.A. 97-688, eff. 6-14-12.)

8 Section 25-15. The Cigarette Tax Act is amended by changing
9 Section 2 as follows:

10 (35 ILCS 130/2) (from Ch. 120, par. 453.2)

11 Sec. 2. Tax imposed; rate; collection, payment, and
12 distribution; discount.

13 (a) A tax is imposed upon any person engaged in business as
14 a retailer of cigarettes in this State at the rate of 5 1/2
15 mills per cigarette sold, or otherwise disposed of in the
16 course of such business in this State. In addition to any other
17 tax imposed by this Act, a tax is imposed upon any person
18 engaged in business as a retailer of cigarettes in this State
19 at a rate of 1/2 mill per cigarette sold or otherwise disposed
20 of in the course of such business in this State on and after
21 January 1, 1947, and shall be paid into the Metropolitan Fair
22 and Exposition Authority Reconstruction Fund or as otherwise
23 provided in Section 29. On and after December 1, 1985, in
24 addition to any other tax imposed by this Act, a tax is imposed

1 upon any person engaged in business as a retailer of cigarettes
2 in this State at a rate of 4 mills per cigarette sold or
3 otherwise disposed of in the course of such business in this
4 State. Of the additional tax imposed by this amendatory Act of
5 1985, \$9,000,000 of the moneys received by the Department of
6 Revenue pursuant to this Act shall be paid each month into the
7 Common School Fund. On and after the effective date of this
8 amendatory Act of 1989, in addition to any other tax imposed by
9 this Act, a tax is imposed upon any person engaged in business
10 as a retailer of cigarettes at the rate of 5 mills per
11 cigarette sold or otherwise disposed of in the course of such
12 business in this State. On and after the effective date of this
13 amendatory Act of 1993, in addition to any other tax imposed by
14 this Act, a tax is imposed upon any person engaged in business
15 as a retailer of cigarettes at the rate of 7 mills per
16 cigarette sold or otherwise disposed of in the course of such
17 business in this State. On and after December 15, 1997, in
18 addition to any other tax imposed by this Act, a tax is imposed
19 upon any person engaged in business as a retailer of cigarettes
20 at the rate of 7 mills per cigarette sold or otherwise disposed
21 of in the course of such business of this State. All of the
22 moneys received by the Department of Revenue pursuant to this
23 Act and the Cigarette Use Tax Act from the additional taxes
24 imposed by this amendatory Act of 1997, shall be paid each
25 month into the Common School Fund. On and after July 1, 2002,
26 in addition to any other tax imposed by this Act, a tax is

1 imposed upon any person engaged in business as a retailer of
2 cigarettes at the rate of 20.0 mills per cigarette sold or
3 otherwise disposed of in the course of such business in this
4 State. Beginning on June 24, 2012, in addition to any other tax
5 imposed by this Act, a tax is imposed upon any person engaged
6 in business as a retailer of cigarettes at the rate of 50 mills
7 per cigarette sold or otherwise disposed of in the course of
8 such business in this State. All moneys received by the
9 Department of Revenue under this Act and the Cigarette Use Tax
10 Act from the additional taxes imposed by this amendatory Act of
11 the 97th General Assembly shall be paid each month into the
12 Healthcare Provider Relief Fund. The payment of such taxes
13 shall be evidenced by a stamp affixed to each original package
14 of cigarettes, or an authorized substitute for such stamp
15 imprinted on each original package of such cigarettes
16 underneath the sealed transparent outside wrapper of such
17 original package, as hereinafter provided. However, such taxes
18 are not imposed upon any activity in such business in
19 interstate commerce or otherwise, which activity may not under
20 the Constitution and statutes of the United States be made the
21 subject of taxation by this State.

22 Beginning on the effective date of this amendatory Act of
23 the 92nd General Assembly and through June 30, 2006, all of the
24 moneys received by the Department of Revenue pursuant to this
25 Act and the Cigarette Use Tax Act, other than the moneys that
26 are dedicated to the Common School Fund, shall be distributed

1 each month as follows: first, there shall be paid into the
2 General Revenue Fund an amount which, when added to the amount
3 paid into the Common School Fund for that month, equals
4 \$33,300,000, except that in the month of August of 2004, this
5 amount shall equal \$83,300,000; then, from the moneys
6 remaining, if any amounts required to be paid into the General
7 Revenue Fund in previous months remain unpaid, those amounts
8 shall be paid into the General Revenue Fund; then, beginning on
9 April 1, 2003, from the moneys remaining, \$5,000,000 per month
10 shall be paid into the School Infrastructure Fund; then, if any
11 amounts required to be paid into the School Infrastructure Fund
12 in previous months remain unpaid, those amounts shall be paid
13 into the School Infrastructure Fund; then the moneys remaining,
14 if any, shall be paid into the Long-Term Care Provider Fund. To
15 the extent that more than \$25,000,000 has been paid into the
16 General Revenue Fund and Common School Fund per month for the
17 period of July 1, 1993 through the effective date of this
18 amendatory Act of 1994 from combined receipts of the Cigarette
19 Tax Act and the Cigarette Use Tax Act, notwithstanding the
20 distribution provided in this Section, the Department of
21 Revenue is hereby directed to adjust the distribution provided
22 in this Section to increase the next monthly payments to the
23 Long Term Care Provider Fund by the amount paid to the General
24 Revenue Fund and Common School Fund in excess of \$25,000,000
25 per month and to decrease the next monthly payments to the
26 General Revenue Fund and Common School Fund by that same excess

1 amount.

2 Beginning on July 1, 2006, all of the moneys received by
3 the Department of Revenue pursuant to this Act and the
4 Cigarette Use Tax Act, other than the moneys that are dedicated
5 to the Common School Fund and, beginning on the effective date
6 of this amendatory Act of the 97th General Assembly, other than
7 the moneys from the additional taxes imposed by this amendatory
8 Act of the 97th General Assembly that must be paid each month
9 into the Healthcare Provider Relief Fund, shall be distributed
10 each month as follows: first, there shall be paid into the
11 General Revenue Fund an amount that, when added to the amount
12 paid into the Common School Fund for that month, equals
13 \$29,200,000; then, from the moneys remaining, if any amounts
14 required to be paid into the General Revenue Fund in previous
15 months remain unpaid, those amounts shall be paid into the
16 General Revenue Fund; then from the moneys remaining,
17 \$5,000,000 per month shall be paid into the School
18 Infrastructure Fund; then, if any amounts required to be paid
19 into the School Infrastructure Fund in previous months remain
20 unpaid, those amounts shall be paid into the School
21 Infrastructure Fund; then the moneys remaining, if any, shall
22 be paid into the Long-Term Care Provider Fund.

23 Moneys collected from the tax imposed on little cigars
24 under Section 10-10 of the Tobacco Products Tax Act of 1995
25 shall be included with the moneys collected under the Cigarette
26 Tax Act and the Cigarette Use Tax Act when making distributions

1 to the Common School Fund, the Healthcare Provider Relief Fund,
2 the General Revenue Fund, the School Infrastructure Fund, and
3 the Long-Term Care Provider Fund under this Section.

4 When any tax imposed herein terminates or has terminated,
5 distributors who have bought stamps while such tax was in
6 effect and who therefore paid such tax, but who can show, to
7 the Department's satisfaction, that they sold the cigarettes to
8 which they affixed such stamps after such tax had terminated
9 and did not recover the tax or its equivalent from purchasers,
10 shall be allowed by the Department to take credit for such
11 absorbed tax against subsequent tax stamp purchases from the
12 Department by such distributor.

13 The impact of the tax levied by this Act is imposed upon
14 the retailer and shall be prepaid or pre-collected by the
15 distributor for the purpose of convenience and facility only,
16 and the 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, as hereinafter provided. Any
20 distributor who purchases stamps may credit any excess payments
21 verified by the Department against amounts subsequently due for
22 the purchase of additional stamps, until such time as no excess
23 payment remains.

24 Each distributor shall collect the tax from the retailer at
25 or before the time of the sale, shall affix the stamps as
26 hereinafter required, and shall remit the tax collected from

1 retailers to the Department, as hereinafter provided. Any
2 distributor who fails to properly collect and pay the tax
3 imposed by this Act shall be liable for the tax. Any
4 distributor having cigarettes to which stamps have been affixed
5 in his possession for sale on the effective date of this
6 amendatory Act of 1989 shall not be required to pay the
7 additional tax imposed by this amendatory Act of 1989 on such
8 stamped cigarettes. Any distributor having cigarettes to which
9 stamps have been affixed in his or her possession for sale at
10 12:01 a.m. on the effective date of this amendatory Act of
11 1993, is required to pay the additional tax imposed by this
12 amendatory Act of 1993 on such stamped cigarettes. This
13 payment, less the discount provided in subsection (b), shall be
14 due when the distributor first makes a purchase of cigarette
15 tax stamps after the effective date of this amendatory Act of
16 1993, or on the first due date of a return under this Act after
17 the effective date of this amendatory Act of 1993, whichever
18 occurs first. Any distributor having cigarettes to which stamps
19 have been affixed in his possession for sale on December 15,
20 1997 shall not be required to pay the additional tax imposed by
21 this amendatory Act of 1997 on such stamped cigarettes.

22 Any distributor having cigarettes to which stamps have been
23 affixed in his or her possession for sale on July 1, 2002 shall
24 not be required to pay the additional tax imposed by this
25 amendatory Act of the 92nd General Assembly on those stamped
26 cigarettes.

1 Any retailer having cigarettes in his or her possession on
2 June 24, 2012 to which tax stamps have been affixed is not
3 required to pay the additional tax that begins on June 24, 2012
4 imposed by this amendatory Act of the 97th General Assembly on
5 those stamped cigarettes. Any distributor having cigarettes in
6 his or her possession on June 24, 2012 to which tax stamps have
7 been affixed, and any distributor having stamps in his or her
8 possession on June 24, 2012 that have not been affixed to
9 packages of cigarettes before June 24, 2012, is required to pay
10 the additional tax that begins on June 24, 2012 imposed by this
11 amendatory Act of the 97th General Assembly to the extent the
12 calendar year 2012 average monthly volume of cigarette stamps
13 in the distributor's possession exceeds the average monthly
14 volume of cigarette stamps purchased by the distributor in
15 calendar year 2011. This payment, less the discount provided in
16 subsection (b), is due when the distributor first makes a
17 purchase of cigarette stamps on or after June 24, 2012 or on
18 the first due date of a return under this Act occurring on or
19 after June 24, 2012, whichever occurs first. Those distributors
20 may elect to pay the additional tax on packages of cigarettes
21 to which stamps have been affixed and on any stamps in the
22 distributor's possession that have not been affixed to packages
23 of cigarettes over a period not to exceed 12 months from the
24 due date of the additional tax by notifying the Department in
25 writing. The first payment for distributors making such
26 election is due when the distributor first makes a purchase of

1 cigarette tax stamps on or after June 24, 2012 or on the first
2 due date of a return under this Act occurring on or after June
3 24, 2012, whichever occurs first. Distributors making such an
4 election are not entitled to take the discount provided in
5 subsection (b) on such payments.

6 Distributors making sales of cigarettes to secondary
7 distributors shall add the amount of the tax to the price of
8 the cigarettes sold by the distributors. Secondary
9 distributors making sales of cigarettes to retailers shall
10 include the amount of the tax in the price of the cigarettes
11 sold to retailers. The amount of tax shall not be less than the
12 amount of taxes imposed by the State and all local
13 jurisdictions. The amount of local taxes shall be calculated
14 based on the location of the retailer's place of business shown
15 on the retailer's certificate of registration or
16 sub-registration issued to the retailer pursuant to Section 2a
17 of the Retailers' Occupation Tax Act. The original packages of
18 cigarettes sold to the retailer shall bear all the required
19 stamps, or other indicia, for the taxes included in the price
20 of cigarettes.

21 The amount of the Cigarette Tax imposed by this Act shall
22 be separately stated, apart from the price of the goods, by
23 distributors, manufacturer representatives, secondary
24 distributors, and retailers, in all bills and sales invoices.

25 (b) The distributor shall be required to collect the taxes
26 provided under paragraph (a) hereof, and, to cover the costs of

1 such collection, shall be allowed a discount during any year
2 commencing July 1st and ending the following June 30th in
3 accordance with the schedule set out hereinbelow, which
4 discount shall be allowed at the time of purchase of the stamps
5 when purchase is required by this Act, or at the time when the
6 tax is remitted to the Department without the purchase of
7 stamps from the Department when that method of paying the tax
8 is required or authorized by this Act. Prior to December 1,
9 1985, a discount equal to $1\frac{2}{3}\%$ of the amount of the tax up to
10 and including the first \$700,000 paid hereunder by such
11 distributor to the Department during any such year; $1\frac{1}{3}\%$ of
12 the next \$700,000 of tax or any part thereof, paid hereunder by
13 such distributor to the Department during any such year; 1% of
14 the next \$700,000 of tax, or any part thereof, paid hereunder
15 by such distributor to the Department during any such year, and
16 $\frac{2}{3}$ of 1% of the amount of any additional tax paid hereunder by
17 such distributor to the Department during any such year shall
18 apply. On and after December 1, 1985, a discount equal to 1.75%
19 of the amount of the tax payable under this Act up to and
20 including the first \$3,000,000 paid hereunder by such
21 distributor to the Department during any such year and 1.5% of
22 the amount of any additional tax paid hereunder by such
23 distributor to the Department during any such year shall apply.

24 Two or more distributors that use a common means of
25 affixing revenue tax stamps or that are owned or controlled by
26 the same interests shall be treated as a single distributor for

1 the purpose of computing the discount.

2 (c) The taxes herein imposed are in addition to all other
3 occupation or privilege taxes imposed by the State of Illinois,
4 or by any political subdivision thereof, or by any municipal
5 corporation.

6 (Source: P.A. 97-587, eff. 8-26-11; 97-688, eff. 6-14-12;
7 98-273, eff. 8-9-13.)

8 Section 25-20. The Cigarette Use Tax Act is amended by
9 changing Section 3 as follows:

10 (35 ILCS 135/3) (from Ch. 120, par. 453.33)

11 Sec. 3. Stamp payment. The tax hereby imposed shall be
12 collected by a distributor maintaining a place of business in
13 this State or a distributor authorized by the Department
14 pursuant to Section 7 hereof to collect the tax, and the amount
15 of the tax shall be added to the price of the cigarettes sold
16 by such distributor. Collection of the tax shall be evidenced
17 by a stamp or stamps affixed to each original package of
18 cigarettes or by an authorized substitute for such stamp
19 imprinted on each original package of such cigarettes
20 underneath the sealed transparent outside wrapper of such
21 original package, except as hereinafter provided. Each
22 distributor who is required or authorized to collect the tax
23 herein imposed, before delivering or causing to be delivered
24 any original packages of cigarettes in this State to any

1 purchaser, shall firmly affix a proper stamp or stamps to each
2 such package, or (in the case of manufacturers of cigarettes in
3 original packages which are contained inside a sealed
4 transparent wrapper) shall imprint the required language on the
5 original package of cigarettes beneath such outside wrapper as
6 hereinafter provided. Such stamp or stamps need not be affixed
7 to the original package of any cigarettes with respect to which
8 the distributor is required to affix a like stamp or stamps by
9 virtue of the Cigarette Tax Act, however, and no tax imprint
10 need be placed underneath the sealed transparent wrapper of an
11 original package of cigarettes with respect to which the
12 distributor is required or authorized to employ a like tax
13 imprint by virtue of the Cigarette Tax Act. Any distributor who
14 purchases stamps may credit any excess payments verified by the
15 Department against amounts subsequently due for the purchase of
16 additional stamps, until such time as no excess payment
17 remains.

18 No stamp or imprint may be affixed to, or made upon, any
19 package of cigarettes unless that package complies with all
20 requirements of the federal Cigarette Labeling and Advertising
21 Act, 15 U.S.C. 1331 and following, for the placement of labels,
22 warnings, or any other information upon a package of cigarettes
23 that is sold within the United States. Under the authority of
24 Section 6, the Department shall revoke the license of any
25 distributor that is determined to have violated this paragraph.
26 A person may not affix a stamp on a package of cigarettes,

1 cigarette papers, wrappers, or tubes if that individual package
2 has been marked for export outside the United States with a
3 label or notice in compliance with Section 290.185 of Title 27
4 of the Code of Federal Regulations. It is not a defense to a
5 proceeding for violation of this paragraph that the label or
6 notice has been removed, mutilated, obliterated, or altered in
7 any manner.

8 Only distributors licensed under this Act and
9 transporters, as defined in Section 9c of the Cigarette Tax
10 Act, may possess unstamped original packages of cigarettes.
11 Prior to shipment to an Illinois retailer or secondary
12 distributor, a stamp shall be applied to each original package
13 of cigarettes sold to the retailer or secondary distributor. A
14 distributor may apply a tax stamp only to an original package
15 of cigarettes purchased or obtained directly from an in-state
16 maker, manufacturer, or fabricator licensed as a distributor
17 under Section 4 of this Act or an out-of-state maker,
18 manufacturer, or fabricator holding a permit under Section 7 of
19 this Act. A licensed distributor may ship or otherwise cause to
20 be delivered unstamped original packages of cigarettes in,
21 into, or from this State. A licensed distributor may transport
22 unstamped original packages of cigarettes to a facility,
23 wherever located, owned or controlled by such distributor;
24 however, a distributor may not transport unstamped original
25 packages of cigarettes to a facility where retail sales of
26 cigarettes take place or to a facility where a secondary

1 distributor makes sales for resale. Any licensed distributor
2 that ships or otherwise causes to be delivered unstamped
3 original packages of cigarettes into, within, or from this
4 State shall ensure that the invoice or equivalent documentation
5 and the bill of lading or freight bill for the shipment
6 identifies the true name and address of the consignor or
7 seller, the true name and address of the consignee or
8 purchaser, and the quantity by brand style of the cigarettes so
9 transported, provided that this Section shall not be construed
10 as to impose any requirement or liability upon any common or
11 contract carrier.

12 Distributors making sales of cigarettes to secondary
13 distributors shall add the amount of the tax to the price of
14 the cigarettes sold by the distributors. Secondary
15 distributors making sales of cigarettes to retailers shall
16 include the amount of the tax in the price of the cigarettes
17 sold to retailers. The amount of tax shall not be less than the
18 amount of taxes imposed by the State and all local
19 jurisdictions. The amount of local taxes shall be calculated
20 based on the location of the retailer's place of business shown
21 on the retailer's certificate of registration or
22 sub-registration issued to the retailer pursuant to Section 2a
23 of the Retailers' Occupation Tax Act. The original packages of
24 cigarettes sold by the retailer shall bear all the required
25 stamps, or other indicia, for the taxes included in the price
26 of cigarettes.

1 Stamps, when required hereunder, shall be purchased from
2 the Department, or any person authorized by the Department, by
3 distributors. On and after July 1, 2003, payment for such
4 stamps must be made by means of electronic funds transfer. The
5 Department may refuse to sell stamps to any person who does not
6 comply with the provisions of this Act. Beginning on June 6,
7 2002 and through June 30, 2002, persons holding valid licenses
8 as distributors may purchase cigarette tax stamps up to an
9 amount equal to 115% of the distributor's average monthly
10 cigarette tax stamp purchases over the 12 calendar months prior
11 to June 6, 2002.

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

1 form of a bank certificate of deposit or bank letter of credit.
2 The bond shall be conditioned upon the distributor's payment of
3 the amount of any 21-day draft which the Department accepts
4 from that distributor for the delivery of stamps to that
5 distributor under this Act. The distributor's failure to pay
6 any such draft, when due, shall also make such distributor
7 automatically liable to the Department for a penalty equal to
8 25% of the amount of such draft.

9 On and after December 1, 1985 and until July 1, 2003, the
10 Department shall allow a distributor 30 days in which to make
11 final payment of the amount to be paid for such stamps, by
12 allowing the distributor to make payment for the stamps at the
13 time of purchasing them with a draft which shall be in such
14 form as the Department prescribes, and which shall be payable
15 within 30 days thereafter, and beginning on January 1, 2003 and
16 thereafter, the draft shall be payable by means of electronic
17 funds transfer: Provided that such distributor has filed with
18 the Department, and has received the Department's approval of,
19 a bond, which is in addition to the bond required under Section
20 4 of this Act, payable to the Department in an amount equal to
21 150% of such distributor's average monthly tax liability to the
22 Department under this Act during the preceding calendar year or
23 \$750,000, whichever is less, except that as to bonds filed on
24 or after January 1, 1987, such additional bond shall be in an
25 amount equal to 100% of such distributor's average monthly tax
26 liability under this Act during the preceding calendar year or

1 \$750,000, whichever is less. The bond shall be joint and
2 several and shall be in the form of a surety company bond in
3 such form as the Department prescribes, or it may be in the
4 form of a bank certificate of deposit or bank letter of credit.
5 The bond shall be conditioned upon the distributor's payment of
6 the amount of any 30-day draft which the Department accepts
7 from that distributor for the delivery of stamps to that
8 distributor under this Act. The distributor's failure to pay
9 any such draft, when due, shall also make such distributor
10 automatically liable to the Department for a penalty equal to
11 25% of the amount of such draft.

12 Every prior continuous compliance taxpayer shall be exempt
13 from all requirements under this Section concerning the
14 furnishing of such bond, as defined in this Section, as a
15 condition precedent to his being authorized to engage in the
16 business licensed under this Act. This exemption shall continue
17 for each such taxpayer until such time as he may be determined
18 by the Department to be delinquent in the filing of any
19 returns, or is determined by the Department (either through the
20 Department's issuance of a final assessment which has become
21 final under the Act, or by the taxpayer's filing of a return
22 which admits tax to be due that is not paid) to be delinquent
23 or deficient in the paying of any tax under this Act, at which
24 time that taxpayer shall become subject to the bond
25 requirements of this Section and, as a condition of being
26 allowed to continue to engage in the business licensed under

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

12 Except as otherwise provided in this Section, any person
13 aggrieved by any decision of the Department under this Section
14 may, within the time allowed by law, protest and request a
15 hearing before the Department, whereupon the Department shall
16 give notice and shall hold a hearing in conformity with the
17 provisions of this Act and then issue its final administrative
18 decision in the matter to such person. Effective July 1, 2013,
19 protests concerning matters that are subject to the
20 jurisdiction of the Illinois Independent Tax Tribunal shall be
21 filed in accordance with the Illinois Independent Tax Tribunal
22 Act of 2012, and hearings concerning those matters shall be
23 held before the Tribunal in accordance with that Act. With
24 respect to protests filed with the Department prior to July 1,
25 2013 that would otherwise be subject to the jurisdiction of the
26 Illinois Independent Tax Tribunal, the person filing the

1 protest may elect to be subject to the provisions of the
2 Illinois Independent Tax Tribunal Act of 2012 at any time on or
3 after July 1, 2013, but not later than 30 days after the date
4 on which the protest was filed. If made, the election shall be
5 irrevocable. In the absence of such a protest filed within the
6 time allowed by law, the Department's decision shall become
7 final without any further determination being made or notice
8 given.

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

13 (1) such Taxpayer becomes a prior continuous
14 compliance taxpayer; or

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

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

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

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

11 Cigarette manufacturers who are distributors under Section
12 7(a) of this Act, and who place their cigarettes in original
13 packages which are contained inside a sealed transparent
14 wrapper, shall be required to remit the tax which they are
15 required to collect under this Act to the Department by
16 remitting the amount thereof to the Department by the 5th day
17 of each month, covering cigarettes shipped or otherwise
18 delivered to points in Illinois to purchasers during the
19 preceding calendar month, but a distributor need not remit to
20 the Department the tax so collected by him from purchasers
21 under this Act to the extent to which such distributor is
22 required to remit the tax imposed by the Cigarette Tax Act to
23 the Department with respect to the same cigarettes. All taxes
24 upon cigarettes under this Act are a direct tax upon the retail
25 consumer and shall conclusively be presumed to be precollected
26 for the purpose of convenience and facility only. Cigarette

1 manufacturers that are distributors licensed under Section
2 7(a) of this Act and who place their cigarettes in original
3 packages which are contained inside a sealed transparent
4 wrapper, before delivering such cigarettes or causing such
5 cigarettes to be delivered in this State to purchasers, shall
6 evidence their obligation to collect and remit the tax due with
7 respect to such cigarettes by imprinting language to be
8 prescribed by the Department on each original package of such
9 cigarettes underneath the sealed transparent outside wrapper
10 of such original package, in such place thereon and in such
11 manner as the Department may prescribe; provided (as stated
12 hereinbefore) that this requirement does not apply when such
13 distributor is required or authorized by the Cigarette Tax Act
14 to place the tax imprint provided for in the last paragraph of
15 Section 3 of that Act underneath the sealed transparent wrapper
16 of such original package of cigarettes. Such imprinted language
17 shall acknowledge the manufacturer's collection and payment of
18 or liability for the tax imposed by this Act with respect to
19 such cigarettes.

20 The Department shall adopt the design or designs of the tax
21 stamps and shall procure the printing of such stamps in such
22 amounts and denominations as it deems necessary to provide for
23 the affixation of the proper amount of tax stamps to each
24 original package of cigarettes.

25 Where tax stamps are required, the Department may authorize
26 distributors to affix revenue tax stamps by imprinting tax

1 meter stamps upon original packages of cigarettes. The
2 Department shall adopt rules and regulations relating to the
3 imprinting of such tax meter stamps as will result in payment
4 of the proper taxes as herein imposed. No distributor may affix
5 revenue tax stamps to original packages of cigarettes by
6 imprinting meter stamps thereon unless such distributor has
7 first obtained permission from the Department to employ this
8 method of affixation. The Department shall regulate the use of
9 tax meters and may, to assure the proper collection of the
10 taxes imposed by this Act, revoke or suspend the privilege,
11 theretofore granted by the Department to any distributor, to
12 imprint tax meter stamps upon original packages of cigarettes.

13 The tax hereby imposed and not paid pursuant to this
14 Section shall be paid to the Department directly by any person
15 using such cigarettes within this State, pursuant to Section 12
16 hereof.

17 A distributor shall not affix, or cause to be affixed, any
18 stamp or imprint to a package of cigarettes, as provided for in
19 this Section, if the tobacco product manufacturer, as defined
20 in Section 10 of the Tobacco Product Manufacturers' Escrow Act,
21 that made or sold the cigarettes has failed to become a
22 participating manufacturer, as defined in subdivision (a)(1)
23 of Section 15 of the Tobacco Product Manufacturers' Escrow Act,
24 or has failed to create a qualified escrow fund for any
25 cigarettes manufactured by the tobacco product manufacturer
26 and sold in this State or otherwise failed to bring itself into

1 compliance with subdivision (a) (2) of Section 15 of the Tobacco
2 Product Manufacturers' Escrow Act.

3 (Source: P.A. 96-782, eff. 1-1-10; 96-1027, eff. 7-12-10;
4 97-1129, eff. 8-28-12.)

5 Section 25-25. The Tobacco Products Tax Act of 1995 is
6 amended by changing Section 10-30 as follows:

7 (35 ILCS 143/10-30)

8 Sec. 10-30. Returns.

9 (a) Every distributor shall, on or before the 15th day of
10 each month, file a return with the Department covering the
11 preceding calendar month. The return shall disclose the
12 wholesale price for all tobacco products other than moist snuff
13 and the quantity in ounces of moist snuff sold or otherwise
14 disposed of and other information that the Department may
15 reasonably require. The return shall be filed upon a form
16 prescribed and furnished by the Department.

17 (b) In addition to the information required under
18 subsection (a), on or before the 15th day of each month,
19 covering the preceding calendar month, each stamping
20 distributor shall, on forms prescribed and furnished by the
21 Department, report the quantity of little cigars sold or
22 otherwise disposed of, including the number of packages of
23 little cigars sold or disposed of during the month containing
24 20 or 25 little cigars.

1 (c) At the time when any return of any distributor is due
2 to be filed with the Department, the distributor shall also
3 remit to the Department the tax liability that the distributor
4 has incurred for transactions occurring in the preceding
5 calendar month.

6 (d) The Department may adopt rules to require the
7 electronic filing of any return or document required to be
8 filed under this Act. Those rules may provide for exceptions
9 from the filing requirement set forth in this paragraph for
10 persons who demonstrate that they do not have access to the
11 Internet and petition the Department to waive the electronic
12 filing requirement.

13 (e) If any payment provided for in this Section exceeds the
14 distributor's liabilities under this Act, as shown on an
15 original return, the distributor may credit such excess payment
16 against liability subsequently to be remitted to the Department
17 under this Act, in accordance with reasonable rules adopted by
18 the Department.

19 (Source: P.A. 97-688, eff. 6-14-12; 98-273, eff. 8-9-13.)

20 Section 25-30. The Hotel Operators' Occupation Tax Act is
21 amended by changing Section 6 as follows:

22 (35 ILCS 145/6) (from Ch. 120, par. 481b.36)

23 Sec. 6. Except as provided hereinafter in this Section, on
24 or before the last day of each calendar month, every person

1 engaged in the business of renting, leasing or letting rooms in
2 a hotel in this State during the preceding calendar month shall
3 file a return with the Department, stating:

4 1. The name of the operator;

5 2. His residence address and the address of his
6 principal place of business and the address of the
7 principal place of business (if that is a different
8 address) from which he engages in the business of renting,
9 leasing or letting rooms in a hotel in this State;

10 3. Total amount of rental receipts received by him
11 during the preceding calendar month from renting, leasing
12 or letting rooms during such preceding calendar month;

13 4. Total amount of rental receipts received by him
14 during the preceding calendar month from renting, leasing
15 or letting rooms to permanent residents during such
16 preceding calendar month;

17 5. Total amount of other exclusions from gross rental
18 receipts allowed by this Act;

19 6. Gross rental receipts which were received by him
20 during the preceding calendar month and upon the basis of
21 which the tax is imposed;

22 7. The amount of tax due;

23 8. Such other reasonable information as the Department
24 may require.

25 If the operator's average monthly tax liability to the
26 Department does not exceed \$200, the Department may authorize

1 his returns to be filed on a quarter annual basis, with the
2 return for January, February and March of a given year being
3 due by April 30 of such year; with the return for April, May
4 and June of a given year being due by July 31 of such year; with
5 the return for July, August and September of a given year being
6 due by October 31 of such year, and with the return for
7 October, November and December of a given year being due by
8 January 31 of the following year.

9 If the operator's average monthly tax liability to the
10 Department does not exceed \$50, the Department may authorize
11 his returns to be filed on an annual basis, with the return for
12 a given year being due by January 31 of the following year.

13 Such quarter annual and annual returns, as to form and
14 substance, shall be subject to the same requirements as monthly
15 returns.

16 Notwithstanding any other provision in this Act concerning
17 the time within which an operator may file his return, in the
18 case of any operator who ceases to engage in a kind of business
19 which makes him responsible for filing returns under this Act,
20 such operator shall file a final return under this Act with the
21 Department not more than 1 month after discontinuing such
22 business.

23 Where the same person has more than 1 business registered
24 with the Department under separate registrations under this
25 Act, such person shall not file each return that is due as a
26 single return covering all such registered businesses, but

1 shall file separate returns for each such registered business.

2 In his return, the operator shall determine the value of
3 any consideration other than money received by him in
4 connection with the renting, leasing or letting of rooms in the
5 course of his business and he shall include such value in his
6 return. Such determination shall be subject to review and
7 revision by the Department in the manner hereinafter provided
8 for the correction of returns.

9 Where the operator is a corporation, the return filed on
10 behalf of such corporation shall be signed by the president,
11 vice-president, secretary or treasurer or by the properly
12 accredited agent of such corporation.

13 The person filing the return herein provided for shall, at
14 the time of filing such return, pay to the Department the
15 amount of tax herein imposed. The operator filing the return
16 under this Section shall, at the time of filing such return,
17 pay to the Department the amount of tax imposed by this Act
18 less a discount of 2.1% or \$25 per calendar year, whichever is
19 greater, which is allowed to reimburse the operator for the
20 expenses incurred in keeping records, preparing and filing
21 returns, remitting the tax and supplying data to the Department
22 on request.

23 If any payment provided for in this Section exceeds the
24 operator's liabilities under this Act, as shown on an original
25 return, the Department may authorize the operator to credit
26 such excess payment against liability subsequently to be

1 remitted to the Department under this Act, in accordance with
2 reasonable rules adopted by the Department. If the Department
3 subsequently determines that all or any part of the credit
4 taken was not actually due to the operator, the operator's
5 discount shall be reduced by an amount equal to the difference
6 between the discount as applied to the credit taken and that
7 actually due, and that operator shall be liable for penalties
8 and interest on such difference.

9 There shall be deposited in the Build Illinois Fund in the
10 State Treasury for each State fiscal year 40% of the amount of
11 total net proceeds from the tax imposed by subsection (a) of
12 Section 3. Of the remaining 60%, \$5,000,000 shall be deposited
13 in the Illinois Sports Facilities Fund and credited to the
14 Subsidy Account each fiscal year by making monthly deposits in
15 the amount of 1/8 of \$5,000,000 plus cumulative deficiencies in
16 such deposits for prior months, and an additional \$8,000,000
17 shall be deposited in the Illinois Sports Facilities Fund and
18 credited to the Advance Account each fiscal year by making
19 monthly deposits in the amount of 1/8 of \$8,000,000 plus any
20 cumulative deficiencies in such deposits for prior months;
21 provided, that for fiscal years ending after June 30, 2001, the
22 amount to be so deposited into the Illinois Sports Facilities
23 Fund and credited to the Advance Account each fiscal year shall
24 be increased from \$8,000,000 to the then applicable Advance
25 Amount and the required monthly deposits beginning with July
26 2001 shall be in the amount of 1/8 of the then applicable

1 Advance Amount plus any cumulative deficiencies in those
2 deposits for prior months. (The deposits of the additional
3 \$8,000,000 or the then applicable Advance Amount, as
4 applicable, during each fiscal year shall be treated as
5 advances of funds to the Illinois Sports Facilities Authority
6 for its corporate purposes to the extent paid to the Authority
7 or its trustee and shall be repaid into the General Revenue
8 Fund in the State Treasury by the State Treasurer on behalf of
9 the Authority pursuant to Section 19 of the Illinois Sports
10 Facilities Authority Act, as amended. If in any fiscal year the
11 full amount of the then applicable Advance Amount is not repaid
12 into the General Revenue Fund, then the deficiency shall be
13 paid from the amount in the Local Government Distributive Fund
14 that would otherwise be allocated to the City of Chicago under
15 the State Revenue Sharing Act.)

16 For purposes of the foregoing paragraph, the term "Advance
17 Amount" means, for fiscal year 2002, \$22,179,000, and for
18 subsequent fiscal years through fiscal year 2032, 105.615% of
19 the Advance Amount for the immediately preceding fiscal year,
20 rounded up to the nearest \$1,000.

21 Of the remaining 60% of the amount of total net proceeds
22 prior to August 1, 2011 from the tax imposed by subsection (a)
23 of Section 3 after all required deposits in the Illinois Sports
24 Facilities Fund, the amount equal to 8% of the net revenue
25 realized from this Act plus an amount equal to 8% of the net
26 revenue realized from any tax imposed under Section 4.05 of the

1 Chicago World's Fair-1992 Authority Act during the preceding
2 month shall be deposited in the Local Tourism Fund each month
3 for purposes authorized by Section 605-705 of the Department of
4 Commerce and Economic Opportunity Law (20 ILCS 605/605-705). Of
5 the remaining 60% of the amount of total net proceeds beginning
6 on August 1, 2011 from the tax imposed by subsection (a) of
7 Section 3 after all required deposits in the Illinois Sports
8 Facilities Fund, an amount equal to 8% of the net revenue
9 realized from this Act plus an amount equal to 8% of the net
10 revenue realized from any tax imposed under Section 4.05 of the
11 Chicago World's Fair-1992 Authority Act during the preceding
12 month shall be deposited as follows: 18% of such amount shall
13 be deposited into the Chicago Travel Industry Promotion Fund
14 for the purposes described in subsection (n) of Section 5 of
15 the Metropolitan Pier and Exposition Authority Act and the
16 remaining 82% of such amount shall be deposited into the Local
17 Tourism Fund each month for purposes authorized by Section
18 605-705 of the Department of Commerce and Economic Opportunity
19 Law. Beginning on August 1, 1999 and ending on July 31, 2011,
20 an amount equal to 4.5% of the net revenue realized from the
21 Hotel Operators' Occupation Tax Act during the preceding month
22 shall be deposited into the International Tourism Fund for the
23 purposes authorized in Section 605-707 of the Department of
24 Commerce and Economic Opportunity Law. Beginning on August 1,
25 2011, an amount equal to 4.5% of the net revenue realized from
26 this Act during the preceding month shall be deposited as

1 follows: 55% of such amount shall be deposited into the Chicago
2 Travel Industry Promotion Fund for the purposes described in
3 subsection (n) of Section 5 of the Metropolitan Pier and
4 Exposition Authority Act and the remaining 45% of such amount
5 deposited into the International Tourism Fund for the purposes
6 authorized in Section 605-707 of the Department of Commerce and
7 Economic Opportunity Law. "Net revenue realized for a month"
8 means the revenue collected by the State under that Act during
9 the previous month less the amount paid out during that same
10 month as refunds to taxpayers for overpayment of liability
11 under that Act.

12 After making all these deposits, all other proceeds of the
13 tax imposed under subsection (a) of Section 3 shall be
14 deposited in the General Revenue Fund in the State Treasury.
15 All moneys received by the Department from the additional tax
16 imposed under subsection (b) of Section 3 shall be deposited
17 into the Build Illinois Fund in the State Treasury.

18 The Department may, upon separate written notice to a
19 taxpayer, require the taxpayer to prepare and file with the
20 Department on a form prescribed by the Department within not
21 less than 60 days after receipt of the notice an annual
22 information return for the tax year specified in the notice.
23 Such annual return to the Department shall include a statement
24 of gross receipts as shown by the operator's last State income
25 tax return. If the total receipts of the business as reported
26 in the State income tax return do not agree with the gross

1 receipts reported to the Department for the same period, the
2 operator shall attach to his annual information return a
3 schedule showing a reconciliation of the 2 amounts and the
4 reasons for the difference. The operator's annual information
5 return to the Department shall also disclose pay roll
6 information of the operator's business during the year covered
7 by such return and any additional reasonable information which
8 the Department deems would be helpful in determining the
9 accuracy of the monthly, quarterly or annual tax returns by
10 such operator as hereinbefore provided for in this Section.

11 If the annual information return required by this Section
12 is not filed when and as required the taxpayer shall be liable
13 for a penalty in an amount determined in accordance with
14 Section 3-4 of the Uniform Penalty and Interest Act until such
15 return is filed as required, the penalty to be assessed and
16 collected in the same manner as any other penalty provided for
17 in this Act.

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

26 The foregoing portion of this Section concerning the filing

1 of an annual information return shall not apply to an operator
2 who is not required to file an income tax return with the
3 United States Government.

4 (Source: P.A. 97-617, eff. 10-26-11.)

5 Section 25-35. The Live Adult Entertainment Facility
6 Surcharge Act is amended by changing Section 10 as follows:

7 (35 ILCS 175/10)

8 Sec. 10. Surcharge imposed; returns.

9 (a) An annual surcharge is imposed upon each operator who
10 operates a live adult entertainment facility in this State. By
11 January 20, 2014, and by January 20 of each year thereafter,
12 each operator shall elect to pay the surcharge according to
13 either item (1) or item (2) of this subsection.

14 (1) An operator who elects to be subject to this item
15 (1) shall pay to the Department a surcharge imposed upon
16 admissions to a live adult entertainment facility operated
17 by the operator in this State in an amount equal to \$3 per
18 person admitted to that live adult entertainment facility.
19 This item (1) does not require a live entertainment
20 facility to impose a fee on a customer of the facility. An
21 operator has the discretion to determine the manner in
22 which the facility derives the moneys required to pay the
23 surcharge imposed under this Section. In the event that an
24 operator has not filed the applicable returns under the

1 Retailers' Occupation Tax Act for a full calendar year
2 prior to any January 20, then such operator shall pay the
3 surcharge under this Act pursuant to this item (1) for
4 moneys owed to the Department subject to this Act for the
5 previous calendar year.

6 (2) An operator may, in the alternative, pay to the
7 Department the surcharge as follows:

8 (A) If the gross receipts received by the live
9 adult entertainment facility during the preceding
10 calendar year, upon the basis of which a tax is imposed
11 under Section 2 of the Retailers' Occupation Tax Act,
12 are equal or greater than \$2,000,000 during the
13 preceding calendar year, and if the operator elects to
14 be subject to this item (2), then the operator shall
15 pay the Department a surcharge of \$25,000.

16 (B) If the gross receipts received by the live
17 adult entertainment facility during the preceding
18 calendar year, upon the basis of which a tax is imposed
19 under Section 2 of the Retailers' Occupation Tax Act,
20 are equal to or greater than \$500,000 but less than
21 \$2,000,000 during the preceding calendar year, and if
22 the operator elects to be subject to this item (2),
23 then the operator shall pay to the Department a
24 surcharge of \$15,000.

25 (C) If the gross receipts received by the live
26 adult entertainment facility during the preceding

1 calendar year, upon the basis of which a tax is imposed
2 under Section 2 of the Retailers' Occupation Tax Act,
3 are less than \$500,000 during the preceding calendar
4 year, and if the operator elects to be subject to this
5 item (2), then the operator shall pay the Department a
6 surcharge of \$5,000.

7 (b) For each live adult entertainment facility paying the
8 surcharge as set forth in item (1) of subsection (a) of this
9 Section, the operator must file a return electronically as
10 provided by the Department and remit payment to the Department
11 on an annual basis no later than January 20 covering the
12 previous calendar year. Each return made to the Department must
13 state the following:

14 (1) the name of the operator;

15 (2) the address of the live adult entertainment
16 facility and the address of the principal place of business
17 (if that is a different address) of the operator;

18 (3) the total number of admissions to the facility in
19 the preceding calendar year; and

20 (4) the total amount of surcharge collected in the
21 preceding calendar year.

22 Notwithstanding any other provision of this subsection
23 concerning the time within which an operator may file his or
24 her return, if an operator ceases to operate a live adult
25 entertainment facility, then he or she must file a final return
26 under this Act with the Department not more than one calendar

1 month after discontinuing that business.

2 (c) For each live adult entertainment facility paying the
3 surcharge as set forth in item (2) of subsection (a) of this
4 Section, the operator must file a return electronically as
5 provided by the Department and remit payment to the Department
6 on an annual basis no later than January 20 covering the
7 previous calendar year. Each return made to the Department must
8 state the following:

9 (1) the name of the operator;

10 (2) the address of the live adult entertainment
11 facility and the address of the principal place of business
12 (if that is a different address) of the operator;

13 (3) the gross receipts received by the live adult
14 entertainment facility during the preceding calendar year,
15 upon the basis of which tax is imposed under Section 2 of
16 the Retailers' Occupation Tax Act; and

17 (4) the applicable surcharge from Section 10(a)(2) of
18 this Act to be paid by the operator.

19 Notwithstanding any other provision of this subsection
20 concerning the time within which an operator may file his or
21 her return, if an operator ceases to operate a live adult
22 entertainment facility, then he or she must file a final return
23 under this Act with the Department not more than one calendar
24 month after discontinuing that business.

25 (d) Beginning January 1, 2014, the Department shall pay all
26 proceeds collected from the surcharge imposed under this Act

1 into the Sexual Assault Services and Prevention Fund, less 2%
2 of those proceeds, which shall be paid into the Tax Compliance
3 and Administration Fund in the State treasury from which it
4 shall be appropriated to the Department to cover the costs of
5 the Department in administering and enforcing the provisions of
6 this Act.

7 (e) If any payment provided for in this Section exceeds the
8 operator's liabilities under this Act, as shown on an original
9 return, the operator may credit such excess payment against
10 liability subsequently to be remitted to the Department under
11 this Act, in accordance with reasonable rules adopted by the
12 Department.

13 (Source: P.A. 97-1035, eff. 1-1-13.)

14 Section 25-40. The Illinois Hydraulic Fracturing Tax Act is
15 amended by changing Sections 2-45 and 2-50 as follows:

16 (35 ILCS 450/2-45)

17 Sec. 2-45. Purchaser's return and tax remittance. Each
18 purchaser shall make a return to the Department showing the
19 quantity of oil or gas purchased during the month for which the
20 return is filed, the price paid therefor, total value, the name
21 and address of the operator or other person from whom the same
22 was purchased, a description of the production unit in the
23 manner prescribed by the Department from which such oil or gas
24 was severed and the amount of tax due from each production unit

1 for each calendar month. All taxes due, or to be remitted, by
2 the purchaser shall accompany this return. The return shall be
3 filed on or before the last day of the month after the calendar
4 month for which the return is required. The Department shall
5 forward the necessary information to each Chief County
6 Assessment Officer for the administration and application of ad
7 valorem real property taxes at the county level. This
8 information shall be forwarded to the Chief County Assessment
9 Officers in a yearly summary before March 1 of the following
10 calendar year. The Department may require any additional report
11 or information it may deem necessary for the proper
12 administration of this Act.

13 Such returns shall be filed electronically in the manner
14 prescribed by the Department. Purchasers shall make all
15 payments of that tax to the Department by electronic funds
16 transfer unless, as provided by rule, the Department grants an
17 exception upon petition of a purchaser. Purchasers' returns
18 must be accompanied by appropriate computer generated magnetic
19 media supporting schedule data in the format required by the
20 Department, unless, as provided by rule, the Department grants
21 an exception upon petition of a purchaser.

22 If any payment provided for in this Section exceeds the
23 purchaser's liabilities under this Act, as shown on an original
24 return, the purchaser may credit such excess payment against
25 liability subsequently to be remitted to the Department under
26 this Act, in accordance with reasonable rules adopted by the

1 Department.

2 (Source: P.A. 98-22, eff. 6-17-13; 98-23, eff. 6-17-13; 98-756,
3 eff. 7-16-14.)

4 (35 ILCS 450/2-50)

5 Sec. 2-50. Operator returns; payment of tax.

6 (a) If, on or after July 1, 2013, oil or gas is transported
7 off the production unit where severed by the operator, used on
8 the production unit where severed, or if the manufacture and
9 conversion of oil and gas into refined products occurs on the
10 production unit where severed, the operator is responsible for
11 remitting the tax imposed under subsection (a) of Section 2-15,
12 on or before the last day of the month following the end of the
13 calendar month in which the oil and gas is removed from the
14 production unit, and such payment shall be accompanied by a
15 return to the Department showing the gross quantity of oil or
16 gas removed during the month for which the return is filed, the
17 price paid therefor, and if no price is paid therefor, the
18 value of the oil and gas, a description of the production unit
19 from which such oil or gas was severed, and the amount of tax.
20 The Department may require any additional information it may
21 deem necessary for the proper administration of this Act.

22 (b) Operators shall file all returns electronically in the
23 manner prescribed by the Department unless, as provided by
24 rule, the Department grants an exception upon petition of an
25 operator. Operators shall make all payments of that tax to the

1 Department by electronic funds transfer unless, as provided by
2 rule, the Department grants an exception upon petition of an
3 operator. Operators' returns must be accompanied by
4 appropriate computer generated magnetic media supporting
5 schedule data in the format required by the Department, unless,
6 as provided by rule, the Department grants an exception upon
7 petition of a purchaser.

8 (c) Any operator who makes a monetary payment to a producer
9 for his or her portion of the value of products from a
10 production unit shall withhold from such payment the amount of
11 tax due from the producer. Any operator who pays any tax due
12 from a producer shall be entitled to reimbursement from the
13 producer for the tax so paid and may take credit for such
14 amount from any monetary payment to the producer for the value
15 of products. To the extent that an operator required to collect
16 the tax imposed by this Act has actually collected that tax,
17 such tax is held in trust for the benefit of the State of
18 Illinois.

19 (d) In the event the operator fails to make payment of the
20 tax to the State as required herein, the operator shall be
21 liable for the tax. A producer shall be entitled to bring an
22 action against such operator to recover the amount of tax so
23 withheld together with penalties and interest which may have
24 accrued by failure to make such payment. A producer shall be
25 entitled to all attorney fees and court costs incurred in such
26 action. To the extent that a producer liable for the tax

1 imposed by this Act collects the tax, and any penalties and
2 interest, from an operator, such tax, penalties, and interest
3 are held in trust by the producer for the benefit of the State
4 of Illinois.

5 (e) When the title to any oil or gas severed from the earth
6 or water is in dispute and the operator of such oil or gas is
7 withholding payments on account of litigation, or for any other
8 reason, such operator is hereby authorized, empowered and
9 required to deduct from the gross amount thus held the amount
10 of the tax imposed and to make remittance thereof to the
11 Department as provided in this Section.

12 (f) An operator required to file a return and pay the tax
13 under this Section shall register with the Department.
14 Application for a certificate of registration shall be made to
15 the Department upon forms furnished by the Department and shall
16 contain any reasonable information the Department may require.
17 Upon receipt of the application for a certificate of
18 registration in proper form, the Department shall issue to the
19 applicant a certificate of registration.

20 (g) If oil or gas is transported off the production unit
21 where severed by the operator and sold to a purchaser or
22 refiner, the State shall have a lien on all the oil or gas
23 severed from the production unit in this State in the hands of
24 the operator, the first or any subsequent purchaser thereof, or
25 refiner to secure the payment of the tax. If a lien is filed by
26 the Department, the purchaser or refiner shall withhold from

1 the operator the amount of tax, penalty and interest identified
2 in the lien.

3 (h) If any payment provided for in this Section exceeds the
4 operator's liabilities under this Act, as shown on an original
5 return, the operator may credit such excess payment against
6 liability subsequently to be remitted to the Department under
7 this Act, in accordance with reasonable rules adopted by the
8 Department.

9 (Source: P.A. 98-22, eff. 6-17-13; 98-756, eff. 7-16-14.)

10 Section 25-45. The Motor Fuel Tax Law is amended by
11 changing Sections 2b, 5, 5a, and 13 as follows:

12 (35 ILCS 505/2b) (from Ch. 120, par. 418b)

13 Sec. 2b. Receiver's monthly return. In addition to the tax
14 collection and reporting responsibilities imposed elsewhere in
15 this Act, a person who is required to pay the tax imposed by
16 Section 2a of this Act shall pay the tax to the Department by
17 return showing all fuel purchased, acquired or received and
18 sold, distributed or used during the preceding calendar month
19 including losses of fuel as the result of evaporation or
20 shrinkage due to temperature variations, and such other
21 reasonable information as the Department may require. Losses of
22 fuel as the result of evaporation or shrinkage due to
23 temperature variations may not exceed 1% of the total gallons
24 in storage at the beginning of the month, plus the receipts of

1 gallonage during the month, minus the gallonage remaining in
2 storage at the end of the month. Any loss reported that is in
3 excess of this amount shall be subject to the tax imposed by
4 Section 2a of this Law. On and after July 1, 2001, for each
5 6-month period January through June, net losses of fuel (for
6 each category of fuel that is required to be reported on a
7 return) as the result of evaporation or shrinkage due to
8 temperature variations may not exceed 1% of the total gallons
9 in storage at the beginning of each January, plus the receipts
10 of gallonage each January through June, minus the gallonage
11 remaining in storage at the end of each June. On and after July
12 1, 2001, for each 6-month period July through December, net
13 losses of fuel (for each category of fuel that is required to
14 be reported on a return) as the result of evaporation or
15 shrinkage due to temperature variations may not exceed 1% of
16 the total gallons in storage at the beginning of each July,
17 plus the receipts of gallonage each July through December,
18 minus the gallonage remaining in storage at the end of each
19 December. Any net loss reported that is in excess of this
20 amount shall be subject to the tax imposed by Section 2a of
21 this Law. For purposes of this Section, "net loss" means the
22 number of gallons gained through temperature variations minus
23 the number of gallons lost through temperature variations or
24 evaporation for each of the respective 6-month periods.

25 The return shall be prescribed by the Department and shall
26 be filed between the 1st and 20th days of each calendar month.

1 The Department may, in its discretion, combine the returns
2 filed under this Section, Section 5, and Section 5a of this
3 Act. The return must be accompanied by appropriate
4 computer-generated magnetic media supporting schedule data in
5 the format required by the Department, unless, as provided by
6 rule, the Department grants an exception upon petition of a
7 taxpayer. If the return is filed timely, the seller shall take
8 a discount of 2% through June 30, 2003 and 1.75% thereafter
9 which is allowed to reimburse the seller for the expenses
10 incurred in keeping records, preparing and filing returns,
11 collecting and remitting the tax and supplying data to the
12 Department on request. The discount, however, shall be
13 applicable only to the amount of payment which accompanies a
14 return that is filed timely in accordance with this Section.

15 If any payment provided for in this Section exceeds the
16 receiver's liabilities under this Act, as shown on an original
17 return, the Department may authorize the receiver to credit
18 such excess payment against liability subsequently to be
19 remitted to the Department under this Act, in accordance with
20 reasonable rules adopted by the Department. If the Department
21 subsequently determines that all or any part of the credit
22 taken was not actually due to the receiver, the receiver's
23 discount shall be reduced by an amount equal to the difference
24 between the discount as applied to the credit taken and that
25 actually due, and that receiver shall be liable for penalties
26 and interest on such difference.

1 (Source: P.A. 92-30, eff. 7-1-01; 93-32, eff. 6-20-03.)

2 (35 ILCS 505/5) (from Ch. 120, par. 421)

3 Sec. 5. Distributor's monthly return. Except as
4 hereinafter provided, a person holding a valid unrevoked
5 license to act as a distributor of motor fuel shall, between
6 the 1st and 20th days of each calendar month, make return to
7 the Department, showing an itemized statement of the number of
8 invoiced gallons of motor fuel of the types specified in this
9 Section which were purchased, acquired, received, or exported
10 during the preceding calendar month; the amount of such motor
11 fuel produced, refined, compounded, manufactured, blended,
12 sold, distributed, exported, and used by the licensed
13 distributor during the preceding calendar month; the amount of
14 such motor fuel lost or destroyed during the preceding calendar
15 month; the amount of such motor fuel on hand at the close of
16 business for such month; and such other reasonable information
17 as the Department may require. If a distributor's only
18 activities with respect to motor fuel are either: (1)
19 production of alcohol in quantities of less than 10,000 proof
20 gallons per year or (2) blending alcohol in quantities of less
21 than 10,000 proof gallons per year which such distributor has
22 produced, he shall file returns on an annual basis with the
23 return for a given year being due by January 20 of the
24 following year. Distributors whose total production of alcohol
25 (whether blended or not) exceeds 10,000 proof gallons per year,

1 based on production during the preceding (calendar) year or as
2 reasonably projected by the Department if one calendar year's
3 record of production cannot be established, shall file returns
4 between the 1st and 20th days of each calendar month as
5 hereinabove provided.

6 The types of motor fuel referred to in the preceding
7 paragraph are: (A) All products commonly or commercially known
8 or sold as gasoline (including casing-head and absorption or
9 natural gasoline), gasohol, motor benzol or motor benzene
10 regardless of their classification or uses; and (B) all
11 combustible gases which exist in a gaseous state at 60 degrees
12 Fahrenheit and at 14.7 pounds per square inch absolute
13 including, but not limited to, liquefied petroleum gases used
14 for highway purposes; and (C) special fuel. Only those
15 quantities of combustible gases (example (B) above) which are
16 used or sold by the distributor to be used to propel motor
17 vehicles on the public highways, or which are delivered into a
18 storage tank that is located at a facility that has withdrawal
19 facilities which are readily accessible to and are capable of
20 dispensing combustible gases into the fuel supply tanks of
21 motor vehicles, shall be subject to return. For purposes of
22 this Section, a facility is considered to have withdrawal
23 facilities that are not "readily accessible to and capable of
24 dispensing combustible gases into the fuel supply tanks of
25 motor vehicles" only if the combustible gases are delivered
26 from: (i) a dispenser hose that is short enough so that it will

1 not reach the fuel supply tank of a motor vehicle or (ii) a
2 dispenser that is enclosed by a fence or other physical barrier
3 so that a vehicle cannot pull alongside the dispenser to permit
4 fueling. For the purposes of this Act, liquefied petroleum
5 gases shall mean and include any material having a vapor
6 pressure not exceeding that allowed for commercial propane
7 composed predominantly of the following hydrocarbons, either
8 by themselves or as mixtures: Propane, Propylene, Butane
9 (normal butane or iso-butane) and Butylene (including
10 isomers).

11 In case of a sale of special fuel to someone other than a
12 licensed distributor, or a licensed supplier, for a use other
13 than in motor vehicles, the distributor shall show in his
14 return the amount of invoiced gallons sold and the name and
15 address of the purchaser in addition to any other information
16 the Department may require.

17 All special fuel sold or used for non-highway purposes must
18 have a dye added in accordance with Section 4d of this Law.

19 In case of a tax-free sale, as provided in Section 6, of
20 motor fuel which the distributor is required by this Section to
21 include in his return to the Department, the distributor in his
22 return shall show: (1) If the sale is made to another licensed
23 distributor the amount sold and the name, address and license
24 number of the purchasing distributor; (2) if the sale is made
25 to a person where delivery is made outside of this State the
26 name and address of such purchaser and the point of delivery

1 together with the date and amount delivered; (3) if the sale is
2 made to the Federal Government or its instrumentalities the
3 amount sold; (4) if the sale is made to a municipal corporation
4 owning and operating a local transportation system for public
5 service in this State the name and address of such purchaser,
6 and the amount sold, as evidenced by official forms of
7 exemption certificates properly executed and furnished by such
8 purchaser; (5) if the sale is made to a privately owned public
9 utility owning and operating 2-axle vehicles designed and used
10 for transporting more than 7 passengers, which vehicles are
11 used as common carriers in general transportation of
12 passengers, are not devoted to any specialized purpose and are
13 operated entirely within the territorial limits of a single
14 municipality or of any group of contiguous municipalities or in
15 a close radius thereof, and the operations of which are subject
16 to the regulations of the Illinois Commerce Commission, then
17 the name and address of such purchaser and the amount sold as
18 evidenced by official forms of exemption certificates properly
19 executed and furnished by the purchaser; (6) if the product
20 sold is special fuel and if the sale is made to a licensed
21 supplier under conditions which qualify the sale for tax
22 exemption under Section 6 of this Act, the amount sold and the
23 name, address and license number of the purchaser; and (7) if a
24 sale of special fuel is made to someone other than a licensed
25 distributor, or a licensed supplier, for a use other than in
26 motor vehicles, by making a specific notation thereof on the

1 invoice or sales slip covering such sales and obtaining such
2 supporting documentation as may be required by the Department.

3 All special fuel sold or used for non-highway purposes must
4 have a dye added in accordance with Section 4d of this Law.

5 A person whose license to act as a distributor of motor
6 fuel has been revoked shall make a return to the Department
7 covering the period from the date of the last return to the
8 date of the revocation of the license, which return shall be
9 delivered to the Department not later than 10 days from the
10 date of the revocation or termination of the license of such
11 distributor; the return shall in all other respects be subject
12 to the same provisions and conditions as returns by
13 distributors licensed under the provisions of this Act.

14 The records, waybills and supporting documents kept by
15 railroads and other common carriers in the regular course of
16 business shall be prima facie evidence of the contents and
17 receipt of cars or tanks covered by those records, waybills or
18 supporting documents.

19 If the Department has reason to believe and does believe
20 that the amount shown on the return as purchased, acquired,
21 received, exported, sold, used, lost or destroyed is incorrect,
22 or that an amount of motor fuel of the types required by the
23 second paragraph of this Section to be reported to the
24 Department has not been correctly reported the Department shall
25 fix an amount for such receipt, sales, export, use, loss or
26 destruction according to its best judgment and information,

1 which amount so fixed by the Department shall be prima facie
2 correct. All returns shall be made on forms prepared and
3 furnished by the Department, and shall contain such other
4 information as the Department may reasonably require. The
5 return must be accompanied by appropriate computer-generated
6 magnetic media supporting schedule data in the format required
7 by the Department, unless, as provided by rule, the Department
8 grants an exception upon petition of a taxpayer. All licensed
9 distributors shall report all losses of motor fuel sustained on
10 account of fire, theft, spillage, spoilage, leakage, or any
11 other provable cause when filing the return for the period
12 during which the loss occurred. If the distributor reports
13 losses due to fire or theft, then the distributor must include
14 fire department or police department reports and any other
15 documentation that the Department may require. The mere making
16 of the report does not assure the allowance of the loss as a
17 reduction in tax liability. Losses of motor fuel as the result
18 of evaporation or shrinkage due to temperature variations may
19 not exceed 1% of the total gallons in storage at the beginning
20 of the month, plus the receipts of gallonage during the month,
21 minus the gallonage remaining in storage at the end of the
22 month. Any loss reported that is in excess of 1% shall be
23 subject to the tax imposed by Section 2 of this Law. On and
24 after July 1, 2001, for each 6-month period January through
25 June, net losses of motor fuel (for each category of motor fuel
26 that is required to be reported on a return) as the result of

1 evaporation or shrinkage due to temperature variations may not
2 exceed 1% of the total gallons in storage at the beginning of
3 each January, plus the receipts of gallonage each January
4 through June, minus the gallonage remaining in storage at the
5 end of each June. On and after July 1, 2001, for each 6-month
6 period July through December, net losses of motor fuel (for
7 each category of motor fuel that is required to be reported on
8 a return) as the result of evaporation or shrinkage due to
9 temperature variations may not exceed 1% of the total gallons
10 in storage at the beginning of each July, plus the receipts of
11 gallonage each July through December, minus the gallonage
12 remaining in storage at the end of each December. Any net loss
13 reported that is in excess of this amount shall be subject to
14 the tax imposed by Section 2 of this Law. For purposes of this
15 Section, "net loss" means the number of gallons gained through
16 temperature variations minus the number of gallons lost through
17 temperature variations or evaporation for each of the
18 respective 6-month periods.

19 If any payment provided for in this Section exceeds the
20 distributor's liabilities under this Act, as shown on an
21 original return, the Department may authorize the distributor
22 to credit such excess payment against liability subsequently to
23 be remitted to the Department under this Act, in accordance
24 with reasonable rules adopted by the Department. If the
25 Department subsequently determines that all or any part of the
26 credit taken was not actually due to the distributor, the

1 distributor's discount shall be reduced by an amount equal to
2 the difference between the discount as applied to the credit
3 taken and that actually due, and that distributor shall be
4 liable for penalties and interest on such difference.

5 (Source: P.A. 96-1384, eff. 7-29-10.)

6 (35 ILCS 505/5a) (from Ch. 120, par. 421a)

7 Sec. 5a. Supplier's monthly return. A person holding a
8 valid unrevoked license to act as a supplier of special fuel
9 shall, between the 1st and 20th days of each calendar month,
10 make return to the Department showing an itemized statement of
11 the number of invoiced gallons of special fuel acquired,
12 received, purchased, sold, exported, or used during the
13 preceding calendar month; the amount of special fuel sold,
14 distributed, exported, and used by the licensed supplier during
15 the preceding calendar month; the amount of special fuel lost
16 or destroyed during the preceding calendar month; the amount of
17 special fuel on hand at the close of business for the preceding
18 calendar month; and such other reasonable information as the
19 Department may require.

20 A person whose license to act as a supplier of special fuel
21 has been revoked shall make a return to the Department covering
22 the period from the date of the last return to the date of the
23 revocation of the license, which return shall be delivered to
24 the Department not later than 10 days from the date of the
25 revocation or termination of the license of such supplier. The

1 return shall in all other respects be subject to the same
2 provisions and conditions as returns by suppliers licensed
3 under this Act.

4 The records, waybills and supporting documents kept by
5 railroads and other common carriers in the regular course of
6 business shall be prima facie evidence of the contents and
7 receipt of cars or tanks covered by those records, waybills or
8 supporting documents.

9 If the Department has reason to believe and does believe
10 that the amount shown on the return as purchased, acquired,
11 received, sold, exported, used, or lost is incorrect, or that
12 an amount of special fuel of the type required by the 1st
13 paragraph of this Section to be reported to the Department by
14 suppliers has not been correctly reported as a purchase,
15 receipt, sale, use, export, or loss the Department shall fix an
16 amount for such purchase, receipt, sale, use, export, or loss
17 according to its best judgment and information, which amount so
18 fixed by the Department shall be prima facie correct. All
19 licensed suppliers shall report all losses of special fuel
20 sustained on account of fire, theft, spillage, spoilage,
21 leakage, or any other provable cause when filing the return for
22 the period during which the loss occurred. If the supplier
23 reports losses due to fire or theft, then the supplier must
24 include fire department or police department reports and any
25 other documentation that the Department may require. The mere
26 making of the report does not assure the allowance of the loss

1 as a reduction in tax liability. Losses of special fuel as the
2 result of evaporation or shrinkage due to temperature
3 variations may not exceed 1% of the total gallons in storage at
4 the beginning of the month, plus the receipts of gallonage
5 during the month, minus the gallonage remaining in storage at
6 the end of the month.

7 Any loss reported that is in excess of 1% shall be subject
8 to the tax imposed by Section 2 of this Law. On and after July
9 1, 2001, for each 6-month period January through June, net
10 losses of special fuel (for each category of special fuel that
11 is required to be reported on a return) as the result of
12 evaporation or shrinkage due to temperature variations may not
13 exceed 1% of the total gallons in storage at the beginning of
14 each January, plus the receipts of gallonage each January
15 through June, minus the gallonage remaining in storage at the
16 end of each June. On and after July 1, 2001, for each 6-month
17 period July through December, net losses of special fuel (for
18 each category of special fuel that is required to be reported
19 on a return) as the result of evaporation or shrinkage due to
20 temperature variations may not exceed 1% of the total gallons
21 in storage at the beginning of each July, plus the receipts of
22 gallonage each July through December, minus the gallonage
23 remaining in storage at the end of each December. Any net loss
24 reported that is in excess of this amount shall be subject to
25 the tax imposed by Section 2 of this Law. For purposes of this
26 Section, "net loss" means the number of gallons gained through

1 temperature variations minus the number of gallons lost through
2 temperature variations or evaporation for each of the
3 respective 6-month periods.

4 In case of a sale of special fuel to someone other than a
5 licensed distributor or licensed supplier for a use other than
6 in motor vehicles, the supplier shall show in his return the
7 amount of invoiced gallons sold and the name and address of the
8 purchaser in addition to any other information the Department
9 may require.

10 All special fuel sold or used for non-highway purposes must
11 have a dye added in accordance with Section 4d of this Law.

12 All returns shall be made on forms prepared and furnished
13 by the Department and shall contain such other information as
14 the Department may reasonably require. The return must be
15 accompanied by appropriate computer-generated magnetic media
16 supporting schedule data in the format required by the
17 Department, unless, as provided by rule, the Department grants
18 an exception upon petition of a taxpayer.

19 In case of a tax-free sale, as provided in Section 6a, of
20 special fuel which the supplier is required by this Section to
21 include in his return to the Department, the supplier in his
22 return shall show: (1) If the sale of special fuel is made to
23 the Federal Government or its instrumentalities; (2) if the
24 sale of special fuel is made to a municipal corporation owning
25 and operating a local transportation system for public service
26 in this State, the name and address of such purchaser and the

1 amount sold, as evidenced by official forms of exemption
2 certificates properly executed and furnished by such
3 purchaser; (3) if the sale of special fuel is made to a
4 privately owned public utility owning and operating 2-axle
5 vehicles designed and used for transporting more than 7
6 passengers, which vehicles are used as common carriers in
7 general transportation of passengers, are not devoted to any
8 specialized purpose and are operated entirely within the
9 territorial limits of a single municipality or of any group of
10 contiguous municipalities or in a close radius thereof, and the
11 operations of which are subject to the regulations of the
12 Illinois Commerce Commission, then the name and address of such
13 purchaser and the amount sold, as evidenced by official forms
14 of exemption certificates properly executed and furnished by
15 such purchaser; (4) if the product sold is special fuel and if
16 the sale is made to a licensed supplier or to a licensed
17 distributor under conditions which qualify the sale for tax
18 exemption under Section 6a of this Act, the amount sold and the
19 name, address and license number of such purchaser; (5) if a
20 sale of special fuel is made to a person where delivery is made
21 outside of this State, the name and address of such purchaser
22 and the point of delivery together with the date and amount of
23 invoiced gallons delivered; and (6) if a sale of special fuel
24 is made to someone other than a licensed distributor or a
25 licensed supplier, for a use other than in motor vehicles, by
26 making a specific notation thereof on the invoice or sales slip

1 covering that sale and obtaining such supporting documentation
2 as may be required by the Department.

3 All special fuel sold or used for non-highway purposes must
4 have a dye added in accordance with Section 4d of this Law.

5 If any payment provided for in this Section exceeds the
6 supplier's liabilities under this Act, as shown on an original
7 return, the Department may authorize the supplier to credit
8 such excess payment against liability subsequently to be
9 remitted to the Department under this Act, in accordance with
10 reasonable rules adopted by the Department. If the Department
11 subsequently determines that all or any part of the credit
12 taken was not actually due to the supplier, the supplier's
13 discount shall be reduced by an amount equal to the difference
14 between the discount as applied to the credit taken and that
15 actually due, and that supplier shall be liable for penalties
16 and interest on such difference.

17 (Source: P.A. 96-1384, eff. 7-29-10.)

18 (35 ILCS 505/13) (from Ch. 120, par. 429)

19 Sec. 13. Refund of tax paid. Any person other than a
20 distributor or supplier, who loses motor fuel through any cause
21 or uses motor fuel (upon which he has paid the amount required
22 to be collected under Section 2 of this Act) for any purpose
23 other than operating a motor vehicle upon the public highways
24 or waters, shall be reimbursed and repaid the amount so paid.

25 Any person who purchases motor fuel in Illinois and uses

1 that motor fuel in another state and that other state imposes a
2 tax on the use of such motor fuel shall be reimbursed and
3 repaid the amount of Illinois tax paid under Section 2 of this
4 Act on the motor fuel used in such other state. Reimbursement
5 and repayment shall be made by the Department upon receipt of
6 adequate proof of taxes directly paid to another state and the
7 amount of motor fuel used in that state.

8 Claims based in whole or in part on taxes paid to another
9 state shall include (i) a certified copy of the tax return
10 filed with such other state by the claimant; (ii) a copy of
11 either the cancelled check paying the tax due on such return,
12 or a receipt acknowledging payment of the tax due on such tax
13 return; and (iii) such other information as the Department may
14 reasonably require. This paragraph shall not apply to taxes
15 paid on returns filed under Section 13a.3 of this Act.

16 Any person who purchases motor fuel use tax decals as
17 required by Section 13a.4 and pays an amount of fees for such
18 decals that exceeds the amount due shall be reimbursed and
19 repaid the amount of the decal fees that are deemed by the
20 department to be in excess of the amount due. Alternatively,
21 any person who purchases motor fuel use tax decals as required
22 by Section 13a.4 may credit any excess decal payment verified
23 by the Department against amounts subsequently due for the
24 purchase of additional decals, until such time as no excess
25 payment remains.

26 Claims for such reimbursement must be made to the

1 Department of Revenue, duly verified by the claimant (or by the
2 claimant's legal representative if the claimant has died or
3 become a person under legal disability), upon forms prescribed
4 by the Department. The claim must state such facts relating to
5 the purchase, importation, manufacture or production of the
6 motor fuel by the claimant as the Department may deem
7 necessary, and the time when, and the circumstances of its loss
8 or the specific purpose for which it was used (as the case may
9 be), together with such other information as the Department may
10 reasonably require. No claim based upon idle time shall be
11 allowed. Claims for reimbursement for overpayment of decal fees
12 shall be made to the Department of Revenue, duly verified by
13 the claimant (or by the claimant's legal representative if the
14 claimant has died or become a person under legal disability),
15 upon forms prescribed by the Department. The claim shall state
16 facts relating to the overpayment of decal fees, together with
17 such other information as the Department may reasonably
18 require. Claims for reimbursement of overpayment of decal fees
19 paid on or after January 1, 2011 must be filed not later than
20 one year after the date on which the fees were paid by the
21 claimant. If it is determined that the Department should
22 reimburse a claimant for overpayment of decal fees, the
23 Department shall first apply the amount of such refund against
24 any tax or penalty or interest due by the claimant under
25 Section 13a of this Act.

26 Claims for full reimbursement for taxes paid on or before

1 December 31, 1999 must be filed not later than one year after
2 the date on which the tax was paid by the claimant. If,
3 however, a claim for such reimbursement otherwise meeting the
4 requirements of this Section is filed more than one year but
5 less than 2 years after that date, the claimant shall be
6 reimbursed at the rate of 80% of the amount to which he would
7 have been entitled if his claim had been timely filed.

8 Claims for full reimbursement for taxes paid on or after
9 January 1, 2000 must be filed not later than 2 years after the
10 date on which the tax was paid by the claimant.

11 The Department may make such investigation of the
12 correctness of the facts stated in such claims as it deems
13 necessary. When the Department has approved any such claim, it
14 shall pay to the claimant (or to the claimant's legal
15 representative, as such if the claimant has died or become a
16 person under legal disability) the reimbursement provided in
17 this Section, out of any moneys appropriated to it for that
18 purpose.

19 Any distributor or supplier who has paid the tax imposed by
20 Section 2 of this Act upon motor fuel lost or used by such
21 distributor or supplier for any purpose other than operating a
22 motor vehicle upon the public highways or waters may file a
23 claim for credit or refund to recover the amount so paid. Such
24 claims shall be filed on forms prescribed by the Department.
25 Such claims shall be made to the Department, duly verified by
26 the claimant (or by the claimant's legal representative if the

1 claimant has died or become a person under legal disability),
2 upon forms prescribed by the Department. The claim shall state
3 such facts relating to the purchase, importation, manufacture
4 or production of the motor fuel by the claimant as the
5 Department may deem necessary and the time when the loss or
6 nontaxable use occurred, and the circumstances of its loss or
7 the specific purpose for which it was used (as the case may
8 be), together with such other information as the Department may
9 reasonably require. Claims must be filed not later than one
10 year after the date on which the tax was paid by the claimant.

11 The Department may make such investigation of the
12 correctness of the facts stated in such claims as it deems
13 necessary. When the Department approves a claim, the Department
14 shall issue a refund or credit memorandum as requested by the
15 taxpayer, to the distributor or supplier who made the payment
16 for which the refund or credit is being given or, if the
17 distributor or supplier has died or become incompetent, to such
18 distributor's or supplier's legal representative, as such. The
19 amount of such credit memorandum shall be credited against any
20 tax due or to become due under this Act from the distributor or
21 supplier who made the payment for which credit has been given.

22 Any credit or refund that is allowed under this Section
23 shall bear interest at the rate and in the manner specified in
24 the Uniform Penalty and Interest Act.

25 In case the distributor or supplier requests and the
26 Department determines that the claimant is entitled to a

1 refund, such refund shall be made only from such appropriation
2 as may be available for that purpose. If it appears unlikely
3 that the amount appropriated would permit everyone having a
4 claim allowed during the period covered by such appropriation
5 to elect to receive a cash refund, the Department, by rule or
6 regulation, shall provide for the payment of refunds in
7 hardship cases and shall define what types of cases qualify as
8 hardship cases.

9 In any case in which there has been an erroneous refund of
10 tax or fees payable under this Section, a notice of tax
11 liability may be issued at any time within 3 years from the
12 making of that refund, or within 5 years from the making of
13 that refund if it appears that any part of the refund was
14 induced by fraud or the misrepresentation of material fact. The
15 amount of any proposed assessment set forth by the Department
16 shall be limited to the amount of the erroneous refund.

17 If no tax is due and no proceeding is pending to determine
18 whether such distributor or supplier is indebted to the
19 Department for tax, the credit memorandum so issued may be
20 assigned and set over by the lawful holder thereof, subject to
21 reasonable rules of the Department, to any other licensed
22 distributor or supplier who is subject to this Act, and the
23 amount thereof applied by the Department against any tax due or
24 to become due under this Act from such assignee.

25 If the payment for which the distributor's or supplier's
26 claim is filed is held in the protest fund of the State

1 Treasury during the pendency of the claim for credit
2 proceedings pursuant to the order of the court in accordance
3 with Section 2a of the State Officers and Employees Money
4 Disposition Act and if it is determined by the Department or by
5 the final order of a reviewing court under the Administrative
6 Review Law that the claimant is entitled to all or a part of
7 the credit claimed, the claimant, instead of receiving a credit
8 memorandum from the Department, shall receive a cash refund
9 from the protest fund as provided for in Section 2a of the
10 State Officers and Employees Money Disposition Act.

11 If any person ceases to be licensed as a distributor or
12 supplier while still holding an unused credit memorandum issued
13 under this Act, such person may, at his election (instead of
14 assigning the credit memorandum to a licensed distributor or
15 licensed supplier under this Act), surrender such unused credit
16 memorandum to the Department and receive a refund of the amount
17 to which such person is entitled.

18 For claims based upon taxes paid on or before December 31,
19 2000, a claim based upon the use of undyed diesel fuel shall
20 not be allowed except (i) if allowed under the following
21 paragraph or (ii) for undyed diesel fuel used by a commercial
22 vehicle, as that term is defined in Section 1-111.8 of the
23 Illinois Vehicle Code, for any purpose other than operating the
24 commercial vehicle upon the public highways and unlicensed
25 commercial vehicles operating on private property. Claims
26 shall be limited to commercial vehicles that are operated for

1 both highway purposes and any purposes other than operating
2 such vehicles upon the public highways.

3 For claims based upon taxes paid on or after January 1,
4 2000, a claim based upon the use of undyed diesel fuel shall
5 not be allowed except (i) if allowed under the preceding
6 paragraph or (ii) for claims for the following:

7 (1) Undyed diesel fuel used (i) in a manufacturing
8 process, as defined in Section 2-45 of the Retailers'
9 Occupation Tax Act, wherein the undyed diesel fuel becomes
10 a component part of a product or by-product, other than
11 fuel or motor fuel, when the use of dyed diesel fuel in
12 that manufacturing process results in a product that is
13 unsuitable for its intended use or (ii) for testing
14 machinery and equipment in a manufacturing process, as
15 defined in Section 2-45 of the Retailers' Occupation Tax
16 Act, wherein the testing takes place on private property.

17 (2) Undyed diesel fuel used by a manufacturer on
18 private property in the research and development, as
19 defined in Section 1.29, of machinery or equipment intended
20 for manufacture.

21 (3) Undyed diesel fuel used by a single unit
22 self-propelled agricultural fertilizer implement, designed
23 for on and off road use, equipped with flotation tires and
24 specially adapted for the application of plant food
25 materials or agricultural chemicals.

26 (4) Undyed diesel fuel used by a commercial motor

1 vehicle for any purpose other than operating the commercial
2 motor vehicle upon the public highways. Claims shall be
3 limited to commercial motor vehicles that are operated for
4 both highway purposes and any purposes other than operating
5 such vehicles upon the public highways.

6 (5) Undyed diesel fuel used by a unit of local
7 government in its operation of an airport if the undyed
8 diesel fuel is used directly in airport operations on
9 airport property.

10 (6) Undyed diesel fuel used by refrigeration units that
11 are permanently mounted to a semitrailer, as defined in
12 Section 1.28 of this Law, wherein the refrigeration units
13 have a fuel supply system dedicated solely for the
14 operation of the refrigeration units.

15 (7) Undyed diesel fuel used by power take-off equipment
16 as defined in Section 1.27 of this Law.

17 (8) Beginning on the effective date of this amendatory
18 Act of the 94th General Assembly, undyed diesel fuel used
19 by tugs and spotter equipment to shift vehicles or parcels
20 on both private and airport property. Any claim under this
21 item (8) may be made only by a claimant that owns tugs and
22 spotter equipment and operates that equipment on both
23 private and airport property. The aggregate of all credits
24 or refunds resulting from claims filed under this item (8)
25 by a claimant in any calendar year may not exceed \$100,000.
26 A claim may not be made under this item (8) by the same

1 claimant more often than once each quarter. For the
2 purposes of this item (8), "tug" means a vehicle designed
3 for use on airport property that shifts custom-designed
4 containers of parcels from loading docks to aircraft, and
5 "spotter equipment" means a vehicle designed for use on
6 both private and airport property that shifts trailers
7 containing parcels between staging areas and loading
8 docks.

9 Any person who has paid the tax imposed by Section 2 of
10 this Law upon undyed diesel fuel that is unintentionally mixed
11 with dyed diesel fuel and who owns or controls the mixture of
12 undyed diesel fuel and dyed diesel fuel may file a claim for
13 refund to recover the amount paid. The amount of undyed diesel
14 fuel unintentionally mixed must equal 500 gallons or more. Any
15 claim for refund of unintentionally mixed undyed diesel fuel
16 and dyed diesel fuel shall be supported by documentation
17 showing the date and location of the unintentional mixing, the
18 number of gallons involved, the disposition of the mixed diesel
19 fuel, and any other information that the Department may
20 reasonably require. Any unintentional mixture of undyed diesel
21 fuel and dyed diesel fuel shall be sold or used only for
22 non-highway purposes.

23 The Department shall promulgate regulations establishing
24 specific limits on the amount of undyed diesel fuel that may be
25 claimed for refund.

26 For purposes of claims for refund, "loss" means the

1 reduction of motor fuel resulting from fire, theft, spillage,
2 spoilage, leakage, or any other provable cause, but does not
3 include a reduction resulting from evaporation, or shrinkage
4 due to temperature variations. In the case of losses due to
5 fire or theft, the claimant must include fire department or
6 police department reports and any other documentation that the
7 Department may require.

8 (Source: P.A. 96-1384, eff. 7-29-10.)

9 Section 25-50. The Gas Revenue Tax Act is amended by
10 changing Sections 2a.2 and 3 as follows:

11 (35 ILCS 615/2a.2) (from Ch. 120, par. 467.17a.2)

12 Sec. 2a.2. Annual return, collection and payment. - A
13 return with respect to the tax imposed by Section 2a.1 shall be
14 made by every person for any taxable period for which such
15 person is liable for such tax. Such return shall be made on
16 such forms as the Department shall prescribe and shall contain
17 the following information:

18 1. Taxpayer's name;

19 2. Address of taxpayer's principal place of business,
20 and address of the principal place of business (if that is
21 a different address) from which the taxpayer engages in the
22 business of distributing, supplying, furnishing or selling
23 gas in this State;

24 3. The total proprietary capital and total long-term

1 debt as of the beginning and end of the taxable period as
2 set forth on the balance sheets included in the taxpayer's
3 annual report to the Illinois Commerce Commission for the
4 taxable period;

5 4. The taxpayer's base income allocable to Illinois
6 under Sections 301 and 304(a) of the "Illinois Income Tax
7 Act", for the period covered by the return;

8 5. The amount of tax due for the taxable period
9 (computed on the basis of the amounts set forth in Items 3
10 and 4); and

11 6. Such other reasonable information as may be required
12 by forms or regulations prescribed by the Department.

13 The returns prescribed by this Section shall be due and
14 shall be filed with the Department not later than the 15th day
15 of the third month following the close of the taxable period.
16 The taxpayer making the return herein provided for shall, at
17 the time of making such return, pay to the Department the
18 remaining amount of tax herein imposed and due for the taxable
19 period. Each taxpayer shall make estimated quarterly payments
20 on the 15th day of the third, sixth, ninth and twelfth months
21 of each taxable period. Such estimated payments shall be 25% of
22 the tax liability for the immediately preceding taxable period
23 or the tax liability that would have been imposed in the
24 immediately preceding taxable period if this amendatory Act of
25 1979 had been in effect. All moneys received by the Department
26 under Sections 2a.1 and 2a.2 shall be paid into the Personal

1 Property Tax Replacement Fund in the State Treasury.

2 If any payment provided for in this Section exceeds the
3 taxpayer's liabilities under this Act, as shown on an original
4 return, the Department may authorize the taxpayer to credit
5 such excess payment against liability subsequently to be
6 remitted to the Department under this Act, in accordance with
7 reasonable rules adopted by the Department.

8 (Source: P.A. 87-205.)

9 (35 ILCS 615/3) (from Ch. 120, par. 467.18)

10 Sec. 3. Return of taxpayer; payment of tax. Except as
11 provided in this Section, on or before the 15th day of each
12 month, each taxpayer shall make a return to the Department for
13 the preceding calendar month, stating:

14 1. His name;

15 2. The address of his principal place of business, and
16 the address of the principal place of business (if that is
17 a different address) from which he engages in the business
18 of distributing, supplying, furnishing or selling gas in
19 this State;

20 3. The total number of therms for which payment was
21 received by him from customers during the preceding
22 calendar month and upon the basis of which the tax is
23 imposed;

24 4. Gross receipts which were received by him from
25 customers during the preceding calendar month from such

1 business, including budget plan and other customer-owned
2 amounts applied during such month in payment of charges
3 includible in gross receipts, and upon the basis of which
4 the tax is imposed;

5 5. Amount of tax (computed upon Items 3 and 4);

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

8 In making such return the taxpayer may use any reasonable
9 method to derive reportable "therms" and "gross receipts" from
10 his billing and payment records.

11 Any taxpayer required to make payments under this Section
12 may make the payments by electronic funds transfer. The
13 Department shall adopt rules necessary to effectuate a program
14 of electronic funds transfer.

15 If the taxpayer's average monthly tax liability to the
16 Department does not exceed \$100.00, the Department may
17 authorize his returns to be filed on a quarter annual basis,
18 with the return for January, February and March of a given year
19 being due by April 30 of such year; with the return for April,
20 May and June of a given year being due by July 31 of such year;
21 with the return for July, August and September of a given year
22 being due by October 31 of such year, and with the return for
23 October, November and December of a given year being due by
24 January 31 of the following year.

25 If the taxpayer's average monthly tax liability to the
26 Department does not exceed \$20.00, the Department may authorize

1 his returns to be filed on an annual basis, with the return for
2 a given year being due by January 31 of the following year.

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

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

13 In making such return the taxpayer shall determine the
14 value of any reportable consideration other than money received
15 by him and shall include such value in his return. Such
16 determination shall be subject to review and revision by the
17 Department in the same manner as is provided in this Act for
18 the correction of returns.

19 Each taxpayer whose average monthly liability to the
20 Department under this Act was \$10,000 or more during the
21 preceding calendar year, excluding the month of highest
22 liability and the month of lowest liability in such calendar
23 year, and who is not operated by a unit of local government,
24 shall make estimated payments to the Department on or before
25 the 7th, 15th, 22nd and last day of the month during which tax
26 liability to the Department is incurred in an amount not less

1 than the lower of either 22.5% of the taxpayer's actual tax
2 liability for the month or 25% of the taxpayer's actual tax
3 liability for the same calendar month of the preceding year.
4 The amount of such quarter monthly payments shall be credited
5 against the final tax liability of the taxpayer's return for
6 that month. Any outstanding credit, approved by the Department,
7 arising from the taxpayer's overpayment of its final tax
8 liability for any month may be applied to reduce the amount of
9 any subsequent quarter monthly payment or credited against the
10 final tax liability of the taxpayer's return for any subsequent
11 month. If any quarter monthly payment is not paid at the time
12 or in the amount required by this Section, the taxpayer shall
13 be liable for penalty and interest on the difference between
14 the minimum amount due as a payment and the amount of such
15 payment actually and timely paid, except insofar as the
16 taxpayer has previously made payments for that month to the
17 Department in excess of the minimum payments previously due.

18 If the Director finds that the information required for the
19 making of an accurate return cannot reasonably be compiled by a
20 taxpayer within 15 days after the close of the calendar month
21 for which a return is to be made, he may grant an extension of
22 time for the filing of such return for a period of not to
23 exceed 31 calendar days. The granting of such an extension may
24 be conditioned upon the deposit by the taxpayer with the
25 Department of an amount of money not exceeding the amount
26 estimated by the Director to be due with the return so

1 extended. All such deposits, including any made before the
2 effective date of this amendatory Act of 1975 with the
3 Department, shall be credited against the taxpayer's
4 liabilities under this Act. If any such deposit exceeds the
5 taxpayer's present and probable future liabilities under this
6 Act, the Department shall issue to the taxpayer a credit
7 memorandum, which may be assigned by the taxpayer to a similar
8 taxpayer under this Act, in accordance with reasonable rules
9 and regulations to be prescribed by the Department.

10 The taxpayer making the return provided for in this Section
11 shall, at the time of making such return, pay to the Department
12 the amount of tax imposed by this Act. All moneys received by
13 the Department under this Act shall be paid into the General
14 Revenue Fund in the State Treasury, except as otherwise
15 provided.

16 If any payment provided for in this Section exceeds the
17 taxpayer's liabilities under this Act, as shown on an original
18 return, the Department may authorize the taxpayer to credit
19 such excess payment against liability subsequently to be
20 remitted to the Department under this Act, in accordance with
21 reasonable rules adopted by the Department.

22 (Source: P.A. 90-16, eff. 6-16-97.)

23 Section 25-55. The Public Utilities Revenue Act is amended
24 by changing Section 2a.2 as follows:

1 (35 ILCS 620/2a.2) (from Ch. 120, par. 469a.2)

2 Sec. 2a.2. Annual return, collection and payment. A return
3 with respect to the tax imposed by Section 2a.1 shall be made
4 by every person for any taxable period for which such person is
5 liable for such tax. Such return shall be made on such forms as
6 the Department shall prescribe and shall contain the following
7 information:

8 1. Taxpayer's name;

9 2. Address of taxpayer's principal place of business,
10 and address of the principal place of business (if that is
11 a different address) from which the taxpayer engages in the
12 business of distributing electricity in this State;

13 3. The total equity, in the case of electric
14 cooperatives, in the annual reports filed with the Rural
15 Utilities Service for the taxable period;

16 3a. The total kilowatt-hours of electricity
17 distributed by a taxpayer, other than an electric
18 cooperative, in this State for the taxable period covered
19 by the return;

20 4. The amount of tax due for the taxable period
21 (computed on the basis of the amounts set forth in Items 3
22 and 3a); and

23 5. Such other reasonable information as may be required
24 by forms or regulations prescribed by the Department.

25 The returns prescribed by this Section shall be due and
26 shall be filed with the Department not later than the 15th day

1 of the third month following the close of the taxable period.
2 The taxpayer making the return herein provided for shall, at
3 the time of making such return, pay to the Department the
4 remaining amount of tax herein imposed and due for the taxable
5 period. Each taxpayer shall make estimated quarterly payments
6 on the 15th day of the third, sixth, ninth and twelfth months
7 of each taxable period. Such estimated payments shall be 25% of
8 the tax liability for the immediately preceding taxable period
9 or the tax liability that would have been imposed in the
10 immediately preceding taxable period if this amendatory Act of
11 1979 had been in effect. All moneys received by the Department
12 under Sections 2a.1 and 2a.2 shall be paid into the Personal
13 Property Tax Replacement Fund in the State Treasury.

14 If any payment provided for in this Section exceeds the
15 taxpayer's liabilities under this Act, as shown on an original
16 return, the taxpayer may credit such excess payment against
17 liability subsequently to be remitted to the Department under
18 this Act, in accordance with reasonable rules adopted by the
19 Department.

20 (Source: P.A. 90-561, eff. 1-1-98.)

21 Section 25-60. The Telecommunications Excise Tax Act is
22 amended by changing Section 6 as follows:

23 (35 ILCS 630/6) (from Ch. 120, par. 2006)

24 Sec. 6. Returns; payments. Except as provided hereinafter

1 in this Section, on or before the last day of each month, each
2 retailer maintaining a place of business in this State shall
3 make a return to the Department for the preceding calendar
4 month, stating:

5 1. His name;

6 2. The address of his principal place of business, or
7 the address of the principal place of business (if that is
8 a different address) from which he engages in the business
9 of transmitting telecommunications;

10 3. Total amount of gross charges billed by him during
11 the preceding calendar month for providing
12 telecommunications during such calendar month;

13 4. Total amount received by him during the preceding
14 calendar month on credit extended;

15 5. Deductions allowed by law;

16 6. Gross charges which were billed by him during the
17 preceding calendar month and upon the basis of which the
18 tax is imposed;

19 7. Amount of tax (computed upon Item 6);

20 8. Such other reasonable information as the Department
21 may require.

22 Any taxpayer required to make payments under this Section
23 may make the payments by electronic funds transfer. The
24 Department shall adopt rules necessary to effectuate a program
25 of electronic funds transfer. Any taxpayer who has average
26 monthly tax billings due to the Department under this Act and

1 the Simplified Municipal Telecommunications Tax Act that
2 exceed \$1,000 shall make all payments by electronic funds
3 transfer as required by rules of the Department and shall file
4 the return required by this Section by electronic means as
5 required by rules of the Department.

6 If the retailer's average monthly tax billings due to the
7 Department under this Act and the Simplified Municipal
8 Telecommunications Tax Act do not exceed \$1,000, the Department
9 may authorize his returns to be filed on a quarter annual
10 basis, with the return for January, February and March of a
11 given year being due by April 30 of such year; with the return
12 for April, May and June of a given year being due by July 31st
13 of such year; with the return for July, August and September of
14 a given year being due by October 31st of such year; and with
15 the return of October, November and December of a given year
16 being due by January 31st of the following year.

17 If the retailer is otherwise required to file a monthly or
18 quarterly return and if the retailer's average monthly tax
19 billings due to the Department under this Act and the
20 Simplified Municipal Telecommunications Tax Act do not exceed
21 \$400, the Department may authorize his or her return to be
22 filed on an annual basis, with the return for a given year
23 being due by January 31st of the following year.

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

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

5 In making such return, the retailer shall determine the
6 value of any consideration other than money received by him and
7 he shall include such value in his return. Such determination
8 shall be subject to review and revision by the Department in
9 the manner hereinafter provided for the correction of returns.

10 Each retailer whose average monthly liability to the
11 Department under this Article and the Simplified Municipal
12 Telecommunications Tax Act was \$25,000 or more during the
13 preceding calendar year, excluding the month of highest
14 liability and the month of lowest liability in such calendar
15 year, and who is not operated by a unit of local government,
16 shall make estimated payments to the Department on or before
17 the 7th, 15th, 22nd and last day of the month during which tax
18 collection liability to the Department is incurred in an amount
19 not less than the lower of either 22.5% of the retailer's
20 actual tax collections for the month or 25% of the retailer's
21 actual tax collections for the same calendar month of the
22 preceding year. The amount of such quarter monthly payments
23 shall be credited against the final liability of the retailer's
24 return for that month. Any outstanding credit, approved by the
25 Department, arising from the retailer's overpayment of its
26 final liability for any month may be applied to reduce the

1 amount of any subsequent quarter monthly payment or credited
2 against the final liability of the retailer's return for any
3 subsequent month. If any quarter monthly payment is not paid at
4 the time or in the amount required by this Section, the
5 retailer shall be liable for penalty and interest on the
6 difference between the minimum amount due as a payment and the
7 amount of such payment actually and timely paid, except insofar
8 as the retailer has previously made payments for that month to
9 the Department in excess of the minimum payments previously
10 due.

11 The retailer making the return herein provided for shall,
12 at the time of making such return, pay to the Department the
13 amount of tax herein imposed, less a discount of 1% which is
14 allowed to reimburse the retailer for the expenses incurred in
15 keeping records, billing the customer, preparing and filing
16 returns, remitting the tax, and supplying data to the
17 Department upon request. No discount may be claimed by a
18 retailer on returns not timely filed and for taxes not timely
19 remitted.

20 If any payment provided for in this Section exceeds the
21 retailer's liabilities under this Act, as shown on an original
22 return, the Department may authorize the retailer to credit
23 such excess payment against liability subsequently to be
24 remitted to the Department under this Act, in accordance with
25 reasonable rules adopted by the Department. If the Department
26 subsequently determines that all or any part of the credit

1 taken was not actually due to the retailer, the retailer's
2 discount shall be reduced by an amount equal to the difference
3 between the discount as applied to the credit taken and that
4 actually due, and that retailer shall be liable for penalties
5 and interest on such difference.

6 On and after the effective date of this Article of 1985, of
7 the moneys received by the Department of Revenue pursuant to
8 this Article, other than moneys received pursuant to the
9 additional taxes imposed by Public Act 90-548:

10 (1) \$1,000,000 shall be paid each month into the Common
11 School Fund;

12 (2) beginning on the first day of the first calendar
13 month to occur on or after the effective date of this
14 amendatory Act of the 98th General Assembly, an amount
15 equal to 1/12 of 5% of the cash receipts collected during
16 the preceding fiscal year by the Audit Bureau of the
17 Department from the tax under this Act and the Simplified
18 Municipal Telecommunications Tax Act shall be paid each
19 month into the Tax Compliance and Administration Fund;
20 those moneys shall be used, subject to appropriation, to
21 fund additional auditors and compliance personnel at the
22 Department of Revenue; and

23 (3) the remainder shall be deposited into the General
24 Revenue Fund.

25 On and after February 1, 1998, however, of the moneys
26 received by the Department of Revenue pursuant to the

1 additional taxes imposed by Public Act 90-548, one-half shall
2 be deposited into the School Infrastructure Fund and one-half
3 shall be deposited into the Common School Fund. On and after
4 the effective date of this amendatory Act of the 91st General
5 Assembly, if in any fiscal year the total of the moneys
6 deposited into the School Infrastructure Fund under this Act is
7 less than the total of the moneys deposited into that Fund from
8 the additional taxes imposed by Public Act 90-548 during fiscal
9 year 1999, then, as soon as possible after the close of the
10 fiscal year, the Comptroller shall order transferred and the
11 Treasurer shall transfer from the General Revenue Fund to the
12 School Infrastructure Fund an amount equal to the difference
13 between the fiscal year total deposits and the total amount
14 deposited into the Fund in fiscal year 1999.

15 (Source: P.A. 98-1098, eff. 8-26-14.)

16 Section 25-65. The Electricity Excise Tax Law is amended by
17 changing Sections 2-9 and 2-11 as follows:

18 (35 ILCS 640/2-9)

19 Sec. 2-9. Return and payment of tax by delivering supplier.
20 Each delivering supplier who is required or authorized to
21 collect the tax imposed by this Law shall make a return to the
22 Department on or before the 15th day of each month for the
23 preceding calendar month stating the following:

24 (1) The delivering supplier's name.

1 (2) The address of the delivering supplier's principal
2 place of business and the address of the principal place of
3 business (if that is a different address) from which the
4 delivering supplier engaged in the business of delivering
5 electricity in this State.

6 (3) The total number of kilowatt-hours which the
7 supplier delivered to or for purchasers during the
8 preceding calendar month and upon the basis of which the
9 tax is imposed.

10 (4) Amount of tax, computed upon Item (3) at the rates
11 stated in Section 2-4.

12 (5) An adjustment for uncollectible amounts of tax in
13 respect of prior period kilowatt-hour deliveries,
14 determined in accordance with rules and regulations
15 promulgated by the Department.

16 (5.5) The amount of credits to which the taxpayer is
17 entitled on account of purchases made under Section 8-403.1
18 of the Public Utilities Act.

19 (6) Such other information as the Department
20 reasonably may require.

21 In making such return the delivering supplier may use any
22 reasonable method to derive reportable "kilowatt-hours" from
23 the delivering supplier's records.

24 If the average monthly tax liability to the Department of
25 the delivering supplier does not exceed \$2,500, the Department
26 may authorize the delivering supplier's returns to be filed on

1 a quarter-annual basis, with the return for January, February
2 and March of a given year being due by April 30 of such year;
3 with the return for April, May and June of a given year being
4 due by July 31 of such year; with the return for July, August
5 and September of a given year being due by October 31 of such
6 year; and with the return for October, November and December of
7 a given year being due by January 31 of the following year.

8 If the average monthly tax liability to the Department of
9 the delivering supplier does not exceed \$1,000, the Department
10 may authorize the delivering supplier's returns to be filed on
11 an annual basis, with the return for a given year being due by
12 January 31 of the following year.

13 Such quarter-annual and annual returns, as to form and
14 substance, shall be subject to the same requirements as monthly
15 returns.

16 Notwithstanding any other provision in this Law concerning
17 the time within which a delivering supplier may file a return,
18 any such delivering supplier who ceases to engage in a kind of
19 business which makes the person responsible for filing returns
20 under this Law shall file a final return under this Law with
21 the Department not more than one month after discontinuing such
22 business.

23 Each delivering supplier whose average monthly liability
24 to the Department under this Law was \$10,000 or more during the
25 preceding calendar year, excluding the month of highest
26 liability and the month of lowest liability in such calendar

1 year, and who is not operated by a unit of local government,
2 shall make estimated payments to the Department on or before
3 the 7th, 15th, 22nd and last day of the month during which tax
4 liability to the Department is incurred in an amount not less
5 than the lower of either 22.5% of such delivering supplier's
6 actual tax liability for the month or 25% of such delivering
7 supplier's actual tax liability for the same calendar month of
8 the preceding year. The amount of such quarter-monthly payments
9 shall be credited against the final tax liability of such
10 delivering supplier's return for that month. An outstanding
11 credit approved by the Department or a credit memorandum issued
12 by the Department arising from such delivering supplier's
13 overpayment of his or her final tax liability for any month may
14 be applied to reduce the amount of any subsequent
15 quarter-monthly payment or credited against the final tax
16 liability of such delivering supplier's return for any
17 subsequent month. If any quarter-monthly payment is not paid at
18 the time or in the amount required by this Section, such
19 delivering supplier shall be liable for penalty and interest on
20 the difference between the minimum amount due as a payment and
21 the amount of such payment actually and timely paid, except
22 insofar as such delivering supplier has previously made
23 payments for that month to the Department in excess of the
24 minimum payments previously due.

25 If the Director finds that the information required for the
26 making of an accurate return cannot reasonably be compiled by

1 such delivering supplier within 15 days after the close of the
2 calendar month for which a return is to be made, the Director
3 may grant an extension of time for the filing of such return
4 for a period not to exceed 31 calendar days. The granting of
5 such an extension may be conditioned upon the deposit by such
6 delivering supplier with the Department of an amount of money
7 not exceeding the amount estimated by the Director to be due
8 with the return so extended. All such deposits shall be
9 credited against such delivering supplier's liabilities under
10 this Law. If the deposit exceeds such delivering supplier's
11 present and probable future liabilities under this Law, the
12 Department shall issue to such delivering supplier a credit
13 memorandum, which may be assigned by such delivering supplier
14 to a similar person under this Law, in accordance with
15 reasonable rules and regulations to be prescribed by the
16 Department.

17 The delivering supplier making the return provided for in
18 this Section shall, at the time of making such return, pay to
19 the Department the amount of tax imposed by this Law.

20 Until October 1, 2002, a delivering supplier who has an
21 average monthly tax liability of \$10,000 or more shall make all
22 payments required by rules of the Department by electronic
23 funds transfer. The term "average monthly tax liability" shall
24 be the sum of the delivering supplier's liabilities under this
25 Law for the immediately preceding calendar year divided by 12.
26 Beginning on October 1, 2002, a taxpayer who has a tax

1 liability in the amount set forth in subsection (b) of Section
2 2505-210 of the Department of Revenue Law shall make all
3 payments required by rules of the Department by electronic
4 funds transfer. Any delivering supplier not required to make
5 payments by electronic funds transfer may make payments by
6 electronic funds transfer with the permission of the
7 Department. All delivering suppliers required to make payments
8 by electronic funds transfer and any delivering suppliers
9 authorized to voluntarily make payments by electronic funds
10 transfer shall make those payments in the manner authorized by
11 the Department.

12 If any payment provided for in this Section exceeds the
13 delivering supplier's liabilities under this Act, as shown on
14 an original return, the Department may authorize the delivering
15 supplier to credit such excess payment against liability
16 subsequently to be remitted to the Department under this Act,
17 in accordance with reasonable rules adopted by the Department.

18 Through June 30, 2004, each month the Department shall pay
19 into the Public Utility Fund in the State treasury an amount
20 determined by the Director to be equal to 3.0% of the funds
21 received by the Department pursuant to this Section. Through
22 June 30, 2004, the remainder of all moneys received by the
23 Department under this Section shall be paid into the General
24 Revenue Fund in the State treasury. Beginning on July 1, 2004,
25 of the 3% of the funds received pursuant to this Section, each
26 month the Department shall pay \$416,667 into the General

1 Revenue Fund and the balance shall be paid into the Public
2 Utility Fund in the State treasury.

3 (Source: P.A. 92-492, eff. 1-1-02; 93-839, eff. 7-30-04.)

4 (35 ILCS 640/2-11)

5 Sec. 2-11. Direct return and payment by self-assessing
6 purchaser. When electricity is used or consumed by a
7 self-assessing purchaser subject to the tax imposed by this Law
8 who did not pay the tax to a delivering supplier maintaining a
9 place of business within this State and required or authorized
10 to collect the tax, that self-assessing purchaser shall, on or
11 before the 15th day of each month, make a return to the
12 Department for the preceding calendar month, stating all of the
13 following:

14 (1) The self-assessing purchaser's name and principal
15 address.

16 (2) The aggregate purchase price paid by the
17 self-assessing purchaser for the distribution, supply,
18 furnishing, sale, transmission and delivery of such
19 electricity to or for the purchaser during the preceding
20 calendar month, including budget plan and other
21 purchaser-owned amounts applied during such month in
22 payment of charges includible in the purchase price, and
23 upon the basis of which the tax is imposed.

24 (3) Amount of tax, computed upon item (2) at the rate
25 stated in Section 2-4.

1 (4) Such other information as the Department
2 reasonably may require.

3 In making such return the self-assessing purchaser may use
4 any reasonable method to derive reportable "purchase price"
5 from the self-assessing purchaser's records.

6 If the average monthly tax liability of the self-assessing
7 purchaser to the Department does not exceed \$2,500, the
8 Department may authorize the self-assessing purchaser's
9 returns to be filed on a quarter-annual basis, with the return
10 for January, February and March of a given year being due by
11 April 30 of such year; with the return for April, May and June
12 of a given year being due by July 31 of such year; with the
13 return for July, August, and September of a given year being
14 due by October 31 of such year; and with the return for
15 October, November and December of a given year being due by
16 January 31 of the following year.

17 If the average monthly tax liability of the self-assessing
18 purchaser to the Department does not exceed \$1,000, the
19 Department may authorize the self-assessing purchaser's
20 returns to be filed on an annual basis, with the return for a
21 given year being due by January 31 of the following year.

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

25 Notwithstanding any other provision in this Law concerning
26 the time within which a self-assessing purchaser may file a

1 return, any such self-assessing purchaser who ceases to be
2 responsible for filing returns under this Law shall file a
3 final return under this Law with the Department not more than
4 one month thereafter.

5 Each self-assessing purchaser whose average monthly
6 liability to the Department pursuant to this Section was
7 \$10,000 or more during the preceding calendar year, excluding
8 the month of highest liability and the month of lowest
9 liability during such calendar year, and which is not operated
10 by a unit of local government, shall make estimated payments to
11 the Department on or before the 7th, 15th, 22nd and last day of
12 the month during which tax liability to the Department is
13 incurred in an amount not less than the lower of either 22.5%
14 of such self-assessing purchaser's actual tax liability for the
15 month or 25% of such self-assessing purchaser's actual tax
16 liability for the same calendar month of the preceding year.
17 The amount of such quarter-monthly payments shall be credited
18 against the final tax liability of the self-assessing
19 purchaser's return for that month. An outstanding credit
20 approved by the Department or a credit memorandum issued by the
21 Department arising from the self-assessing purchaser's
22 overpayment of the self-assessing purchaser's final tax
23 liability for any month may be applied to reduce the amount of
24 any subsequent quarter-monthly payment or credited against the
25 final tax liability of such self-assessing purchaser's return
26 for any subsequent month. If any quarter-monthly payment is not

1 paid at the time or in the amount required by this Section,
2 such person shall be liable for penalty and interest on the
3 difference between the minimum amount due as a payment and the
4 amount of such payment actually and timely paid, except insofar
5 as such person has previously made payments for that month to
6 the Department in excess of the minimum payments previously
7 due.

8 If the Director finds that the information required for the
9 making of an accurate return cannot reasonably be compiled by a
10 self-assessing purchaser within 15 days after the close of the
11 calendar month for which a return is to be made, the Director
12 may grant an extension of time for the filing of such return
13 for a period of not to exceed 31 calendar days. The granting of
14 such an extension may be conditioned upon the deposit by such
15 self-assessing purchaser with the Department of an amount of
16 money not exceeding the amount estimated by the Director to be
17 due with the return so extended. All such deposits shall be
18 credited against such self-assessing purchaser's liabilities
19 under this Law. If the deposit exceeds such self-assessing
20 purchaser's present and probable future liabilities under this
21 Law, the Department shall issue to such self-assessing
22 purchaser a credit memorandum, which may be assigned by such
23 self-assessing purchaser to a similar person under this Law, in
24 accordance with reasonable rules and regulations to be
25 prescribed by the Department.

26 The self-assessing purchaser making the return provided

1 for in this Section shall, at the time of making such return,
2 pay to the Department the amount of tax imposed by this Law.

3 Until October 1, 2002, a self-assessing purchaser who has
4 an average monthly tax liability of \$10,000 or more shall make
5 all payments required by rules of the Department by electronic
6 funds transfer. The term "average monthly tax liability" shall
7 be the sum of the self-assessing purchaser's liabilities under
8 this Law for the immediately preceding calendar year divided by
9 12. Beginning on October 1, 2002, a taxpayer who has a tax
10 liability in the amount set forth in subsection (b) of Section
11 2505-210 of the Department of Revenue Law shall make all
12 payments required by rules of the Department by electronic
13 funds transfer. Any self-assessing purchaser not required to
14 make payments by electronic funds transfer may make payments by
15 electronic funds transfer with the permission of the
16 Department. All self-assessing purchasers required to make
17 payments by electronic funds transfer and any self-assessing
18 purchasers authorized to voluntarily make payments by
19 electronic funds transfer shall make those payments in the
20 manner authorized by the Department.

21 If any payment provided for in this Section exceeds the
22 self-assessing purchaser's liabilities under this Act, as
23 shown on an original return, the Department may authorize the
24 self-assessing purchaser to credit such excess payment against
25 liability subsequently to be remitted to the Department under
26 this Act, in accordance with reasonable rules adopted by the

1 Department.

2 Through June 30, 2004, each month the Department shall pay
3 into the Public Utility Fund in the State treasury an amount
4 determined by the Director to be equal to 3.0% of the funds
5 received by the Department pursuant to this Section. Through
6 June 30, 2004, the remainder of all moneys received by the
7 Department under this Section shall be paid into the General
8 Revenue Fund in the State treasury. Beginning on July 1, 2004,
9 of the 3% of the funds received pursuant to this Section, each
10 month the Department shall pay \$416,667 into the General
11 Revenue Fund and the balance shall be paid into the Public
12 Utility Fund in the State treasury.

13 (Source: P.A. 92-492, eff. 1-1-02; 93-839, eff. 7-30-04.)

14 Section 25-70. The Illinois Pull Tabs and Jar Games Act is
15 amended by changing Section 5 as follows:

16 (230 ILCS 20/5) (from Ch. 120, par. 1055)

17 Sec. 5. Payments; returns. There shall be paid to the
18 Department of Revenue 5% of the gross proceeds of any pull tabs
19 and jar games conducted under this Act. Such payments shall be
20 made 4 times per year, between the first and the 20th day of
21 April, July, October and January. Accompanying each payment
22 shall be a return, on forms prescribed by the Department of
23 Revenue. Failure to submit either the payment or the return
24 within the specified time shall result in suspension or

1 revocation of the license. Tax returns filed pursuant to this
2 Act shall not be confidential and shall be available for public
3 inspection. All payments made to the Department of Revenue
4 under this Act shall be deposited as follows:

5 (a) 50% shall be deposited in the Common School Fund;
6 and

7 (b) 50% shall be deposited in the Illinois Gaming Law
8 Enforcement Fund. Of the monies deposited in the Illinois
9 Gaming Law Enforcement Fund under this Section, the General
10 Assembly shall appropriate two-thirds to the Department of
11 Revenue, Department of State Police and the Office of the
12 Attorney General for State law enforcement purposes, and
13 one-third shall be appropriated to the Department of
14 Revenue for the purpose of distribution in the form of
15 grants to counties or municipalities for law enforcement
16 purposes. The amounts of grants to counties or
17 municipalities shall bear the same ratio as the number of
18 licenses issued in counties or municipalities bears to the
19 total number of licenses issued in the State. In computing
20 the number of licenses issued in a county, licenses issued
21 for locations within a municipality's boundaries shall be
22 excluded.

23 The provisions of Sections 4, 5, 5a, 5b, 5c, 5d, 5e, 5f,
24 5g, 5h, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, 10, 11 and 12 of the
25 Retailers' Occupation Tax Act, and Section 3-7 of the Uniform
26 Penalty and Interest Act, which are not inconsistent with this

1 Act shall apply, as far as practicable, to the subject matter
2 of this Act to the same extent as if such provisions were
3 included in this Act. For the purposes of this Act, references
4 in such incorporated Sections of the Retailers' Occupation Tax
5 Act to retailers, sellers or persons engaged in the business of
6 selling tangible personal property means persons engaged in
7 conducting pull tabs and jar games and references in such
8 incorporated Sections of the Retailers' Occupation Tax Act to
9 sales of tangible personal property mean the conducting of pull
10 tabs and jar games and the making of charges for participating
11 in such drawings.

12 If any payment provided for in this Section exceeds the
13 taxpayer's liabilities under this Act, as shown on an original
14 return, the taxpayer may credit such excess payment against
15 liability subsequently to be remitted to the Department under
16 this Act, in accordance with reasonable rules adopted by the
17 Department.

18 (Source: P.A. 95-228, eff. 8-16-07.)

19 Section 25-75. The Bingo License and Tax Act is amended by
20 changing Section 3 as follows:

21 (230 ILCS 25/3) (from Ch. 120, par. 1103)

22 Sec. 3. Payments; returns. There shall be paid to the
23 Department of Revenue, 5% of the gross proceeds of any game of
24 bingo conducted under the provision of this Act. Such payments

1 shall be made 4 times per year, between the first and the 20th
2 day of April, July, October and January. Accompanying each
3 payment shall be a return, on forms prescribed by the
4 Department of Revenue. Failure to submit either the payment or
5 the return within the specified time may result in suspension
6 or revocation of the license. Tax returns filed pursuant to
7 this Act shall not be confidential and shall be available for
8 public inspection.

9 If any payment provided for in this Section exceeds the
10 taxpayer's liabilities under this Act, as shown on an original
11 return, the taxpayer may credit such excess payment against
12 liability subsequently to be remitted to the Department under
13 this Act, in accordance with reasonable rules adopted by the
14 Department.

15 All payments made to the Department of Revenue under this
16 Section shall be deposited as follows:

17 (1) 50% shall be deposited in the Mental Health Fund;

18 and

19 (2) 50% shall be deposited in the Common School Fund.

20 The provisions of Sections 4, 5, 5a, 5b, 5c, 5d, 5e, 5f,
21 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, 10, 11 and 12 of the Retailers'
22 Occupation Tax Act and Section 3-7 of the Uniform Penalty and
23 Interest Act, which are not inconsistent with this Act, shall
24 apply, as far as practicable, to the subject matter of this Act
25 to the same extent as if such provisions were included in this
26 Act. For the purposes of this Act, references in such

1 incorporated Sections of the Retailers' Occupation Tax Act to
2 retailers, sellers or persons engaged in the business of
3 selling tangible personal property means persons engaged in
4 conducting bingo games, and references in such incorporated
5 Sections of the Retailers' Occupation Tax Act to sales of
6 tangible personal property mean the conducting of bingo games
7 and the making of charges for playing such games.

8 (Source: P.A. 95-228, eff. 8-16-07.)

9 Section 25-80. The Charitable Games Act is amended by
10 changing Section 9 as follows:

11 (230 ILCS 30/9) (from Ch. 120, par. 1129)

12 Sec. 9. Payments; returns. There shall be paid to the
13 Department of Revenue, 5% of the net proceeds of charitable
14 games conducted under the provisions of this Act. Such payments
15 shall be made within 30 days after the completion of the games.
16 Accompanying each payment shall be a return, on forms
17 prescribed by the Department of Revenue. Failure to submit
18 either the payment or the return within the specified time may
19 result in suspension or revocation of the license. Tax returns
20 filed pursuant to this Act shall not be confidential and shall
21 be available for public inspection.

22 The provisions of Sections 4, 5, 5a, 5b, 5c, 5d, 5e, 5f,
23 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, 10, 11 and 12 of the Retailers'
24 Occupation Tax Act, and Section 3-7 of the Uniform Penalty and

1 Interest Act, which are not inconsistent with this Act shall
2 apply, as far as practicable, to the subject matter of this Act
3 to the same extent as if such provisions were included in this
4 Act. For the purposes of this Act, references in such
5 incorporated Sections of the Retailers' Occupation Tax Act to
6 retailers, sellers or persons engaged in the business of
7 selling tangible personal property means persons engaged in
8 conducting charitable games, and references in such
9 incorporated Sections of the Retailers' Occupation Tax Act to
10 sales of tangible personal property mean the conducting of
11 charitable games and the making of charges for playing such
12 games.

13 If any payment provided for in this Section exceeds the
14 taxpayer's liabilities under this Act, as shown on an original
15 return, the taxpayer may credit such excess payment against
16 liability subsequently to be remitted to the Department under
17 this Act, in accordance with reasonable rules adopted by the
18 Department.

19 All payments made to the Department of Revenue under this
20 Section shall be deposited into the Illinois Gaming Law
21 Enforcement Fund of the State Treasury.

22 (Source: P.A. 98-377, eff. 1-1-14.)

23 Section 25-85. The Liquor Control Act of 1934 is amended by
24 changing Section 8-2 as follows:

1 (235 ILCS 5/8-2) (from Ch. 43, par. 159)

2 Sec. 8-2. Payments; reports. It is the duty of each
3 manufacturer with respect to alcoholic liquor produced or
4 imported by such manufacturer, or purchased tax-free by such
5 manufacturer from another manufacturer or importing
6 distributor, and of each importing distributor as to alcoholic
7 liquor purchased by such importing distributor from foreign
8 importers or from anyone from any point in the United States
9 outside of this State or purchased tax-free from another
10 manufacturer or importing distributor, to pay the tax imposed
11 by Section 8-1 to the Department of Revenue on or before the
12 15th day of the calendar month following the calendar month in
13 which such alcoholic liquor is sold or used by such
14 manufacturer or by such importing distributor other than in an
15 authorized tax-free manner or to pay that tax electronically as
16 provided in this Section.

17 Each manufacturer and each importing distributor shall
18 make payment under one of the following methods: (1) on or
19 before the 15th day of each calendar month, file in person or
20 by United States first-class mail, postage pre-paid, with the
21 Department of Revenue, on forms prescribed and furnished by the
22 Department, a report in writing in such form as may be required
23 by the Department in order to compute, and assure the accuracy
24 of, the tax due on all taxable sales and uses of alcoholic
25 liquor occurring during the preceding month. Payment of the tax
26 in the amount disclosed by the report shall accompany the

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

21 The discount shall be in an amount as follows:

22 (1) For original returns due on or after January 1,
23 2003 through September 30, 2003, the discount shall be
24 1.75% or \$1,250 per return, whichever is less;

25 (2) For original returns due on or after October 1,
26 2003 through September 30, 2004, the discount shall be 2%

1 or \$3,000 per return, whichever is less; and

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

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

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

20 If any payment provided for in this Section exceeds the
21 manufacturer's or importing distributor's liabilities under
22 this Act, as shown on an original report, the manufacturer or
23 importing distributor may credit such excess payment against
24 liability subsequently to be remitted to the Department under
25 this Act, in accordance with reasonable rules adopted by the
26 Department. If the Department subsequently determines that all

1 or any part of the credit taken was not actually due to the
2 manufacturer or importing distributor, the manufacturer's or
3 importing distributor's discount shall be reduced by an amount
4 equal to the difference between the discount as applied to the
5 credit taken and that actually due, and the manufacturer or
6 importing distributor shall be liable for penalties and
7 interest on such difference.

8 The Department may require any foreign importer to file
9 monthly information returns, by the 15th day of the month
10 following the month which any such return covers, if the
11 Department determines this to be necessary to the proper
12 performance of the Department's functions and duties under this
13 Act. Such return shall contain such information as the
14 Department may reasonably require.

15 Every manufacturer and importing distributor shall also
16 file, with the Department, a bond in an amount not less than
17 \$1,000 and not to exceed \$100,000 on a form to be approved by,
18 and with a surety or sureties satisfactory to, the Department.
19 Such bond shall be conditioned upon the manufacturer or
20 importing distributor paying to the Department all monies
21 becoming due from such manufacturer or importing distributor
22 under this Article. The Department shall fix the penalty of
23 such bond in each case, taking into consideration the amount of
24 alcoholic liquor expected to be sold and used by such
25 manufacturer or importing distributor, and the penalty fixed by
26 the Department shall be sufficient, in the Department's

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

1 After notice and opportunity for a hearing the State
2 Commission may revoke or suspend the license of any
3 manufacturer or importing distributor who fails to comply with
4 the provisions of this Section. Notice of such hearing and the
5 time and place thereof shall be in writing and shall contain a
6 statement of the charges against the licensee. Such notice may
7 be given by United States registered or certified mail with
8 return receipt requested, addressed to the person concerned at
9 his last known address and shall be given not less than 7 days
10 prior to the date fixed for the hearing. An order revoking or
11 suspending a license under the provisions of this Section may
12 be reviewed in the manner provided in Section 7-10 of this Act.
13 No new license shall be granted to a person whose license has
14 been revoked for a violation of this Section or, in case of
15 suspension, shall such suspension be terminated until he has
16 paid to the Department all taxes and penalties which he owes
17 the State under the provisions of this Act.

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

1 distributor.

2 A manufacturer or importing distributor that is a prior
3 continuous compliance taxpayer under this Section and becomes a
4 successor as the result of an acquisition, merger, or
5 consolidation of a manufacturer or importing distributor shall
6 be deemed to be a prior continuous compliance taxpayer with
7 respect to the acquired, merged, or consolidated entity.

8 Every prior continuous compliance taxpayer shall be exempt
9 from the bond requirements of this Act until the Department has
10 determined the taxpayer to be delinquent in the filing of any
11 return or deficient in the payment of any tax under this Act.
12 Any taxpayer who fails to pay an admitted or established
13 liability under this Act may also be required to post bond or
14 other acceptable security with the Department guaranteeing the
15 payment of such admitted or established liability.

16 The Department shall discharge any surety and shall release
17 and return any bond or security deposit assigned, pledged or
18 otherwise provided to it by a taxpayer under this Section
19 within 30 days after: (1) such taxpayer becomes a prior
20 continuous compliance taxpayer; or (2) such taxpayer has ceased
21 to collect receipts on which he is required to remit tax to the
22 Department, has filed a final tax return, and has paid to the
23 Department an amount sufficient to discharge his remaining tax
24 liability as determined by the Department under this Act.

25 (Source: P.A. 95-769, eff. 7-29-08.)

1 Section 25-90. The Energy Assistance Act is amended by
2 changing Section 13 and by adding Section 19 as follows:

3 (305 ILCS 20/13)

4 (Text of Section before amendment by P.A. 99-906)

5 (Section scheduled to be repealed on January 1, 2025)

6 Sec. 13. Supplemental Low-Income Energy Assistance Fund.

7 (a) The Supplemental Low-Income Energy Assistance Fund is
8 hereby created as a special fund in the State Treasury. The
9 Supplemental Low-Income Energy Assistance Fund is authorized
10 to receive moneys from voluntary donations from individuals,
11 foundations, corporations, and other sources, moneys received
12 pursuant to Section 17, and, by statutory deposit, the moneys
13 collected pursuant to this Section. The Fund is also authorized
14 to receive voluntary donations from individuals, foundations,
15 corporations, and other sources. Subject to appropriation, the
16 Department shall use moneys from the Supplemental Low-Income
17 Energy Assistance Fund for payments to electric or gas public
18 utilities, municipal electric or gas utilities, and electric
19 cooperatives on behalf of their customers who are participants
20 in the program authorized by Sections 4 and 18 of this Act, for
21 the provision of weatherization services and for
22 administration of the Supplemental Low-Income Energy
23 Assistance Fund. The yearly expenditures for weatherization
24 may not exceed 10% of the amount collected during the year
25 pursuant to this Section. The yearly administrative expenses of

1 the Supplemental Low-Income Energy Assistance Fund may not
2 exceed 10% of the amount collected during that year pursuant to
3 this Section, except when unspent funds from the Supplemental
4 Low-Income Energy Assistance Fund are reallocated from a
5 previous year; any unspent balance of the 10% administrative
6 allowance may be utilized for administrative expenses in the
7 year they are reallocated.

8 (b) Notwithstanding the provisions of Section 16-111 of the
9 Public Utilities Act but subject to subsection (k) of this
10 Section, each public utility, electric cooperative, as defined
11 in Section 3.4 of the Electric Supplier Act, and municipal
12 utility, as referenced in Section 3-105 of the Public Utilities
13 Act, that is engaged in the delivery of electricity or the
14 distribution of natural gas within the State of Illinois shall,
15 effective January 1, 1998, assess each of its customer accounts
16 a monthly Energy Assistance Charge for the Supplemental
17 Low-Income Energy Assistance Fund. The delivering public
18 utility, municipal electric or gas utility, or electric or gas
19 cooperative for a self-assessing purchaser remains subject to
20 the collection of the fee imposed by this Section. The monthly
21 charge shall be as follows:

22 (1) \$0.48 per month on each account for residential
23 electric service;

24 (2) \$0.48 per month on each account for residential gas
25 service;

26 (3) \$4.80 per month on each account for non-residential

1 electric service which had less than 10 megawatts of peak
2 demand during the previous calendar year;

3 (4) \$4.80 per month on each account for non-residential
4 gas service which had distributed to it less than 4,000,000
5 therms of gas during the previous calendar year;

6 (5) \$360 per month on each account for non-residential
7 electric service which had 10 megawatts or greater of peak
8 demand during the previous calendar year; and

9 (6) \$360 per month on each account for non-residential
10 gas service which had 4,000,000 or more therms of gas
11 distributed to it during the previous calendar year.

12 The incremental change to such charges imposed by this
13 amendatory Act of the 96th General Assembly shall not (i) be
14 used for any purpose other than to directly assist customers
15 and (ii) be applicable to utilities serving less than 100,000
16 customers in Illinois on January 1, 2009.

17 In addition, electric and gas utilities have committed, and
18 shall contribute, a one-time payment of \$22 million to the
19 Fund, within 10 days after the effective date of the tariffs
20 established pursuant to Sections 16-111.8 and 19-145 of the
21 Public Utilities Act to be used for the Department's cost of
22 implementing the programs described in Section 18 of this
23 amendatory Act of the 96th General Assembly, the Arrearage
24 Reduction Program described in Section 18, and the programs
25 described in Section 8-105 of the Public Utilities Act. If a
26 utility elects not to file a rider within 90 days after the

1 effective date of this amendatory Act of the 96th General
2 Assembly, then the contribution from such utility shall be made
3 no later than February 1, 2010.

4 (c) For purposes of this Section:

5 (1) "residential electric service" means electric
6 utility service for household purposes delivered to a
7 dwelling of 2 or fewer units which is billed under a
8 residential rate, or electric utility service for
9 household purposes delivered to a dwelling unit or units
10 which is billed under a residential rate and is registered
11 by a separate meter for each dwelling unit;

12 (2) "residential gas service" means gas utility
13 service for household purposes distributed to a dwelling of
14 2 or fewer units which is billed under a residential rate,
15 or gas utility service for household purposes distributed
16 to a dwelling unit or units which is billed under a
17 residential rate and is registered by a separate meter for
18 each dwelling unit;

19 (3) "non-residential electric service" means electric
20 utility service which is not residential electric service;
21 and

22 (4) "non-residential gas service" means gas utility
23 service which is not residential gas service.

24 (d) Within 30 days after the effective date of this
25 amendatory Act of the 96th General Assembly, each public
26 utility engaged in the delivery of electricity or the

1 distribution of natural gas shall file with the Illinois
2 Commerce Commission tariffs incorporating the Energy
3 Assistance Charge in other charges stated in such tariffs,
4 which shall become effective no later than the beginning of the
5 first billing cycle following such filing.

6 (e) The Energy Assistance Charge assessed by electric and
7 gas public utilities shall be considered a charge for public
8 utility service.

9 (f) By the 20th day of the month following the month in
10 which the charges imposed by the Section were collected, each
11 public utility, municipal utility, and electric cooperative
12 shall remit to the Department of Revenue all moneys received as
13 payment of the Energy Assistance Charge on a return prescribed
14 and furnished by the Department of Revenue showing such
15 information as the Department of Revenue may reasonably
16 require; provided, however, that a utility offering an
17 Arrearage Reduction Program pursuant to Section 18 of this Act
18 shall be entitled to net those amounts necessary to fund and
19 recover the costs of such Program as authorized by that Section
20 that is no more than the incremental change in such Energy
21 Assistance Charge authorized by this amendatory Act of the 96th
22 General Assembly. If a customer makes a partial payment, a
23 public utility, municipal utility, or electric cooperative may
24 elect either: (i) to apply such partial payments first to
25 amounts owed to the utility or cooperative for its services and
26 then to payment for the Energy Assistance Charge or (ii) to

1 apply such partial payments on a pro-rata basis between amounts
2 owed to the utility or cooperative for its services and to
3 payment for the Energy Assistance Charge.

4 If any payment provided for in this Section exceeds the
5 public utility, municipal utility, or electric cooperative's
6 liabilities under this Act, as shown on an original return, the
7 public utility, municipal utility, or electric cooperative may
8 credit the excess payment against liability subsequently to be
9 remitted to the Department of Revenue under this Act.

10 (g) The Department of Revenue shall deposit into the
11 Supplemental Low-Income Energy Assistance Fund all moneys
12 remitted to it in accordance with subsection (f) of this
13 Section; provided, however, that the amounts remitted by each
14 utility shall be used to provide assistance to that utility's
15 customers. The utilities shall coordinate with the Department
16 to establish an equitable and practical methodology for
17 implementing this subsection (g) beginning with the 2010
18 program year.

19 (h) On or before December 31, 2002, the Department shall
20 prepare a report for the General Assembly on the expenditure of
21 funds appropriated from the Low-Income Energy Assistance Block
22 Grant Fund for the program authorized under Section 4 of this
23 Act.

24 (i) The Department of Revenue may establish such rules as
25 it deems necessary to implement this Section.

26 (j) The Department of Commerce and Economic Opportunity may

1 establish such rules as it deems necessary to implement this
2 Section.

3 (k) The charges imposed by this Section shall only apply to
4 customers of municipal electric or gas utilities and electric
5 or gas cooperatives if the municipal electric or gas utility or
6 electric or gas cooperative makes an affirmative decision to
7 impose the charge. If a municipal electric or gas utility or an
8 electric cooperative makes an affirmative decision to impose
9 the charge provided by this Section, the municipal electric or
10 gas utility or electric cooperative shall inform the Department
11 of Revenue in writing of such decision when it begins to impose
12 the charge. If a municipal electric or gas utility or electric
13 or gas cooperative does not assess this charge, the Department
14 may not use funds from the Supplemental Low-Income Energy
15 Assistance Fund to provide benefits to its customers under the
16 program authorized by Section 4 of this Act.

17 In its use of federal funds under this Act, the Department
18 may not cause a disproportionate share of those federal funds
19 to benefit customers of systems which do not assess the charge
20 provided by this Section.

21 This Section is repealed effective December 31, 2018 unless
22 renewed by action of the General Assembly. The General Assembly
23 shall consider the results of the evaluations described in
24 Section 8 in its deliberations.

25 (Source: P.A. 98-429, eff. 8-16-13; 99-457, eff. 1-1-16;
26 99-933, eff. 1-27-17.)

1 (Text of Section after amendment by P.A. 99-906)

2 (Section scheduled to be repealed on January 1, 2025)

3 Sec. 13. Supplemental Low-Income Energy Assistance Fund.

4 (a) The Supplemental Low-Income Energy Assistance Fund is
5 hereby created as a special fund in the State Treasury. The
6 Supplemental Low-Income Energy Assistance Fund is authorized
7 to receive moneys from voluntary donations from individuals,
8 foundations, corporations, and other sources, moneys received
9 pursuant to Section 17, and, by statutory deposit, the moneys
10 collected pursuant to this Section. The Fund is also authorized
11 to receive voluntary donations from individuals, foundations,
12 corporations, and other sources. Subject to appropriation, the
13 Department shall use moneys from the Supplemental Low-Income
14 Energy Assistance Fund for payments to electric or gas public
15 utilities, municipal electric or gas utilities, and electric
16 cooperatives on behalf of their customers who are participants
17 in the program authorized by Sections 4 and 18 of this Act, for
18 the provision of weatherization services and for
19 administration of the Supplemental Low-Income Energy
20 Assistance Fund. The yearly expenditures for weatherization
21 may not exceed 10% of the amount collected during the year
22 pursuant to this Section. The yearly administrative expenses of
23 the Supplemental Low-Income Energy Assistance Fund may not
24 exceed 10% of the amount collected during that year pursuant to
25 this Section, except when unspent funds from the Supplemental

1 Low-Income Energy Assistance Fund are reallocated from a
2 previous year; any unspent balance of the 10% administrative
3 allowance may be utilized for administrative expenses in the
4 year they are reallocated.

5 (b) Notwithstanding the provisions of Section 16-111 of the
6 Public Utilities Act but subject to subsection (k) of this
7 Section, each public utility, electric cooperative, as defined
8 in Section 3.4 of the Electric Supplier Act, and municipal
9 utility, as referenced in Section 3-105 of the Public Utilities
10 Act, that is engaged in the delivery of electricity or the
11 distribution of natural gas within the State of Illinois shall,
12 effective January 1, 1998, assess each of its customer accounts
13 a monthly Energy Assistance Charge for the Supplemental
14 Low-Income Energy Assistance Fund. The delivering public
15 utility, municipal electric or gas utility, or electric or gas
16 cooperative for a self-assessing purchaser remains subject to
17 the collection of the fee imposed by this Section. The monthly
18 charge shall be as follows:

19 (1) \$0.48 per month on each account for residential
20 electric service;

21 (2) \$0.48 per month on each account for residential gas
22 service;

23 (3) \$4.80 per month on each account for non-residential
24 electric service which had less than 10 megawatts of peak
25 demand during the previous calendar year;

26 (4) \$4.80 per month on each account for non-residential

1 gas service which had distributed to it less than 4,000,000
2 therms of gas during the previous calendar year;

3 (5) \$360 per month on each account for non-residential
4 electric service which had 10 megawatts or greater of peak
5 demand during the previous calendar year; and

6 (6) \$360 per month on each account for non-residential
7 gas service which had 4,000,000 or more therms of gas
8 distributed to it during the previous calendar year.

9 The incremental change to such charges imposed by this
10 amendatory Act of the 96th General Assembly shall not (i) be
11 used for any purpose other than to directly assist customers
12 and (ii) be applicable to utilities serving less than 100,000
13 customers in Illinois on January 1, 2009.

14 In addition, electric and gas utilities have committed, and
15 shall contribute, a one-time payment of \$22 million to the
16 Fund, within 10 days after the effective date of the tariffs
17 established pursuant to Sections 16-111.8 and 19-145 of the
18 Public Utilities Act to be used for the Department's cost of
19 implementing the programs described in Section 18 of this
20 amendatory Act of the 96th General Assembly, the Arrearage
21 Reduction Program described in Section 18, and the programs
22 described in Section 8-105 of the Public Utilities Act. If a
23 utility elects not to file a rider within 90 days after the
24 effective date of this amendatory Act of the 96th General
25 Assembly, then the contribution from such utility shall be made
26 no later than February 1, 2010.

1 (c) For purposes of this Section:

2 (1) "residential electric service" means electric
3 utility service for household purposes delivered to a
4 dwelling of 2 or fewer units which is billed under a
5 residential rate, or electric utility service for
6 household purposes delivered to a dwelling unit or units
7 which is billed under a residential rate and is registered
8 by a separate meter for each dwelling unit;

9 (2) "residential gas service" means gas utility
10 service for household purposes distributed to a dwelling of
11 2 or fewer units which is billed under a residential rate,
12 or gas utility service for household purposes distributed
13 to a dwelling unit or units which is billed under a
14 residential rate and is registered by a separate meter for
15 each dwelling unit;

16 (3) "non-residential electric service" means electric
17 utility service which is not residential electric service;
18 and

19 (4) "non-residential gas service" means gas utility
20 service which is not residential gas service.

21 (d) Within 30 days after the effective date of this
22 amendatory Act of the 96th General Assembly, each public
23 utility engaged in the delivery of electricity or the
24 distribution of natural gas shall file with the Illinois
25 Commerce Commission tariffs incorporating the Energy
26 Assistance Charge in other charges stated in such tariffs,

1 which shall become effective no later than the beginning of the
2 first billing cycle following such filing.

3 (e) The Energy Assistance Charge assessed by electric and
4 gas public utilities shall be considered a charge for public
5 utility service.

6 (f) By the 20th day of the month following the month in
7 which the charges imposed by the Section were collected, each
8 public utility, municipal utility, and electric cooperative
9 shall remit to the Department of Revenue all moneys received as
10 payment of the Energy Assistance Charge on a return prescribed
11 and furnished by the Department of Revenue showing such
12 information as the Department of Revenue may reasonably
13 require; provided, however, that a utility offering an
14 Arrearage Reduction Program or Supplemental Arrearage
15 Reduction Program pursuant to Section 18 of this Act shall be
16 entitled to net those amounts necessary to fund and recover the
17 costs of such Programs as authorized by that Section that is no
18 more than the incremental change in such Energy Assistance
19 Charge authorized by Public Act 96-33. If a customer makes a
20 partial payment, a public utility, municipal utility, or
21 electric cooperative may elect either: (i) to apply such
22 partial payments first to amounts owed to the utility or
23 cooperative for its services and then to payment for the Energy
24 Assistance Charge or (ii) to apply such partial payments on a
25 pro-rata basis between amounts owed to the utility or
26 cooperative for its services and to payment for the Energy

1 Assistance Charge.

2 If any payment provided for in this Section exceeds the
3 public utility, municipal utility, or electric cooperative's
4 liabilities under this Act, as shown on an original return, the
5 public utility, municipal utility, or electric cooperative may
6 credit the excess payment against liability subsequently to be
7 remitted to the Department of Revenue under this Act.

8 (g) The Department of Revenue shall deposit into the
9 Supplemental Low-Income Energy Assistance Fund all moneys
10 remitted to it in accordance with subsection (f) of this
11 Section; provided, however, that the amounts remitted by each
12 utility shall be used to provide assistance to that utility's
13 customers. The utilities shall coordinate with the Department
14 to establish an equitable and practical methodology for
15 implementing this subsection (g) beginning with the 2010
16 program year.

17 (h) On or before December 31, 2002, the Department shall
18 prepare a report for the General Assembly on the expenditure of
19 funds appropriated from the Low-Income Energy Assistance Block
20 Grant Fund for the program authorized under Section 4 of this
21 Act.

22 (i) The Department of Revenue may establish such rules as
23 it deems necessary to implement this Section.

24 (j) The Department of Commerce and Economic Opportunity may
25 establish such rules as it deems necessary to implement this
26 Section.

1 (k) The charges imposed by this Section shall only apply to
2 customers of municipal electric or gas utilities and electric
3 or gas cooperatives if the municipal electric or gas utility or
4 electric or gas cooperative makes an affirmative decision to
5 impose the charge. If a municipal electric or gas utility or an
6 electric cooperative makes an affirmative decision to impose
7 the charge provided by this Section, the municipal electric or
8 gas utility or electric cooperative shall inform the Department
9 of Revenue in writing of such decision when it begins to impose
10 the charge. If a municipal electric or gas utility or electric
11 or gas cooperative does not assess this charge, the Department
12 may not use funds from the Supplemental Low-Income Energy
13 Assistance Fund to provide benefits to its customers under the
14 program authorized by Section 4 of this Act.

15 In its use of federal funds under this Act, the Department
16 may not cause a disproportionate share of those federal funds
17 to benefit customers of systems which do not assess the charge
18 provided by this Section.

19 This Section is repealed on January 1, 2025 unless renewed
20 by action of the General Assembly.

21 (Source: P.A. 98-429, eff. 8-16-13; 99-457, eff. 1-1-16;
22 99-906, eff. 6-1-17; 99-933, eff. 1-27-17; revised 2-15-17.)

23 (305 ILCS 20/19 new)

24 Sec. 19. Application of Retailers' Occupation Tax
25 provisions. All the provisions of Sections 4, 5, 5a, 5b, 5c,

1 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 11a, 12,
2 and 13 of the Retailers' Occupation Tax Act that are not
3 inconsistent with this Act apply, as far as practicable, to the
4 surcharge imposed by this Act to the same extent as if those
5 provisions were included in this Act. References in the
6 incorporated Sections of the Retailers' Occupation Tax Act to
7 retailers, to sellers, or to persons engaged in the business of
8 selling tangible personal property mean persons required to
9 remit the charge imposed under this Act.

10 Section 25-95. The Environmental Protection Act is amended
11 by changing Section 55.10 as follows:

12 (415 ILCS 5/55.10) (from Ch. 111 1/2, par. 1055.10)

13 Sec. 55.10. Tax returns by retailer.

14 (a) Except as otherwise provided in this Section, for
15 returns due on or before January 31, 2010, each retailer of
16 tires maintaining a place of business in this State shall make
17 a return to the Department of Revenue on a quarter annual
18 basis, with the return for January, February and March of a
19 given year being due by April 30 of that year; with the return
20 for April, May and June of a given year being due by July 31 of
21 that year; with the return for July, August and September of a
22 given year being due by October 31 of that year; and with the
23 return for October, November and December of a given year being
24 due by January 31 of the following year.

1 For returns due after January 31, 2010, each retailer of
2 tires maintaining a place of business in this State shall make
3 a return to the Department of Revenue on a quarter annual
4 basis, with the return for January, February, and March of a
5 given year being due by April 20 of that year; with the return
6 for April, May, and June of a given year being due by July 20 of
7 that year; with the return for July, August, and September of a
8 given year being due by October 20 of that year; and with the
9 return for October, November, and December of a given year
10 being due by January 20 of the following year.

11 Notwithstanding any other provision of this Section to the
12 contrary, the return for October, November, and December of
13 2009 is due by February 20, 2010.

14 (b) Each return made to the Department of Revenue shall
15 state:

16 (1) the name of the retailer;

17 (2) the address of the retailer's principal place of
18 business, and the address of the principal place of
19 business (if that is a different address) from which the
20 retailer engages in the business of making retail sales of
21 tires;

22 (3) total number of tires sold at retail for the
23 preceding calendar quarter;

24 (4) the amount of tax due; and

25 (5) such other reasonable information as the
26 Department of Revenue may require.

1 If any payment provided for in this Section exceeds the
2 retailer's liabilities under this Act, as shown on an original
3 return, the retailer may credit such excess payment against
4 liability subsequently to be remitted to the Department under
5 this Act, in accordance with reasonable rules adopted by the
6 Department. If the Department subsequently determines that all
7 or any part of the credit taken was not actually due to the
8 retailer, the retailer's discount shall be reduced by the
9 monetary amount of the discount applicable to the difference
10 between the credit taken and that actually due, and the
11 retailer shall be liable for penalties and interest on such
12 difference.

13 Notwithstanding any other provision of this Act concerning
14 the time within which a retailer may file his return, in the
15 case of any retailer who ceases to engage in the retail sale of
16 tires, the retailer shall file a final return under this Act
17 with the Department of Revenue not more than one month after
18 discontinuing that business.

19 (Source: P.A. 96-520, eff. 8-14-09.)

20 Section 25-100. The Environmental Impact Fee Law is amended
21 by changing Section 315 as follows:

22 (415 ILCS 125/315)

23 (Section scheduled to be repealed on January 1, 2025)

24 Sec. 315. Fee on receivers of fuel for sale or use;

1 collection and reporting. A person that is required to pay the
2 fee imposed by this Law shall pay the fee to the Department by
3 return showing all fuel purchased, acquired, or received and
4 sold, distributed or used during the preceding calendar month,
5 including losses of fuel as the result of evaporation or
6 shrinkage due to temperature variations, and such other
7 reasonable information as the Department may require. Losses of
8 fuel as the result of evaporation or shrinkage due to
9 temperature variations may not exceed 1% of the total gallons
10 in storage at the beginning of the month, plus the receipts of
11 gallonage during the month, minus the gallonage remaining in
12 storage at the end of the month. Any loss reported that is in
13 excess of this amount shall be subject to the fee imposed by
14 Section 310 of this Law. On and after July 1, 2001, for each
15 6-month period January through June, net losses of fuel (for
16 each category of fuel that is required to be reported on a
17 return) as the result of evaporation or shrinkage due to
18 temperature variations may not exceed 1% of the total gallons
19 in storage at the beginning of each January, plus the receipts
20 of gallonage each January through June, minus the gallonage
21 remaining in storage at the end of each June. On and after July
22 1, 2001, for each 6-month period July through December, net
23 losses of fuel (for each category of fuel that is required to
24 be reported on a return) as the result of evaporation or
25 shrinkage due to temperature variations may not exceed 1% of
26 the total gallons in storage at the beginning of each July,

1 plus the receipts of gallonage each July through December,
2 minus the gallonage remaining in storage at the end of each
3 December. Any net loss reported that is in excess of this
4 amount shall be subject to the fee imposed by Section 310 of
5 this Law. For purposes of this Section, "net loss" means the
6 number of gallons gained through temperature variations minus
7 the number of gallons lost through temperature variations or
8 evaporation for each of the respective 6-month periods.

9 The return shall be prescribed by the Department and shall
10 be filed between the 1st and 20th days of each calendar month.
11 The Department may, in its discretion, combine the return filed
12 under this Law with the return filed under Section 2b of the
13 Motor Fuel Tax Law. If the return is timely filed, the receiver
14 may take a discount of 2% through June 30, 2003 and 1.75%
15 thereafter to reimburse himself for the expenses incurred in
16 keeping records, preparing and filing returns, collecting and
17 remitting the fee, and supplying data to the Department on
18 request. However, the discount applies only to the amount of
19 the fee payment that accompanies a return that is timely filed
20 in accordance with this Section.

21 If any payment provided for in this Section exceeds the
22 receiver's liabilities under this Act, as shown on an original
23 return, the Department may authorize the receiver to credit
24 such excess payment against liability subsequently to be
25 remitted to the Department under this Act, in accordance with
26 reasonable rules adopted by the Department. If the Department

1 subsequently determines that all or any part of the credit
2 taken was not actually due to the receiver, the receiver's
3 discount shall be reduced by an amount equal to the difference
4 between the discount as applied to the credit taken and that
5 actually due, and that receiver shall be liable for penalties
6 and interest on such difference.

7 (Source: P.A. 92-30, eff. 7-1-01; 93-32, eff. 6-20-03.)

8 Section 25-105. The Drycleaner Environmental Response
9 Trust Fund Act is amended by changing Section 65 as follows:

10 (415 ILCS 135/65)

11 (Section scheduled to be repealed on January 1, 2020)

12 Sec. 65. Drycleaning solvent tax.

13 (a) On and after January 1, 1998, a tax is imposed upon the
14 use of drycleaning solvent by a person engaged in the business
15 of operating a drycleaning facility in this State at the rate
16 of \$3.50 per gallon of perchloroethylene or other chlorinated
17 drycleaning solvents used in drycleaning operations, \$0.35 per
18 gallon of petroleum-based drycleaning solvent, and \$1.75 per
19 gallon of green solvents, unless the green solvent is used at a
20 virgin facility, in which case the rate is \$0.35 per gallon.
21 The Council shall determine by rule which products are
22 chlorine-based solvents, which products are petroleum-based
23 solvents, and which products are green solvents. All
24 drycleaning solvents shall be considered chlorinated solvents

1 unless the Council determines that the solvents are
2 petroleum-based drycleaning solvents or green solvents.

3 (b) The tax imposed by this Act shall be collected from the
4 purchaser at the time of sale by a seller of drycleaning
5 solvents maintaining a place of business in this State and
6 shall be remitted to the Department of Revenue under the
7 provisions of this Act.

8 (c) The tax imposed by this Act that is not collected by a
9 seller of drycleaning solvents shall be paid directly to the
10 Department of Revenue by the purchaser or end user who is
11 subject to the tax imposed by this Act.

12 (d) No tax shall be imposed upon the use of drycleaning
13 solvent if the drycleaning solvent will not be used in a
14 drycleaning facility or if a floor stock tax has been imposed
15 and paid on the drycleaning solvent. Prior to the purchase of
16 the solvent, the purchaser shall provide a written and signed
17 certificate to the drycleaning solvent seller stating:

- 18 (1) the name and address of the purchaser;
19 (2) the purchaser's signature and date of signing; and
20 (3) one of the following:

21 (A) that the drycleaning solvent will not be used
22 in a drycleaning facility; or

23 (B) that a floor stock tax has been imposed and
24 paid on the drycleaning solvent.

25 (e) On January 1, 1998, there is imposed on each operator
26 of a drycleaning facility a tax on drycleaning solvent held by

1 the operator on that date for use in a drycleaning facility.
2 The tax imposed shall be the tax that would have been imposed
3 under subsection (a) if the drycleaning solvent held by the
4 operator on that date had been purchased by the operator during
5 the first year of this Act.

6 (f) On or before the 25th day of the 1st month following
7 the end of the calendar quarter, a seller of drycleaning
8 solvents who has collected a tax pursuant to this Section
9 during the previous calendar quarter, or a purchaser or end
10 user of drycleaning solvents required under subsection (c) to
11 submit the tax directly to the Department, shall file a return
12 with the Department of Revenue. The return shall be filed on a
13 form prescribed by the Department of Revenue and shall contain
14 information that the Department of Revenue reasonably
15 requires, but at a minimum will require the reporting of the
16 volume of drycleaning solvent sold to each licensed drycleaner.
17 The Department of Revenue shall report quarterly to the Council
18 the volume of drycleaning solvent purchased for the quarter by
19 each licensed drycleaner. Each seller of drycleaning solvent
20 maintaining a place of business in this State who is required
21 or authorized to collect the tax imposed by this Act shall pay
22 to the Department the amount of the tax at the time when he or
23 she is required to file his or her return for the period during
24 which the tax was collected. Purchasers or end users remitting
25 the tax directly to the Department under subsection (c) shall
26 file a return with the Department of Revenue and pay the tax so

1 incurred by the purchaser or end user during the preceding
2 calendar quarter.

3 Except as provided in this Section, the seller of
4 drycleaning solvents filing the return under this Section
5 shall, at the time of filing the return, pay to the Department
6 the amount of tax imposed by this Act less a discount of 1.75%,
7 or \$5 per calendar year, whichever is greater. Failure to
8 timely file the returns and provide to the Department the data
9 requested under this Act will result in disallowance of the
10 reimbursement discount.

11 (g) The tax on drycleaning solvents used in drycleaning
12 facilities and the floor stock tax shall be administered by
13 Department of Revenue under rules adopted by that Department.

14 (h) On and after January 1, 1998, no person shall knowingly
15 sell or transfer drycleaning solvent to an operator of a
16 drycleaning facility that is not licensed by the Council under
17 Section 60.

18 (i) The Department of Revenue may adopt rules as necessary
19 to implement this Section.

20 (j) If any payment provided for in this Section exceeds the
21 seller's liabilities under this Act, as shown on an original
22 return, the seller may credit such excess payment against
23 liability subsequently to be remitted to the Department under
24 this Act, in accordance with reasonable rules adopted by the
25 Department. If the Department subsequently determines that all
26 or any part of the credit taken was not actually due to the

1 seller, the seller's discount shall be reduced by an amount
2 equal to the difference between the discount as applied to the
3 credit taken and that actually due, and the seller shall be
4 liable for penalties and interest on such difference.

5 (Source: P.A. 96-774, eff. 1-1-10.)

6 ARTICLE 30. ESTATE AND GENERATION-SKIPPING TAX ACT

7 Section 30-5. The Illinois Estate and Generation-Skipping
8 Transfer Tax Act is amended by changing Section 2 as follows:

9 (35 ILCS 405/2) (from Ch. 120, par. 405A-2)

10 Sec. 2. Definitions.

11 "Federal estate tax" means the tax due to the United States
12 with respect to a taxable transfer under Chapter 11 of the
13 Internal Revenue Code.

14 "Federal generation-skipping transfer tax" means the tax
15 due to the United States with respect to a taxable transfer
16 under Chapter 13 of the Internal Revenue Code.

17 "Federal return" means the federal estate tax return with
18 respect to the federal estate tax and means the federal
19 generation-skipping transfer tax return with respect to the
20 federal generation-skipping transfer tax.

21 "Federal transfer tax" means the federal estate tax or the
22 federal generation-skipping transfer tax.

23 "Illinois estate tax" means the tax due to this State with

1 respect to a taxable transfer.

2 "Illinois generation-skipping transfer tax" means the tax
3 due to this State with respect to a taxable transfer that gives
4 rise to a federal generation-skipping transfer tax.

5 "Illinois transfer tax" means the Illinois estate tax or
6 the Illinois generation-skipping transfer tax.

7 "Internal Revenue Code" means, unless otherwise provided,
8 the Internal Revenue Code of 1986, as amended from time to
9 time.

10 "Non-resident trust" means a trust that is not a resident
11 of this State for purposes of the Illinois Income Tax Act, as
12 amended from time to time.

13 "Person" means and includes any individual, trust, estate,
14 partnership, association, company or corporation.

15 "Qualified heir" means a qualified heir as defined in
16 Section 2032A(e) (1) of the Internal Revenue Code.

17 "Resident trust" means a trust that is a resident of this
18 State for purposes of the Illinois Income Tax Act, as amended
19 from time to time.

20 "State" means any state, territory or possession of the
21 United States and the District of Columbia.

22 "State tax credit" means:

23 (a) For persons dying on or after January 1, 2003 and
24 through December 31, 2005, an amount equal to the full credit
25 calculable under Section 2011 or Section 2604 of the Internal
26 Revenue Code as the credit would have been computed and allowed

1 under the Internal Revenue Code as in effect on December 31,
2 2001, without the reduction in the State Death Tax Credit as
3 provided in Section 2011(b) (2) or the termination of the State
4 Death Tax Credit as provided in Section 2011(f) as enacted by
5 the Economic Growth and Tax Relief Reconciliation Act of 2001,
6 but recognizing the increased applicable exclusion amount
7 through December 31, 2005.

8 (b) For persons dying after December 31, 2005 and on or
9 before December 31, 2009, and for persons dying after December
10 31, 2010, an amount equal to the full credit calculable under
11 Section 2011 or 2604 of the Internal Revenue Code as the credit
12 would have been computed and allowed under the Internal Revenue
13 Code as in effect on December 31, 2001, without the reduction
14 in the State Death Tax Credit as provided in Section 2011(b) (2)
15 or the termination of the State Death Tax Credit as provided in
16 Section 2011(f) as enacted by the Economic Growth and Tax
17 Relief Reconciliation Act of 2001, but recognizing the
18 exclusion amount of only (i) \$2,000,000 for persons dying prior
19 to January 1, 2012, (ii) \$3,500,000 for persons dying on or
20 after January 1, 2012 and prior to January 1, 2013, and (iii)
21 \$4,000,000 for persons dying on or after January 1, 2013, and
22 with reduction to the adjusted taxable estate for any qualified
23 terminable interest property election as defined in subsection
24 (b-1) of this Section. For persons dying on or after July 1,
25 2017, for the purposes of computing the State tax credit, the
26 person's adjusted taxable estate shall not include the value of

1 business property transferred to a qualified heir if any
2 qualified heir of the decedent will be engaged in active
3 management of the business for a period of at least 10 years
4 after the date of the transfer, or until the death of that
5 qualified heir, whichever occurs first. For the purposes of
6 this subsection (b):

7 "Active management" means material participation, as
8 defined in Section 469 of the Internal Revenue Code.

9 "Qualified heir" means:

10 (1) an ancestor of the decedent;

11 (2) the spouse of the decedent;

12 (3) a lineal descendant of any of the following:

13 (i) the decedent, (ii) the decedent's spouse, or (iii)
14 a parent of the decedent; or

15 (4) the spouse of any lineal descendant described
16 in item (3).

17 (b-1) The person required to file the Illinois return may
18 elect on a timely filed Illinois return a marital deduction for
19 qualified terminable interest property under Section
20 2056(b)(7) of the Internal Revenue Code for purposes of the
21 Illinois estate tax that is separate and independent of any
22 qualified terminable interest property election for federal
23 estate tax purposes. For purposes of the Illinois estate tax,
24 the inclusion of property in the gross estate of a surviving
25 spouse is the same as under Section 2044 of the Internal
26 Revenue Code.

1 In the case of any trust for which a State or federal
2 qualified terminable interest property election is made, the
3 trustee may not retain non-income producing assets for more
4 than a reasonable amount of time without the consent of the
5 surviving spouse.

6 "Taxable transfer" means an event that gives rise to a
7 state tax credit, including any credit as a result of the
8 imposition of an additional tax under Section 2032A(c) of the
9 Internal Revenue Code.

10 "Transferee" means a transferee within the meaning of
11 Section 2603(a)(1) and Section 6901(h) of the Internal Revenue
12 Code.

13 "Transferred property" means:

14 (1) With respect to a taxable transfer occurring at the
15 death of an individual, the deceased individual's gross
16 estate as defined in Section 2031 of the Internal Revenue
17 Code.

18 (2) With respect to a taxable transfer occurring as a
19 result of a taxable termination as defined in Section
20 2612(a) of the Internal Revenue Code, the taxable amount
21 determined under Section 2622(a) of the Internal Revenue
22 Code.

23 (3) With respect to a taxable transfer occurring as a
24 result of a taxable distribution as defined in Section
25 2612(b) of the Internal Revenue Code, the taxable amount
26 determined under Section 2621(a) of the Internal Revenue

1 Code.

2 (4) With respect to an event which causes the
3 imposition of an additional estate tax under Section
4 2032A(c) of the Internal Revenue Code, the qualified real
5 property that was disposed of or which ceased to be used
6 for the qualified use, within the meaning of Section
7 2032A(c) (1) of the Internal Revenue Code.

8 "Trust" includes a trust as defined in Section 2652(b) (1)
9 of the Internal Revenue Code.

10 (Source: P.A. 96-789, eff. 9-8-09; 96-1496, eff. 1-13-11;
11 97-636, eff. 6-1-12.)

12 ARTICLE 35. BUSINESS CORPORATION; LLCS; FEES AND PENALTIES

13 Section 35-5. The Business Corporation Act of 1983 is
14 amended by changing Sections 14.30, 15.35, 15.65, and 15.97 as
15 follows:

16 (805 ILCS 5/14.30) (from Ch. 32, par. 14.30)

17 Sec. 14.30. Cumulative report of changes in issued shares
18 or paid-in capital.

19 (a) Each domestic corporation and each foreign
20 corporation authorized to transact business in this State that
21 effects any change in the number of issued shares or the amount
22 of paid-in capital prior to January 1, 2018 that has not
23 theretofore been reported in any report other than an annual

1 report, interim annual report, or final transition annual
2 report, shall execute and file, in accordance with Section 1.10
3 of this Act, a report with respect to the changes in its issued
4 shares or paid-in capital:

5 (1) that have occurred subsequent to the last day of
6 the third month preceding its anniversary month in the
7 preceding year and prior to the first day of the second
8 month immediately preceding its anniversary month in the
9 current year; or

10 (2) in the case of a corporation that has established
11 an extended filing month, that have occurred during its
12 fiscal year; or

13 (3) in the case of a statutory merger or consolidation
14 or an amendment to the corporation's articles of
15 incorporation that affects the number of issued shares or
16 the amount of paid-in capital, that have occurred between
17 the last day of the third month immediately preceding its
18 anniversary month and the date of the merger,
19 consolidation, or amendment or, in the case of a
20 corporation that has established an extended filing month,
21 that have occurred between the first day of its fiscal year
22 and the date of the merger, consolidation, or amendment; or

23 (4) in the case of a statutory merger or consolidation
24 or an amendment to the corporation's articles of
25 incorporation that affects the number of issued shares or
26 the amount of paid-in capital, that have occurred between

1 the date of the merger, consolidation, or amendment (but
2 not including the merger, consolidation, or amendment) and
3 the first day of the second month immediately preceding its
4 anniversary month in the current year, or in the case of a
5 corporation that has established an extended filing month,
6 that have occurred between the date of the merger,
7 consolidation or amendment (but not including the merger,
8 consolidation or amendment) and the last day of its fiscal
9 year.

10 (b) The corporation shall file the report required under
11 subsection (a) not later than (i) the time its annual report is
12 required to be filed in 1992 and in each subsequent year and
13 (ii) not later than the time of filing the articles of merger,
14 consolidation, or amendment to the articles of incorporation
15 that affects the number of issued shares or the amount of
16 paid-in capital of a domestic corporation or the certified copy
17 of merger of a foreign corporation.

18 (c) The report shall net decreases against increases that
19 occur during the same taxable period. The report shall set
20 forth:

21 (1) The name of the corporation and the state or
22 country under the laws of which it is organized.

23 (2) A statement of the aggregate number of shares which
24 the corporation has authority to issue, itemized by classes
25 and series, if any, within a class.

26 (3) A statement of the aggregate number of issued

1 shares as last reported to the Secretary of State in any
2 document required or permitted by this Act to be filed,
3 other than an annual report, interim annual report or final
4 transition annual report, itemized by classes and series,
5 if any, within a class.

6 (4) A statement, expressed in dollars, of the amount of
7 paid-in capital of the corporation as last reported to the
8 Secretary of State in any document required or permitted by
9 this Act to be filed, other than an annual report, interim
10 annual report or final transition annual report.

11 (5) A statement, if applicable, of the aggregate number
12 of shares issued by the corporation not theretofore
13 reported to the Secretary of State as having been issued,
14 and a statement, expressed in dollars, of the value of the
15 entire consideration received, less expenses, including
16 commissions, paid or incurred in connection with the
17 issuance, for, or on account of, the issuance of the
18 shares, itemized by classes, and series, if any, within a
19 class; and in the case of shares issued as a share
20 dividend, the amount added or transferred to the paid-in
21 capital of the corporation for, or on account of, the
22 issuance of the shares; provided, however, that the report
23 shall also include the date of each issuance made prior to
24 the current reporting period, and the number of issued
25 shares and consideration received in each case.

26 (6) A statement, if applicable, expressed in dollars,

1 of the amount added or transferred to paid-in capital of
2 the corporation without the issuance of shares; provided,
3 however, that the report shall also include the date of
4 each increase made prior to the current reporting period,
5 and the consideration received in each case.

6 (7) In case of an exchange or reclassification of
7 issued shares resulting in an increase in the amount of
8 paid-in capital, a statement of the manner in which it was
9 effected, and a statement, expressed in dollars, of the
10 amount added or transferred to the paid-in capital of the
11 corporation as a result thereof, except any portion thereof
12 reported under any other subsection of this Section as a
13 part of the consideration received by the corporation for,
14 or on account of, its issued shares; provided, however,
15 that the report shall also include the date of each
16 exchange or reclassification made prior to the current
17 reporting period and the consideration received in each
18 case.

19 (8) If the consideration received for the issuance of
20 any shares not theretofore reported as having been issued
21 consists of labor or services performed or of property,
22 other than cash, then a statement, expressed in dollars, of
23 the value of that consideration as fixed by the board of
24 directors.

25 (9) In the case of a cancellation of shares or a
26 reduction in paid-in capital made pursuant to Section 9.20,

1 the aggregate reduction in paid-in capital; provided,
2 however, that the report shall also include the date of
3 each reduction made prior to the current reporting period.

4 (10) A statement of the aggregate number of issued
5 shares itemized by classes and series, if any, within a
6 class, after giving effect to the changes reported.

7 (11) A statement, expressed in dollars, of the amount
8 of paid-in capital of the corporation after giving effect
9 to the changes reported.

10 (d) No additional license fees or franchise taxes shall be
11 payable upon the filing of the report to the extent that
12 license fees or franchise taxes shall have been previously paid
13 by the corporation in respect of shares previously issued which
14 are being exchanged for the shares the issuance of which is
15 being reported, provided those facts are shown in the report.

16 (e) The report shall be made on forms prescribed and
17 furnished by the Secretary of State.

18 (f) Until the report under this Section or a report under
19 Section 14.25 shall have been filed in the Office of the
20 Secretary of State showing a reduction in paid-in capital, the
21 basis of the annual franchise tax payable by the corporation
22 shall not be reduced, provided, however, in no event shall the
23 annual franchise tax for any taxable year be reduced if the
24 report is not filed prior to the first day of the anniversary
25 month or, in the case of a corporation which has established an
26 extended filing month, the extended filing month of the

1 corporation of that taxable year and before payment of its
2 annual franchise tax.

3 (Source: P.A. 90-421, eff. 1-1-98.)

4 (805 ILCS 5/15.35) (from Ch. 32, par. 15.35)

5 Sec. 15.35. Franchise taxes payable by domestic
6 corporations. For the privilege of exercising its franchises in
7 this State, each domestic corporation shall pay to the
8 Secretary of State the following franchise taxes, computed on
9 the basis, at the rates and for the periods prescribed in this
10 Act:

11 (a) An initial franchise tax at the time of filing its
12 first report of issuance of shares.

13 (b) An additional franchise tax at the time of filing (1) a
14 report of the issuance of additional shares, or (2) a report of
15 an increase in paid-in capital without the issuance of shares,
16 or (3) an amendment to the articles of incorporation or a
17 report of cumulative changes in paid-in capital, whenever any
18 amendment or such report discloses an increase in its paid-in
19 capital over the amount thereof last reported in any document,
20 other than an annual report, interim annual report or final
21 transition annual report required by this Act to be filed in
22 the office of the Secretary of State.

23 (c) An additional franchise tax at the time of filing a
24 report of paid-in capital following a statutory merger or
25 consolidation, which discloses that the paid-in capital of the

1 surviving or new corporation immediately after the merger or
2 consolidation is greater than the sum of the paid-in capital of
3 all of the merged or consolidated corporations as last reported
4 by them in any documents, other than annual reports, required
5 by this Act to be filed in the office of the Secretary of
6 State; and in addition, the surviving or new corporation shall
7 be liable for a further additional franchise tax on the paid-in
8 capital of each of the merged or consolidated corporations as
9 last reported by them in any document, other than an annual
10 report, required by this Act to be filed with the Secretary of
11 State from their taxable year end to the next succeeding
12 anniversary month or, in the case of a corporation which has
13 established an extended filing month, the extended filing month
14 of the surviving or new corporation; however if the taxable
15 year ends within the 2 month period immediately preceding the
16 anniversary month or, in the case of a corporation which has
17 established an extended filing month, the extended filing month
18 of the surviving or new corporation the tax will be computed to
19 the anniversary month or, in the case of a corporation which
20 has established an extended filing month, the extended filing
21 month of the surviving or new corporation in the next
22 succeeding calendar year.

23 (d) An annual franchise tax payable each year with the
24 annual report which the corporation is required by this Act to
25 file.

26 (e) The provisions of this Section shall not apply to

1 require the payment of any franchise tax that would otherwise
2 have been due and payable on or after January 1, 2018. There
3 shall be no refunds or proration of franchise tax for any taxes
4 due and payable prior to January 1, 2018 on the basis that a
5 portion of the corporation's taxable year extends beyond
6 January 1, 2018. This amendatory Act of the 100th General
7 Assembly shall not affect any right accrued or established, or
8 any liability or penalty incurred prior to January 1, 2018.

9 (Source: P.A. 86-985.)

10 (805 ILCS 5/15.65) (from Ch. 32, par. 15.65)

11 Sec. 15.65. Franchise taxes payable by foreign
12 corporations. For the privilege of exercising its authority to
13 transact such business in this State as set out in its
14 application therefor or any amendment thereto, each foreign
15 corporation shall pay to the Secretary of State the following
16 franchise taxes, computed on the basis, at the rates and for
17 the periods prescribed in this Act:

18 (a) An initial franchise tax at the time of filing its
19 application for authority to transact business in this State.

20 (b) An additional franchise tax at the time of filing (1) a
21 report of the issuance of additional shares, or (2) a report of
22 an increase in paid-in capital without the issuance of shares,
23 or (3) a report of cumulative changes in paid-in capital or a
24 report of an exchange or reclassification of shares, whenever
25 any such report discloses an increase in its paid-in capital

1 over the amount thereof last reported in any document, other
2 than an annual report, interim annual report or final
3 transition annual report, required by this Act to be filed in
4 the office of the Secretary of State.

5 (c) Whenever the corporation shall be a party to a
6 statutory merger and shall be the surviving corporation, an
7 additional franchise tax at the time of filing its report
8 following merger, if such report discloses that the amount
9 represented in this State of its paid-in capital immediately
10 after the merger is greater than the aggregate of the amounts
11 represented in this State of the paid-in capital of such of the
12 merged corporations as were authorized to transact business in
13 this State at the time of the merger, as last reported by them
14 in any documents, other than annual reports, required by this
15 Act to be filed in the office of the Secretary of State; and in
16 addition, the surviving corporation shall be liable for a
17 further additional franchise tax on the paid-in capital of each
18 of the merged corporations as last reported by them in any
19 document, other than an annual report, required by this Act to
20 be filed with the Secretary of State, from their taxable year
21 end to the next succeeding anniversary month or, in the case of
22 a corporation which has established an extended filing month,
23 the extended filing month of the surviving corporation; however
24 if the taxable year ends within the 2 month period immediately
25 preceding the anniversary month or the extended filing month of
26 the surviving corporation, the tax will be computed to the

1 anniversary or, extended filing month of the surviving
2 corporation in the next succeeding calendar year.

3 (d) An annual franchise tax payable each year with any
4 annual report which the corporation is required by this Act to
5 file.

6 (e) The provisions of this Section shall not apply to
7 require the payment of any franchise tax that would otherwise
8 have been due and payable on or after January 1, 2018. There
9 shall be no refunds or proration of franchise tax for any taxes
10 due and payable prior to January 1, 2018 on the basis that a
11 portion of the corporation's taxable year extends beyond
12 January 1, 2018. This amendatory Act of the 100th General
13 Assembly shall not affect any right accrued or established, or
14 any liability or penalty incurred prior to January 1, 2018.

15 (Source: P.A. 92-33, eff. 7-1-01.)

16 (805 ILCS 5/15.97) (from Ch. 32, par. 15.97)

17 Sec. 15.97. Corporate Franchise Tax Refund Fund.

18 (a) Beginning July 1, 1993, a percentage of the amounts
19 collected under Sections 15.35, 15.45, 15.65, and 15.75 of this
20 Act shall be deposited into the Corporate Franchise Tax Refund
21 Fund, a special Fund hereby created in the State treasury. From
22 July 1, 1993, until December 31, 1994, there shall be deposited
23 into the Fund 3% of the amounts received under those Sections.
24 Beginning January 1, 1995, and for each fiscal year beginning
25 thereafter, 2% of the amounts collected under those Sections

1 during the preceding fiscal year shall be deposited into the
2 Fund.

3 (b) Beginning July 1, 1993, moneys in the Fund shall be
4 expended exclusively for the purpose of paying refunds payable
5 because of overpayment of franchise taxes, penalties, or
6 interest under Sections 13.70, 15.35, 15.45, 15.65, 15.75, and
7 16.05 of this Act and making transfers authorized under this
8 Section. Refunds in accordance with the provisions of
9 subsections (f) and (g) of Section 1.15 and Section 1.17 of
10 this Act may be made from the Fund only to the extent that
11 amounts collected under Sections 15.35, 15.45, 15.65, and 15.75
12 of this Act have been deposited in the Fund and remain
13 available. On or before August 31 of each year, the balance in
14 the Fund in excess of \$100,000 shall be transferred to the
15 General Revenue Fund. Notwithstanding the above, for the period
16 commencing on the effective date of this amendatory Act of the
17 100th General Assembly and continuing through December 31,
18 2020, amounts in the fund shall not be transferred to the
19 General Revenue Fund and shall be used to pay refunds in
20 accordance with the provisions of this Act. Within a reasonable
21 time after January 1, 2021, the Secretary of State shall direct
22 and the Comptroller shall order transferred to the General
23 Revenue Fund all amounts remaining in the fund.

24 (c) This Act shall constitute an irrevocable and continuing
25 appropriation from the Corporate Franchise Tax Refund Fund for
26 the purpose of paying refunds upon the order of the Secretary

1 of State in accordance with the provisions of this Section.

2 (Source: P.A. 99-620, eff. 1-1-17.)

3 Section 35-10. The Limited Liability Company Act is amended
4 by changing Section 50-10 as follows:

5 (805 ILCS 180/50-10)

6 (Text of Section before amendment by P.A. 99-637)

7 Sec. 50-10. Fees.

8 (a) The Secretary of State shall charge and collect in
9 accordance with the provisions of this Act and rules
10 promulgated under its authority all of the following:

11 (1) Fees for filing documents.

12 (2) Miscellaneous charges.

13 (3) Fees for the sale of lists of filings and for
14 copies of any documents.

15 (b) The Secretary of State shall charge and collect for all
16 of the following:

17 (1) Filing articles of organization (domestic),
18 application for admission (foreign), and restated articles
19 of organization (domestic), \$39 ~~\$500~~. Notwithstanding the
20 foregoing, the fee for filing articles of organization
21 (domestic), application for admission (foreign), and
22 restated articles of organization (domestic) in connection
23 with a limited liability company with ability to establish
24 series pursuant to Section 37-40 of this Act is \$59 ~~\$750~~.

1 (2) Filing articles of amendment or an amended
2 application for admission, \$150.

3 (3) Filing articles of dissolution or application for
4 withdrawal, \$100.

5 (4) Filing an application to reserve a name, \$300.

6 (5) Filing a notice of cancellation of a reserved name,
7 \$100.

8 (6) Filing a notice of a transfer of a reserved name,
9 \$100.

10 (7) Registration of a name, \$300.

11 (8) Renewal of registration of a name, \$100.

12 (9) Filing an application for use of an assumed name
13 under Section 1-20 of this Act, \$150 for each year or part
14 thereof ending in 0 or 5, \$120 for each year or part
15 thereof ending in 1 or 6, \$90 for each year or part thereof
16 ending in 2 or 7, \$60 for each year or part thereof ending
17 in 3 or 8, \$30 for each year or part thereof ending in 4 or
18 9, and a renewal for each assumed name, \$150.

19 (10) Filing an application for change or cancellation
20 of an assumed name, \$100.

21 (11) Filing an annual report of a limited liability
22 company or foreign limited liability company, \$250, if
23 filed as required by this Act, plus a penalty if
24 delinquent. Notwithstanding the foregoing, the fee for
25 filing an annual report of a limited liability company or
26 foreign limited liability company with ability to

1 establish series is \$250 plus \$50 for each series for which
2 a certificate of designation has been filed pursuant to
3 Section 37-40 of this Act and active on the last day of the
4 third month preceding the company's anniversary month,
5 plus a penalty if delinquent.

6 (12) Filing an application for reinstatement of a
7 limited liability company or foreign limited liability
8 company \$500.

9 (13) Filing Articles of Merger, \$100 plus \$50 for each
10 party to the merger in excess of the first 2 parties.

11 (14) Filing an Agreement of Conversion or Statement of
12 Conversion, \$100.

13 (15) Filing a statement of change of address of
14 registered office or change of registered agent, or both,
15 or filing a statement of correction, \$25.

16 (16) Filing a petition for refund, \$15.

17 (17) Filing any other document, \$100.

18 (18) Filing a certificate of designation of a limited
19 liability company with the ability to establish series
20 pursuant to Section 37-40 of this Act, \$50.

21 (c) The Secretary of State shall charge and collect all of
22 the following:

23 (1) For furnishing a copy or certified copy of any
24 document, instrument, or paper relating to a limited
25 liability company or foreign limited liability company, or
26 for a certificate, \$25.

1 (2) For the transfer of information by computer process
2 media to any purchaser, fees established by rule.

3 (Source: P.A. 97-839, eff. 7-20-12.)

4 (Text of Section after amendment by P.A. 99-637)
5 Sec. 50-10. Fees.

6 (a) The Secretary of State shall charge and collect in
7 accordance with the provisions of this Act and rules
8 promulgated under its authority all of the following:

9 (1) Fees for filing documents.

10 (2) Miscellaneous charges.

11 (3) Fees for the sale of lists of filings and for
12 copies of any documents.

13 (b) The Secretary of State shall charge and collect for all
14 of the following:

15 (1) Filing articles of organization (domestic),
16 application for admission (foreign), and restated articles
17 of organization (domestic), \$39 ~~\$500~~. Notwithstanding the
18 foregoing, the fee for filing articles of organization
19 (domestic), application for admission (foreign), and
20 restated articles of organization (domestic) in connection
21 with a limited liability company with a series or the
22 ability to establish a series pursuant to Section 37-40 of
23 this Act is \$59 ~~\$750~~.

24 (2) Filing amendments (domestic or foreign), \$150.

25 (3) Filing a statement of termination or application

1 for withdrawal, \$25.

2 (4) Filing an application to reserve a name, \$300.

3 (5) Filing a notice of cancellation of a reserved name,
4 \$100.

5 (6) Filing a notice of a transfer of a reserved name,
6 \$100.

7 (7) Registration of a name, \$300.

8 (8) Renewal of registration of a name, \$100.

9 (9) Filing an application for use of an assumed name
10 under Section 1-20 of this Act, \$150 for each year or part
11 thereof ending in 0 or 5, \$120 for each year or part
12 thereof ending in 1 or 6, \$90 for each year or part thereof
13 ending in 2 or 7, \$60 for each year or part thereof ending
14 in 3 or 8, \$30 for each year or part thereof ending in 4 or
15 9, and a renewal for each assumed name, \$150.

16 (10) Filing an application for change or cancellation
17 of an assumed name, \$100.

18 (11) Filing an annual report of a limited liability
19 company or foreign limited liability company, \$250, if
20 filed as required by this Act, plus a penalty if
21 delinquent. Notwithstanding the foregoing, the fee for
22 filing an annual report of a limited liability company or
23 foreign limited liability company is \$250 plus \$50 for each
24 series for which a certificate of designation has been
25 filed pursuant to Section 37-40 of this Act and is in
26 effect on the last day of the third month preceding the

1 company's anniversary month, plus a penalty if delinquent.

2 (12) Filing an application for reinstatement of a
3 limited liability company or foreign limited liability
4 company \$500.

5 (13) Filing articles of merger, \$100 plus \$50 for each
6 party to the merger in excess of the first 2 parties.

7 (14) Filing articles of conversion, \$100.

8 (15) Filing a statement of change of address of
9 registered office or change of registered agent, or both,
10 or filing a statement of correction, \$25.

11 (16) Filing a petition for refund, \$15.

12 (17) Filing a certificate of designation of a limited
13 liability company with a series pursuant to Section 37-40
14 of this Act, \$50.

15 (18) Filing articles of domestication, \$100.

16 (19) Filing, amending, or cancelling a statement of
17 authority, \$50.

18 (20) Filing, amending, or cancelling a statement of
19 denial, \$10.

20 (21) Filing any other document, \$100.

21 (c) The Secretary of State shall charge and collect all of
22 the following:

23 (1) For furnishing a copy or certified copy of any
24 document, instrument, or paper relating to a limited
25 liability company or foreign limited liability company, or
26 for a certificate, \$25.

1 (2) For the transfer of information by computer process
2 media to any purchaser, fees established by rule.
3 (Source: P.A. 99-637, eff. 7-1-17.)

4 ARTICLE 90. BUSINESS OCCUPATION
5 ASSESSMENT ACT

6 Section 90-1. Short title. This Act may be cited as the
7 Business Occupation Assessment Act.

8 Section 90-10. Business Occupation Assessment.

9 (a) For each taxable year ending on or after December 31,
10 2017, a corporation transacting business in this State shall be
11 subject to a business occupation assessment. For taxable years
12 ending on December 31, 2017, the assessment shall be equal to
13 \$5,000. On January 1, 2018, and on January 1 of each year
14 thereafter, the amount of the assessment imposed under this
15 subsection (a) shall be adjusted for inflation as determined by
16 the Consumer Price Index for All Urban Consumers, as issued by
17 the United States Department of Labor, and rounded to the
18 nearest \$50. Each corporation subject to the assessment under
19 this Act shall be liable for the assessment amount in effect on
20 the last day of its taxable year. If the taxable year of the
21 corporation is less than 365 days, then the amount of the
22 assessment shall be the otherwise applicable assessment amount
23 multiplied by a fraction the numerator of which is the number

1 of days in the corporation's taxable year and the denominator
2 of which is 365.

3 (b) The taxable year of the corporation shall be its
4 taxable year under Section 401 of the Illinois Income Tax Act.
5 The business occupation assessment for each taxable year shall
6 be reported by taxpayers that are subject to the assessment on
7 the taxpayer's Illinois corporate income tax return and shall
8 be due and payable to the Department of Revenue on the due date
9 prescribed under Section 601 of the Illinois Income Tax Act for
10 payment of the corporation's liability under that Act.

11 (c) The provisions in the Illinois Income Tax Act for
12 assessment, collection, and refund of overpayments of tax shall
13 apply to the business occupation assessment as if the
14 assessment were imposed under the Illinois Income Tax Act. The
15 Department of Revenue shall adopt rules to determine procedures
16 for refunding a business occupation assessment that is paid in
17 error.

18 (d) For purposes of this Act, a corporation is considered
19 to be transacting business in this State if the corporation is
20 required to register with the Secretary of State and is not
21 excluded under the provisions of Section 13.75 of the Business
22 Corporation Act of 1983. Subchapter S corporations are not
23 considered to be transacting business in this State for the
24 purposes of this Act.

1 Section 95-995. No acceleration or delay. Where this Act
2 makes changes in a statute that is represented in this Act by
3 text that is not yet or no longer in effect (for example, a
4 Section represented by multiple versions), the use of that text
5 does not accelerate or delay the taking effect of (i) the
6 changes made by this Act or (ii) provisions derived from any
7 other Public Act.

8 ARTICLE 99. EFFECTIVE DATE

9 Section 99-999. Effective date. This Act takes effect upon
10 becoming law.".