



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB3057

by Rep. Robert W. Pritchard

SYNOPSIS AS INTRODUCED:

35 ILCS 105/8a new

Amends the Use Tax Act. Provides that retailers that have more than \$100,000 in gross sales to Illinois purchasers in the previous year and do not collect the tax under the Act must do the following: (1) provide a notice to each Illinois purchaser that the tax under the Act is due on purchases that are not tax exempt and that the State requires the Illinois purchaser to file a return under the Act; (2) provide a notice to each Illinois purchaser who purchases more than \$500 worth of goods in a year containing specific information about purchases that may result in Illinois use tax liability; and (3) file an annual report with the Department of Revenue showing the total amount paid for purchases by those Illinois purchasers during the preceding calendar year. Sets forth penalties for failure to submit those notices and reports. Provides that the term "Illinois purchaser" means a purchaser (i) with a billing address in this State or (ii) who makes a purchase for delivery to an address in this State. Effective immediately.

LRB100 05565 HLH 21409 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

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

4 Section 5. The Use Tax Act is amended by adding Section 8a
5 as follows:

6 (35 ILCS 105/8a new)

7 Sec. 8a. Retailer notifications.

8 (a) Each retailer that sells to Illinois purchasers but
9 does not collect and remit use tax under this Act shall notify
10 each Illinois purchaser at the time of sale that the tax under
11 this Act is due on all purchases that are not exempt and that
12 the State requires the Illinois purchaser to file a return
13 under this Act. Failure to provide the notice required in this
14 subsection shall subject the retailer to a penalty of \$5 for
15 each such failure unless the retailer shows reasonable cause
16 for the failure.

17 (b) Each retailer that has more than \$100,000 in gross
18 sales to Illinois purchasers in the previous year and does not
19 collect the tax under this Act shall, by January 31 of each
20 year, send notification to all Illinois purchasers who purchase
21 more than \$500 worth of goods in a year showing the following:

22 (1) the total amount paid by the purchaser for
23 purchases made from the retailer in the previous calendar

1 year;
2 (2) the dates of each purchase;
3 (3) the amounts of each purchase;
4 (4) whether or not the purchase is exempt from taxation
5 under this Act; and
6 (5) such information as the Department shall require by
7 rule.

8 The notification shall state that the State of Illinois
9 requires a use tax return to be filed and use tax to be paid on
10 certain purchases made by the purchaser from the retailer.

11 The notification specified in this subsection shall be sent
12 separately to all Illinois purchasers by first-class mail and
13 shall not be included with any other shipments. The
14 notification shall include the words "Important Tax Document
15 Enclosed" on the exterior of the mailing. The notification
16 shall include the name of the retailer.

17 Failure to send the notification required in this
18 subsection shall subject the retailer to a penalty of \$10 for
19 each such failure unless the retailer shows reasonable cause
20 for the failure.

21 (c) Each retailer mentioned in subsection (b) that does not
22 collect the tax under this Act shall file with the Department,
23 in the form and manner required by the Department, an annual
24 statement for all Illinois purchasers who purchase more than
25 \$500 worth of goods in year showing the total amount paid for
26 purchases by Illinois purchasers during the preceding calendar

1 year or any portion thereof. That annual statement shall be
2 filed on or before March 1 of each year. Failure to file the
3 annual statement required under this subsection shall subject
4 the retailer to a penalty of \$10 for each purchaser that should
5 have been included in the annual statement unless the retailer
6 shows reasonable cause for the failure.

7 (d) As used in this Section, "Illinois purchaser" means a
8 purchaser with a billing address in this State.

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