



## 100TH GENERAL ASSEMBLY

### State of Illinois

2017 and 2018

**HB4494**

by Rep. Luis Arroyo

#### SYNOPSIS AS INTRODUCED:

30 ILCS 105/6z-18	from Ch. 127, par. 142z-18
30 ILCS 105/6z-20	from Ch. 127, par. 142z-20
35 ILCS 105/3-6	
35 ILCS 105/3-10	
35 ILCS 105/9	from Ch. 120, par. 439.9
35 ILCS 120/2-8	
35 ILCS 120/2-10	
35 ILCS 120/3	from Ch. 120, par. 442

Amends the Use Tax Act and the Retailers' Occupation Tax Act. Provides that, from August 5, 2018 through August 11, 2018, the tax imposed under the Acts on clothing and school supplies shall be at the rate of 1.25% (instead of 6.25%). Makes changes concerning the distribution of proceeds from those sales. Makes corresponding changes in the State Finance Act. Effective immediately.

LRB100 13618 HLH 28242 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 State Finance Act is amended by changing  
5 Sections 6z-18 and 6z-20 as follows:

6 (30 ILCS 105/6z-18) (from Ch. 127, par. 142z-18)

7 Sec. 6z-18. A portion of the money paid into the Local  
8 Government Tax Fund from sales of food for human consumption  
9 which is to be consumed off the premises where it is sold  
10 (other than alcoholic beverages, soft drinks and food which has  
11 been prepared for immediate consumption) and prescription and  
12 nonprescription medicines, drugs, medical appliances and  
13 insulin, urine testing materials, syringes and needles used by  
14 diabetics, which occurred in municipalities, shall be  
15 distributed to each municipality based upon the sales which  
16 occurred in that municipality. The remainder shall be  
17 distributed to each county based upon the sales which occurred  
18 in the unincorporated area of that county.

19 A portion of the money paid into the Local Government Tax  
20 Fund from the 6.25% general use tax rate on the selling price  
21 of tangible personal property which is purchased outside  
22 Illinois at retail from a retailer and which is titled or  
23 registered by any agency of this State's government shall be

1 distributed to municipalities as provided in this paragraph.  
2 Each municipality shall receive the amount attributable to  
3 sales for which Illinois addresses for titling or registration  
4 purposes are given as being in such municipality. The remainder  
5 of the money paid into the Local Government Tax Fund from such  
6 sales shall be distributed to counties. Each county shall  
7 receive the amount attributable to sales for which Illinois  
8 addresses for titling or registration purposes are given as  
9 being located in the unincorporated area of such county.

10 A portion of the money paid into the Local Government Tax  
11 Fund from the 6.25% general rate (and, beginning July 1, 2000  
12 and through December 31, 2000, the 1.25% rate on motor fuel and  
13 gasohol, and from beginning on August 6, 2010 through August  
14 15, 2010, the 1.25% rate on sales tax holiday items, and from  
15 August 5, 2018 through August 11, 2018, the 1.25% rate on sales  
16 tax holiday items) on sales subject to taxation under the  
17 Retailers' Occupation Tax Act and the Service Occupation Tax  
18 Act, which occurred in municipalities, shall be distributed to  
19 each municipality, based upon the sales which occurred in that  
20 municipality. The remainder shall be distributed to each  
21 county, based upon the sales which occurred in the  
22 unincorporated area of such county.

23 For the purpose of determining allocation to the local  
24 government unit, a retail sale by a producer of coal or other  
25 mineral mined in Illinois is a sale at retail at the place  
26 where the coal or other mineral mined in Illinois is extracted

1 from the earth. This paragraph does not apply to coal or other  
2 mineral when it is delivered or shipped by the seller to the  
3 purchaser at a point outside Illinois so that the sale is  
4 exempt under the United States Constitution as a sale in  
5 interstate or foreign commerce.

6 Whenever the Department determines that a refund of money  
7 paid into the Local Government Tax Fund should be made to a  
8 claimant instead of issuing a credit memorandum, the Department  
9 shall notify the State Comptroller, who shall cause the order  
10 to be drawn for the amount specified, and to the person named,  
11 in such notification from the Department. Such refund shall be  
12 paid by the State Treasurer out of the Local Government Tax  
13 Fund.

14 As soon as possible after the first day of each month,  
15 beginning January 1, 2011, upon certification of the Department  
16 of Revenue, the Comptroller shall order transferred, and the  
17 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
18 local sales tax increment, as defined in the Innovation  
19 Development and Economy Act, collected during the second  
20 preceding calendar month for sales within a STAR bond district  
21 and deposited into the Local Government Tax Fund, less 3% of  
22 that amount, which shall be transferred into the Tax Compliance  
23 and Administration Fund and shall be used by the Department,  
24 subject to appropriation, to cover the costs of the Department  
25 in administering the Innovation Development and Economy Act.

26 After the monthly transfer to the STAR Bonds Revenue Fund,

1 on or before the 25th day of each calendar month, the  
2 Department shall prepare and certify to the Comptroller the  
3 disbursement of stated sums of money to named municipalities  
4 and counties, the municipalities and counties to be those  
5 entitled to distribution of taxes or penalties paid to the  
6 Department during the second preceding calendar month. The  
7 amount to be paid to each municipality or county shall be the  
8 amount (not including credit memoranda) collected during the  
9 second preceding calendar month by the Department and paid into  
10 the Local Government Tax Fund, plus an amount the Department  
11 determines is necessary to offset any amounts which were  
12 erroneously paid to a different taxing body, and not including  
13 an amount equal to the amount of refunds made during the second  
14 preceding calendar month by the Department, and not including  
15 any amount which the Department determines is necessary to  
16 offset any amounts which are payable to a different taxing body  
17 but were erroneously paid to the municipality or county, and  
18 not including any amounts that are transferred to the STAR  
19 Bonds Revenue Fund. Within 10 days after receipt, by the  
20 Comptroller, of the disbursement certification to the  
21 municipalities and counties, provided for in this Section to be  
22 given to the Comptroller by the Department, the Comptroller  
23 shall cause the orders to be drawn for the respective amounts  
24 in accordance with the directions contained in such  
25 certification.

26 When certifying the amount of monthly disbursement to a

1 municipality or county under this Section, the Department shall  
2 increase or decrease that amount by an amount necessary to  
3 offset any misallocation of previous disbursements. The offset  
4 amount shall be the amount erroneously disbursed within the 6  
5 months preceding the time a misallocation is discovered.

6 The provisions directing the distributions from the  
7 special fund in the State Treasury provided for in this Section  
8 shall constitute an irrevocable and continuing appropriation  
9 of all amounts as provided herein. The State Treasurer and  
10 State Comptroller are hereby authorized to make distributions  
11 as provided in this Section.

12 In construing any development, redevelopment, annexation,  
13 preannexation or other lawful agreement in effect prior to  
14 September 1, 1990, which describes or refers to receipts from a  
15 county or municipal retailers' occupation tax, use tax or  
16 service occupation tax which now cannot be imposed, such  
17 description or reference shall be deemed to include the  
18 replacement revenue for such abolished taxes, distributed from  
19 the Local Government Tax Fund.

20 As soon as possible after the effective date of this  
21 amendatory Act of the 98th General Assembly, the State  
22 Comptroller shall order and the State Treasurer shall transfer  
23 \$6,600,000 from the Local Government Tax Fund to the Illinois  
24 State Medical Disciplinary Fund.

25 (Source: P.A. 97-333, eff. 8-12-11; 98-3, eff. 3-8-13.)

1 (30 ILCS 105/6z-20) (from Ch. 127, par. 142z-20)  
2 Sec. 6z-20. County and Mass Transit District Fund. Of the  
3 money received from the 6.25% general rate (and, beginning July  
4 1, 2000 and through December 31, 2000, the 1.25% rate on motor  
5 fuel and gasohol, and from beginning on August 6, 2010 through  
6 August 15, 2010, the 1.25% rate on sales tax holiday items, and  
7 from August 5, 2018 through August 11, 2018, the 1.25% rate on  
8 sales tax holiday items) on sales subject to taxation under the  
9 Retailers' Occupation Tax Act and Service Occupation Tax Act  
10 and paid into the County and Mass Transit District Fund,  
11 distribution to the Regional Transportation Authority tax  
12 fund, created pursuant to Section 4.03 of the Regional  
13 Transportation Authority Act, for deposit therein shall be made  
14 based upon the retail sales occurring in a county having more  
15 than 3,000,000 inhabitants. The remainder shall be distributed  
16 to each county having 3,000,000 or fewer inhabitants based upon  
17 the retail sales occurring in each such county.

18 For the purpose of determining allocation to the local  
19 government unit, a retail sale by a producer of coal or other  
20 mineral mined in Illinois is a sale at retail at the place  
21 where the coal or other mineral mined in Illinois is extracted  
22 from the earth. This paragraph does not apply to coal or other  
23 mineral when it is delivered or shipped by the seller to the  
24 purchaser at a point outside Illinois so that the sale is  
25 exempt under the United States Constitution as a sale in  
26 interstate or foreign commerce.

1           Of the money received from the 6.25% general use tax rate  
2 on tangible personal property which is purchased outside  
3 Illinois at retail from a retailer and which is titled or  
4 registered by any agency of this State's government and paid  
5 into the County and Mass Transit District Fund, the amount for  
6 which Illinois addresses for titling or registration purposes  
7 are given as being in each county having more than 3,000,000  
8 inhabitants shall be distributed into the Regional  
9 Transportation Authority tax fund, created pursuant to Section  
10 4.03 of the Regional Transportation Authority Act. The  
11 remainder of the money paid from such sales shall be  
12 distributed to each county based on sales for which Illinois  
13 addresses for titling or registration purposes are given as  
14 being located in the county. Any money paid into the Regional  
15 Transportation Authority Occupation and Use Tax Replacement  
16 Fund from the County and Mass Transit District Fund prior to  
17 January 14, 1991, which has not been paid to the Authority  
18 prior to that date, shall be transferred to the Regional  
19 Transportation Authority tax fund.

20           Whenever the Department determines that a refund of money  
21 paid into the County and Mass Transit District Fund should be  
22 made to a claimant instead of issuing a credit memorandum, the  
23 Department shall notify the State Comptroller, who shall cause  
24 the order to be drawn for the amount specified, and to the  
25 person named, in such notification from the Department. Such  
26 refund shall be paid by the State Treasurer out of the County



1 and Mass Transit District Fund.

2 As soon as possible after the first day of each month,  
3 beginning January 1, 2011, upon certification of the Department  
4 of Revenue, the Comptroller shall order transferred, and the  
5 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
6 local sales tax increment, as defined in the Innovation  
7 Development and Economy Act, collected during the second  
8 preceding calendar month for sales within a STAR bond district  
9 and deposited into the County and Mass Transit District Fund,  
10 less 3% of that amount, which shall be transferred into the Tax  
11 Compliance and Administration Fund and shall be used by the  
12 Department, subject to appropriation, to cover the costs of the  
13 Department in administering the Innovation Development and  
14 Economy Act.

15 After the monthly transfer to the STAR Bonds Revenue Fund,  
16 on or before the 25th day of each calendar month, the  
17 Department shall prepare and certify to the Comptroller the  
18 disbursement of stated sums of money to the Regional  
19 Transportation Authority and to named counties, the counties to  
20 be those entitled to distribution, as hereinabove provided, of  
21 taxes or penalties paid to the Department during the second  
22 preceding calendar month. The amount to be paid to the Regional  
23 Transportation Authority and each county having 3,000,000 or  
24 fewer inhabitants shall be the amount (not including credit  
25 memoranda) collected during the second preceding calendar  
26 month by the Department and paid into the County and Mass

1 Transit District Fund, plus an amount the Department determines  
2 is necessary to offset any amounts which were erroneously paid  
3 to a different taxing body, and not including an amount equal  
4 to the amount of refunds made during the second preceding  
5 calendar month by the Department, and not including any amount  
6 which the Department determines is necessary to offset any  
7 amounts which were payable to a different taxing body but were  
8 erroneously paid to the Regional Transportation Authority or  
9 county, and not including any amounts that are transferred to  
10 the STAR Bonds Revenue Fund, less 2% of the amount to be paid  
11 to the Regional Transportation Authority, which shall be  
12 transferred into the Tax Compliance and Administration Fund.  
13 The Department, at the time of each monthly disbursement to the  
14 Regional Transportation Authority, shall prepare and certify  
15 to the State Comptroller the amount to be transferred into the  
16 Tax Compliance and Administration Fund under this Section.  
17 Within 10 days after receipt, by the Comptroller, of the  
18 disbursement certification to the Regional Transportation  
19 Authority, counties, and the Tax Compliance and Administration  
20 Fund provided for in this Section to be given to the  
21 Comptroller by the Department, the Comptroller shall cause the  
22 orders to be drawn for the respective amounts in accordance  
23 with the directions contained in such certification.

24 When certifying the amount of a monthly disbursement to the  
25 Regional Transportation Authority or to a county under this  
26 Section, the Department shall increase or decrease that amount

1 by an amount necessary to offset any misallocation of previous  
2 disbursements. The offset amount shall be the amount  
3 erroneously disbursed within the 6 months preceding the time a  
4 misallocation is discovered.

5 The provisions directing the distributions from the  
6 special fund in the State Treasury provided for in this Section  
7 and from the Regional Transportation Authority tax fund created  
8 by Section 4.03 of the Regional Transportation Authority Act  
9 shall constitute an irrevocable and continuing appropriation  
10 of all amounts as provided herein. The State Treasurer and  
11 State Comptroller are hereby authorized to make distributions  
12 as provided in this Section.

13 In construing any development, redevelopment, annexation,  
14 preannexation or other lawful agreement in effect prior to  
15 September 1, 1990, which describes or refers to receipts from a  
16 county or municipal retailers' occupation tax, use tax or  
17 service occupation tax which now cannot be imposed, such  
18 description or reference shall be deemed to include the  
19 replacement revenue for such abolished taxes, distributed from  
20 the County and Mass Transit District Fund or Local Government  
21 Distributive Fund, as the case may be.

22 (Source: P.A. 100-23, eff. 7-6-17.)

23 Section 10. The Use Tax Act is amended by changing Sections  
24 3-6, 3-10, and 9 as follows:

1 (35 ILCS 105/3-6)

2 Sec. 3-6. Sales tax holiday items.

3 (a) The tangible personal property described in this  
4 subsection qualifies for the 1.25% reduced rate of tax during  
5 ~~for the period set forth in Section 3-10 of this Act~~  
6 ~~(hereinafter referred to as the Sales Tax Holiday Period)~~. The  
7 reduced rate on these items shall be administered under the  
8 provisions of subsection (b) of this Section. The following  
9 items are subject to the reduced rate:

10 (1) Clothing items that each have a retail selling  
11 price of less than \$100.

12 "Clothing" means, unless otherwise specified in this  
13 Section, all human wearing apparel suitable for general  
14 use. "Clothing" does not include clothing accessories,  
15 protective equipment, or sport or recreational equipment.  
16 "Clothing" includes, but is not limited to: household and  
17 shop aprons; athletic supporters; bathing suits and caps;  
18 belts and suspenders; boots; coats and jackets; ear muffs;  
19 footlets; gloves and mittens for general use; hats and  
20 caps; hosiery; insoles for shoes; lab coats; neckties;  
21 overshoes; pantyhose; rainwear; rubber pants; sandals;  
22 scarves; shoes and shoelaces; slippers; sneakers; socks  
23 and stockings; steel-toed shoes; underwear; and school  
24 uniforms.

25 "Clothing accessories" means, but is not limited to:  
26 briefcases; cosmetics; hair notions, including, but not

1 limited to barrettes, hair bows, and hair nets; handbags;  
2 handkerchiefs; jewelry; non-prescription sunglasses;  
3 umbrellas; wallets; watches; and wigs and hair pieces.

4 "Protective equipment" means, but is not limited to:  
5 breathing masks; clean room apparel and equipment; ear and  
6 hearing protectors; face shields; hard hats; helmets;  
7 paint or dust respirators; protective gloves; safety  
8 glasses and goggles; safety belts; tool belts; and welder's  
9 gloves and masks.

10 "Sport or recreational equipment" means, but is not  
11 limited to: ballet and tap shoes; cleated or spiked  
12 athletic shoes; gloves, including, but not limited to,  
13 baseball, bowling, boxing, hockey, and golf gloves;  
14 goggles; hand and elbow guards; life preservers and vests;  
15 mouth guards; roller and ice skates; shin guards; shoulder  
16 pads; ski boots; waders; and wetsuits and fins.

17 (2) School supplies. "School supplies" means, unless  
18 otherwise specified in this Section, items used by a  
19 student in a course of study. The purchase of school  
20 supplies for use by persons other than students for use in  
21 a course of study are not eligible for the reduced rate of  
22 tax. "School supplies" do not include school art supplies;  
23 school instructional materials; cameras; film and memory  
24 cards; videocameras, tapes, and videotapes; computers;  
25 cell phones; Personal Digital Assistants (PDAs); handheld  
26 electronic schedulers; and school computer supplies.

1           "School supplies" includes, but is not limited to:  
2           binders; book bags; calculators; cellophane tape;  
3           blackboard chalk; compasses; composition books; crayons;  
4           erasers; expandable, pocket, plastic, and manila folders;  
5           glue, paste, and paste sticks; highlighters; index cards;  
6           index card boxes; legal pads; lunch boxes; markers;  
7           notebooks; paper, including loose leaf ruled notebook  
8           paper, copy paper, graph paper, tracing paper, manila  
9           paper, colored paper, poster board, and construction  
10          paper; pencils; pencil leads; pens; ink and ink refills for  
11          pens; pencil boxes and other school supply boxes; pencil  
12          sharpeners; protractors; rulers; scissors; and writing  
13          tablets.

14          "School art supply" means an item commonly used by a  
15          student in a course of study for artwork and includes only  
16          the following items: clay and glazes; acrylic, tempera, and  
17          oil paint; paintbrushes for artwork; sketch and drawing  
18          pads; and watercolors.

19          "School instructional material" means written material  
20          commonly used by a student in a course of study as a  
21          reference and to learn the subject being taught and  
22          includes only the following items: reference books;  
23          reference maps and globes; textbooks; and workbooks.

24          "School computer supply" means an item commonly used by  
25          a student in a course of study in which a computer is used  
26          and applies only to the following items: flashdrives and

1 other computer data storage devices; data storage media,  
2 such as diskettes and compact disks; boxes and cases for  
3 disk storage; external ports or drives; computer cases;  
4 computer cables; computer printers; and printer  
5 cartridges, toner, and ink.

6 (b) Administration. Notwithstanding any other provision of  
7 this Act, the reduced rate of tax under Section 3-10 of this  
8 Act for clothing and school supplies shall be administered by  
9 the Department under the provisions of this subsection (b).

10 (1) Bundled sales. Items that qualify for the reduced  
11 rate of tax that are bundled together with items that do  
12 not qualify for the reduced rate of tax and that are sold  
13 for one itemized price will be subject to the reduced rate  
14 of tax only if the value of the items that qualify for the  
15 reduced rate of tax exceeds the value of the items that do  
16 not qualify for the reduced rate of tax.

17 (2) Coupons and discounts. An unreimbursed discount by  
18 the seller reduces the sales price of the property so that  
19 the discounted sales price determines whether the sales  
20 price is within a sales tax holiday price threshold. A  
21 coupon or other reduction in the sales price is treated as  
22 a discount if the seller is not reimbursed for the coupon  
23 or reduction amount by a third party.

24 (3) Splitting of items normally sold together.  
25 Articles that are normally sold as a single unit must  
26 continue to be sold in that manner. Such articles cannot be

1 priced separately and sold as individual items in order to  
2 obtain the reduced rate of tax. For example, a pair of  
3 shoes cannot have each shoe sold separately so that the  
4 sales price of each shoe is within a sales tax holiday  
5 price threshold.

6 (4) Rain checks. A rain check is a procedure that  
7 allows a customer to purchase an item at a certain price at  
8 a later time because the particular item was out of stock.  
9 Eligible property that customers purchase during the Sales  
10 Tax Holiday Period with the use of a rain check will  
11 qualify for the reduced rate of tax regardless of when the  
12 rain check was issued. Issuance of a rain check during the  
13 Sales Tax Holiday Period will not qualify eligible property  
14 for the reduced rate of tax if the property is actually  
15 purchased after the Sales Tax Holiday Period.

16 (5) Exchanges. The procedure for an exchange in regards  
17 to a sales tax holiday is as follows:

18 (A) If a customer purchases an item of eligible  
19 property during the Sales Tax Holiday Period, but later  
20 exchanges the item for a similar eligible item, even if  
21 a different size, different color, or other feature, no  
22 additional tax is due even if the exchange is made  
23 after the Sales Tax Holiday Period.

24 (B) If a customer purchases an item of eligible  
25 property during the Sales Tax Holiday Period, but after  
26 the Sales Tax Holiday Period has ended, the customer



1 returns the item and receives credit on the purchase of  
2 a different item, the 6.25% general merchandise sales  
3 tax rate is due on the sale of the newly purchased  
4 item.

5 (C) If a customer purchases an item of eligible  
6 property before the Sales Tax Holiday Period, but  
7 during the Sales Tax Holiday Period the customer  
8 returns the item and receives credit on the purchase of  
9 a different item of eligible property, the reduced rate  
10 of tax is due on the sale of the new item if the new  
11 item is purchased during the Sales Tax Holiday Period.

12 (6) Delivery charges. Delivery charges, including  
13 shipping, handling and service charges, are part of the  
14 sales price of eligible property.

15 (7) Order date and back orders. For the purpose of a  
16 sales tax holiday, eligible property qualifies for the  
17 reduced rate of tax if: (i) the item is both delivered to  
18 and paid for by the customer during the Sales Tax Holiday  
19 Period or (ii) the customer orders and pays for the item  
20 and the seller accepts the order during the Sales Tax  
21 Holiday Period for immediate shipment, even if delivery is  
22 made after the Sales Tax Holiday Period. The seller accepts  
23 an order when the seller has taken action to fill the order  
24 for immediate shipment. Actions to fill an order include  
25 placement of an "in date" stamp on an order or assignment  
26 of an "order number" to an order within the Sales Tax

1           Holiday Period. An order is for immediate shipment when the  
2           customer does not request delayed shipment. An order is for  
3           immediate shipment notwithstanding that the shipment may  
4           be delayed because of a backlog of orders or because stock  
5           is currently unavailable to, or on back order by, the  
6           seller.

7           (8) Returns. For a 60-day period immediately after the  
8           Sales Tax Holiday Period, if a customer returns an item  
9           that would qualify for the reduced rate of tax, credit for  
10          or refund of sales tax shall be given only at the reduced  
11          rate unless the customer provides a receipt or invoice that  
12          shows tax was paid at the 6.25% general merchandise rate,  
13          or the seller has sufficient documentation to show that tax  
14          was paid at the 6.25% general merchandise rate on the  
15          specific item. This 60-day period is set solely for the  
16          purpose of designating a time period during which the  
17          customer must provide documentation that shows that the  
18          appropriate sales tax rate was paid on returned  
19          merchandise. The 60-day period is not intended to change a  
20          seller's policy on the time period during which the seller  
21          will accept returns.

22          (c) The Department may implement the provisions of this  
23          Section through the use of emergency rules, along with  
24          permanent rules filed concurrently with such emergency rules,  
25          in accordance with the provisions of Section 5-45 of the  
26          Illinois Administrative Procedure Act. For purposes of the

1 Illinois Administrative Procedure Act, the adoption of rules to  
2 implement the provisions of this Section shall be deemed an  
3 emergency and necessary for the public interest, safety, and  
4 welfare.

5 (d) As used in this Act, "Sales Tax Holiday Period" means  
6 the period beginning on August 6, 2010 and ending on August 15,  
7 2010 and the period beginning on August 5, 2018 and ending on  
8 August 11, 2018.

9 (Source: P.A. 96-1012, eff. 7-7-10.)

10 (35 ILCS 105/3-10)

11 Sec. 3-10. Rate of tax. Unless otherwise provided in this  
12 Section, the tax imposed by this Act is at the rate of 6.25% of  
13 either the selling price or the fair market value, if any, of  
14 the tangible personal property. In all cases where property  
15 functionally used or consumed is the same as the property that  
16 was purchased at retail, then the tax is imposed on the selling  
17 price of the property. In all cases where property functionally  
18 used or consumed is a by-product or waste product that has been  
19 refined, manufactured, or produced from property purchased at  
20 retail, then the tax is imposed on the lower of the fair market  
21 value, if any, of the specific property so used in this State  
22 or on the selling price of the property purchased at retail.  
23 For purposes of this Section "fair market value" means the  
24 price at which property would change hands between a willing  
25 buyer and a willing seller, neither being under any compulsion

1 to buy or sell and both having reasonable knowledge of the  
2 relevant facts. The fair market value shall be established by  
3 Illinois sales by the taxpayer of the same property as that  
4 functionally used or consumed, or if there are no such sales by  
5 the taxpayer, then comparable sales or purchases of property of  
6 like kind and character in Illinois.

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

11 During the Sales Tax Holiday Period, as defined in Section  
12 3-6 of this Act ~~Beginning on August 6, 2010 through August 15,~~  
13 ~~2010,~~ with respect to sales tax holiday items as defined in  
14 Section 3-6 of this Act, the tax is imposed at the rate of  
15 1.25%.

16 With respect to gasohol, the tax imposed by this Act  
17 applies to (i) 70% of the proceeds of sales made on or after  
18 January 1, 1990, and before July 1, 2003, (ii) 80% of the  
19 proceeds of sales made on or after July 1, 2003 and on or  
20 before July 1, 2017, and (iii) 100% of the proceeds of sales  
21 made thereafter. If, at any time, however, the tax under this  
22 Act on sales of gasohol is imposed at the rate of 1.25%, then  
23 the tax imposed by this Act applies to 100% of the proceeds of  
24 sales of gasohol made during that time.

25 With respect to majority blended ethanol fuel, the tax  
26 imposed by this Act does not apply to the proceeds of sales

1 made on or after July 1, 2003 and on or before December 31,  
2 2023 but applies to 100% of the proceeds of sales made  
3 thereafter.

4 With respect to biodiesel blends with no less than 1% and  
5 no more than 10% biodiesel, the tax imposed by this Act applies  
6 to (i) 80% of the proceeds of sales made on or after July 1,  
7 2003 and on or before December 31, 2018 and (ii) 100% of the  
8 proceeds of sales made thereafter. If, at any time, however,  
9 the tax under this Act on sales of biodiesel blends with no  
10 less than 1% and no more than 10% biodiesel is imposed at the  
11 rate of 1.25%, then the tax imposed by this Act applies to 100%  
12 of the proceeds of sales of biodiesel blends with no less than  
13 1% and no more than 10% biodiesel made during that time.

14 With respect to 100% biodiesel and biodiesel blends with  
15 more than 10% but no more than 99% biodiesel, the tax imposed  
16 by this Act does not apply to the proceeds of sales made on or  
17 after July 1, 2003 and on or before December 31, 2023 but  
18 applies to 100% of the proceeds of sales made thereafter.

19 With respect to food for human consumption that is to be  
20 consumed off the premises where it is sold (other than  
21 alcoholic beverages, soft drinks, and food that has been  
22 prepared for immediate consumption) and prescription and  
23 nonprescription medicines, drugs, medical appliances, products  
24 classified as Class III medical devices by the United States  
25 Food and Drug Administration that are used for cancer treatment  
26 pursuant to a prescription, as well as any accessories and

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

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

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

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

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

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

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

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

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

9 Beginning on the effective date of this amendatory Act of  
10 the 98th General Assembly, "prescription and nonprescription  
11 medicines and drugs" includes medical cannabis purchased from a  
12 registered dispensing organization under the Compassionate Use  
13 of Medical Cannabis Pilot Program Act.

14 If the property that is purchased at retail from a retailer  
15 is acquired outside Illinois and used outside Illinois before  
16 being brought to Illinois for use here and is taxable under  
17 this Act, the "selling price" on which the tax is computed  
18 shall be reduced by an amount that represents a reasonable  
19 allowance for depreciation for the period of prior out-of-state  
20 use.

21 (Source: P.A. 99-143, eff. 7-27-15; 99-858, eff. 8-19-16;  
22 100-22, eff. 7-6-17.)

23 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

24 Sec. 9. Except as to motor vehicles, watercraft, aircraft,  
25 and trailers that are required to be registered with an agency



1 of this State, each retailer required or authorized to collect  
2 the tax imposed by this Act shall pay to the Department the  
3 amount of such tax (except as otherwise provided) at the time  
4 when he is required to file his return for the period during  
5 which such tax was collected, less a discount of 2.1% prior to  
6 January 1, 1990, and 1.75% on and after January 1, 1990, or \$5  
7 per calendar year, whichever is greater, which is allowed to  
8 reimburse the retailer for expenses incurred in collecting the  
9 tax, keeping records, preparing and filing returns, remitting  
10 the tax and supplying data to the Department on request. In the  
11 case of retailers who report and pay the tax on a transaction  
12 by transaction basis, as provided in this Section, such  
13 discount shall be taken with each such tax remittance instead  
14 of when such retailer files his periodic return. The Department  
15 may disallow the discount for retailers whose certificate of  
16 registration is revoked at the time the return is filed, but  
17 only if the Department's decision to revoke the certificate of  
18 registration has become final. A retailer need not remit that  
19 part of any tax collected by him to the extent that he is  
20 required to remit and does remit the tax imposed by the  
21 Retailers' Occupation Tax Act, with respect to the sale of the  
22 same property.

23 Where such tangible personal property is sold under a  
24 conditional sales contract, or under any other form of sale  
25 wherein the payment of the principal sum, or a part thereof, is  
26 extended beyond the close of the period for which the return is

1 filed, the retailer, in collecting the tax (except as to motor  
2 vehicles, watercraft, aircraft, and trailers that are required  
3 to be registered with an agency of this State), may collect for  
4 each tax return period, only the tax applicable to that part of  
5 the selling price actually received during such tax return  
6 period.

7 Except as provided in this Section, on or before the  
8 twentieth day of each calendar month, such retailer shall file  
9 a return for the preceding calendar month. Such return shall be  
10 filed on forms prescribed by the Department and shall furnish  
11 such information as the Department may reasonably require.

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

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

1 less all deductions allowed by law;

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

4 5. The amount of tax due;

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

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

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

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

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

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

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

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

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

26 Before October 1, 2000, if the taxpayer's average monthly

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

1 after January 1, 1985, and prior to January 1, 1987, each  
2 payment shall be in an amount equal to 22.5% of the taxpayer's  
3 actual liability for the month or 27.5% of the taxpayer's  
4 liability for the same calendar month of the preceding year. If  
5 the month during which such tax liability is incurred begins on  
6 or after January 1, 1987, and prior to January 1, 1988, each  
7 payment shall be in an amount equal to 22.5% of the taxpayer's  
8 actual liability for the month or 26.25% of the taxpayer's  
9 liability for the same calendar month of the preceding year. If  
10 the month during which such tax liability is incurred begins on  
11 or after January 1, 1988, and prior to January 1, 1989, or  
12 begins on or after January 1, 1996, each payment shall be in an  
13 amount equal to 22.5% of the taxpayer's actual liability for  
14 the month or 25% of the taxpayer's liability for the same  
15 calendar month of the preceding year. If the month during which  
16 such tax liability is incurred begins on or after January 1,  
17 1989, and prior to January 1, 1996, each payment shall be in an  
18 amount equal to 22.5% of the taxpayer's actual liability for  
19 the month or 25% of the taxpayer's liability for the same  
20 calendar month of the preceding year or 100% of the taxpayer's  
21 actual liability for the quarter monthly reporting period. The  
22 amount of such quarter monthly payments shall be credited  
23 against the final tax liability of the taxpayer's return for  
24 that month. Before October 1, 2000, once applicable, the  
25 requirement of the making of quarter monthly payments to the  
26 Department shall continue until such taxpayer's average

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

1 taxpayer may petition the Department for a change in such  
2 taxpayer's reporting status. The Department shall change such  
3 taxpayer's reporting status unless it finds that such change is  
4 seasonal in nature and not likely to be long term. If any such  
5 quarter monthly payment is not paid at the time or in the  
6 amount required by this Section, then the taxpayer shall be  
7 liable for penalties and interest on the difference between the  
8 minimum amount due and the amount of such quarter monthly  
9 payment actually and timely paid, except insofar as the  
10 taxpayer has previously made payments for that month to the  
11 Department in excess of the minimum payments previously due as  
12 provided in this Section. The Department shall make reasonable  
13 rules and regulations to govern the quarter monthly payment  
14 amount and quarter monthly payment dates for taxpayers who file  
15 on other than a calendar monthly basis.

16 If any such payment provided for in this Section exceeds  
17 the taxpayer's liabilities under this Act, the Retailers'  
18 Occupation Tax Act, the Service Occupation Tax Act and the  
19 Service Use Tax Act, as shown by an original monthly return,  
20 the Department shall issue to the taxpayer a credit memorandum  
21 no later than 30 days after the date of payment, which  
22 memorandum may be submitted by the taxpayer to the Department  
23 in payment of tax liability subsequently to be remitted by the  
24 taxpayer to the Department or be assigned by the taxpayer to a  
25 similar taxpayer under this Act, the Retailers' Occupation Tax  
26 Act, the Service Occupation Tax Act or the Service Use Tax Act,



1 in accordance with reasonable rules and regulations to be  
2 prescribed by the Department, except that if such excess  
3 payment is shown on an original monthly return and is made  
4 after December 31, 1986, no credit memorandum shall be issued,  
5 unless requested by the taxpayer. If no such request is made,  
6 the taxpayer may credit such excess payment against tax  
7 liability subsequently to be remitted by the taxpayer to the  
8 Department under this Act, the Retailers' Occupation Tax Act,  
9 the Service Occupation Tax Act or the Service Use Tax Act, in  
10 accordance with reasonable rules and regulations prescribed by  
11 the Department. If the Department subsequently determines that  
12 all or any part of the credit taken was not actually due to the  
13 taxpayer, the taxpayer's 2.1% or 1.75% vendor's discount shall  
14 be reduced by 2.1% or 1.75% of the difference between the  
15 credit taken and that actually due, and the taxpayer shall be  
16 liable for penalties and interest on such difference.

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

1 January 20 of the following year.

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

8 Such quarter annual and annual returns, as to form and  
9 substance, shall be subject to the same requirements as monthly  
10 returns.

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

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

1 watercraft, motor vehicle or trailer to another aircraft,  
2 watercraft, motor vehicle or trailer retailer for the purpose  
3 of resale or (ii) a retailer of aircraft, watercraft, motor  
4 vehicles, or trailers transfers more than one aircraft,  
5 watercraft, motor vehicle, or trailer to a purchaser for use as  
6 a qualifying rolling stock as provided in Section 3-55 of this  
7 Act, then that seller may report the transfer of all the  
8 aircraft, watercraft, motor vehicles or trailers involved in  
9 that transaction to the Department on the same uniform  
10 invoice-transaction reporting return form. For purposes of  
11 this Section, "watercraft" means a Class 2, Class 3, or Class 4  
12 watercraft as defined in Section 3-2 of the Boat Registration  
13 and Safety Act, a personal watercraft, or any boat equipped  
14 with an inboard motor.

15 The transaction reporting return in the case of motor  
16 vehicles or trailers that are required to be registered with an  
17 agency of this State, shall be the same document as the Uniform  
18 Invoice referred to in Section 5-402 of the Illinois Vehicle  
19 Code and must show the name and address of the seller; the name  
20 and address of the purchaser; the amount of the selling price  
21 including the amount allowed by the retailer for traded-in  
22 property, if any; the amount allowed by the retailer for the  
23 traded-in tangible personal property, if any, to the extent to  
24 which Section 2 of this Act allows an exemption for the value  
25 of traded-in property; the balance payable after deducting such  
26 trade-in allowance from the total selling price; the amount of

1 tax due from the retailer with respect to such transaction; the  
2 amount of tax collected from the purchaser by the retailer on  
3 such transaction (or satisfactory evidence that such tax is not  
4 due in that particular instance, if that is claimed to be the  
5 fact); the place and date of the sale; a sufficient  
6 identification of the property sold; such other information as  
7 is required in Section 5-402 of the Illinois Vehicle Code, and  
8 such other information as the Department may reasonably  
9 require.

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

26 Such transaction reporting return shall be filed not later

1 than 20 days after the date of delivery of the item that is  
2 being sold, but may be filed by the retailer at any time sooner  
3 than that if he chooses to do so. The transaction reporting  
4 return and tax remittance or proof of exemption from the tax  
5 that is imposed by this Act may be transmitted to the  
6 Department by way of the State agency with which, or State  
7 officer with whom, the tangible personal property must be  
8 titled or registered (if titling or registration is required)  
9 if the Department and such agency or State officer determine  
10 that this procedure will expedite the processing of  
11 applications for title or registration.

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

25 No retailer's failure or refusal to remit tax under this  
26 Act precludes a user, who has paid the proper tax to the

1 retailer, from obtaining his certificate of title or other  
2 evidence of title or registration (if titling or registration  
3 is required) upon satisfying the Department that such user has  
4 paid the proper tax (if tax is due) to the retailer. The  
5 Department shall adopt appropriate rules to carry out the  
6 mandate of this paragraph.

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

25 Where a retailer collects the tax with respect to the  
26 selling price of tangible personal property which he sells and

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

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

23 If experience indicates such action to be practicable, the  
24 Department may prescribe and furnish a combination or joint  
25 return which will enable retailers, who are required to file  
26 returns hereunder and also under the Retailers' Occupation Tax

1 Act, to furnish all the return information required by both  
2 Acts on the one form.

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

8 Beginning January 1, 1990, each month the Department shall  
9 pay into the State and Local Sales Tax Reform Fund, a special  
10 fund in the State Treasury which is hereby created, the net  
11 revenue realized for the preceding month from the 1% tax on  
12 sales of food for human consumption which is to be consumed off  
13 the premises where it is sold (other than alcoholic beverages,  
14 soft drinks and food which has been prepared for immediate  
15 consumption) and prescription and nonprescription medicines,  
16 drugs, medical appliances, products classified as Class III  
17 medical devices by the United States Food and Drug  
18 Administration that are used for cancer treatment pursuant to a  
19 prescription, as well as any accessories and components related  
20 to those devices, and insulin, urine testing materials,  
21 syringes and needles used by diabetics.

22 Beginning January 1, 1990, each month the Department shall  
23 pay into the County and Mass Transit District Fund 4% of the  
24 net revenue realized for the preceding month from the 6.25%  
25 general rate on the selling price of tangible personal property  
26 which is purchased outside Illinois at retail from a retailer



1 and which is titled or registered by an agency of this State's  
2 government.

3 Beginning January 1, 1990, each month the Department shall  
4 pay into the State and Local Sales Tax Reform Fund, a special  
5 fund in the State Treasury, 20% of the net revenue realized for  
6 the preceding month from the 6.25% general rate on the selling  
7 price of tangible personal property, other than tangible  
8 personal property which is purchased outside Illinois at retail  
9 from a retailer and which is titled or registered by an agency  
10 of this State's government.

11 Beginning August 1, 2000, each month the Department shall  
12 pay into the State and Local Sales Tax Reform Fund 100% of the  
13 net revenue realized for the preceding month from the 1.25%  
14 rate on the selling price of motor fuel and gasohol. Beginning  
15 September 1, 2010, and beginning again on September 1, 2018,  
16 each month the Department shall pay into the State and Local  
17 Sales Tax Reform Fund 100% of the net revenue realized for the  
18 preceding month from the 1.25% rate on the selling price of  
19 sales tax holiday items.

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

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

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

17           Beginning July 1, 2013, each month the Department shall pay  
18 into the Underground Storage Tank Fund from the proceeds  
19 collected under this Act, the Service Use Tax Act, the Service  
20 Occupation Tax Act, and the Retailers' Occupation Tax Act an  
21 amount equal to the average monthly deficit in the Underground  
22 Storage Tank Fund during the prior year, as certified annually  
23 by the Illinois Environmental Protection Agency, but the total  
24 payment into the Underground Storage Tank Fund under this Act,  
25 the Service Use Tax Act, the Service Occupation Tax Act, and  
26 the Retailers' Occupation Tax Act shall not exceed \$18,000,000

1 in any State fiscal year. As used in this paragraph, the  
2 "average monthly deficit" shall be equal to the difference  
3 between the average monthly claims for payment by the fund and  
4 the average monthly revenues deposited into the fund, excluding  
5 payments made pursuant to this paragraph.

6 Beginning July 1, 2015, of the remainder of the moneys  
7 received by the Department under this Act, the Service Use Tax  
8 Act, the Service Occupation Tax Act, and the Retailers'  
9 Occupation Tax Act, each month the Department shall deposit  
10 \$500,000 into the State Crime Laboratory Fund.

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

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

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

24 Subject to payment of amounts into the Build Illinois Fund  
25 as provided in the preceding paragraph or in any amendment  
26 thereto hereafter enacted, the following specified monthly

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

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

1	2009	132,000,000
2	2010	139,000,000
3	2011	146,000,000
4	2012	153,000,000
5	2013	161,000,000
6	2014	170,000,000
7	2015	179,000,000
8	2016	189,000,000
9	2017	199,000,000
10	2018	210,000,000
11	2019	221,000,000
12	2020	233,000,000
13	2021	246,000,000
14	2022	260,000,000
15	2023	275,000,000
16	2024	275,000,000
17	2025	275,000,000
18	2026	279,000,000
19	2027	292,000,000
20	2028	307,000,000
21	2029	322,000,000
22	2030	338,000,000
23	2031	350,000,000
24	2032	350,000,000
25	and	
26	each fiscal year	

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

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

20           Subject to payment of amounts into the Build Illinois Fund  
21      and the McCormick Place Expansion Project Fund pursuant to the  
22      preceding paragraphs or in any amendments thereto hereafter  
23      enacted, beginning July 1, 1993 and ending on September 30,  
24      2013, the Department shall each month pay into the Illinois Tax  
25      Increment Fund 0.27% of 80% of the net revenue realized for the  
26      preceding month from the 6.25% general rate on the selling



1 price of tangible personal property.

2 Subject to payment of amounts into the Build Illinois Fund  
3 and the McCormick Place Expansion Project Fund pursuant to the  
4 preceding paragraphs or in any amendments thereto hereafter  
5 enacted, beginning with the receipt of the first report of  
6 taxes paid by an eligible business and continuing for a 25-year  
7 period, the Department shall each month pay into the Energy  
8 Infrastructure Fund 80% of the net revenue realized from the  
9 6.25% general rate on the selling price of Illinois-mined coal  
10 that was sold to an eligible business. For purposes of this  
11 paragraph, the term "eligible business" means a new electric  
12 generating facility certified pursuant to Section 605-332 of  
13 the Department of Commerce and Economic Opportunity Law of the  
14 Civil Administrative Code of Illinois.

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

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

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

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

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

26 For greater simplicity of administration, manufacturers,

1 importers and wholesalers whose products are sold at retail in  
2 Illinois by numerous retailers, and who wish to do so, may  
3 assume the responsibility for accounting and paying to the  
4 Department all tax accruing under this Act with respect to such  
5 sales, if the retailers who are affected do not make written  
6 objection to the Department to this arrangement.

7 (Source: P.A. 98-24, eff. 6-19-13; 98-109, eff. 7-25-13;  
8 98-496, eff. 1-1-14; 98-756, eff. 7-16-14; 98-1098, eff.  
9 8-26-14; 99-352, eff. 8-12-15; 99-858, eff. 8-19-16; 99-933,  
10 eff. 1-27-17; revised 2-3-17.)

11 Section 15. The Retailers' Occupation Tax Act is amended by  
12 changing Sections 2-8, 2-10, and 3 as follows:

13 (35 ILCS 120/2-8)

14 Sec. 2-8. Sales tax holiday items.

15 (a) The tangible personal property described in this  
16 subsection qualifies for the 1.25% reduced rate of tax during  
17 ~~for the period set forth in Section 2-10 of this Act~~  
18 ~~(hereinafter referred to as the Sales Tax Holiday Period)~~. The  
19 reduced rate on these items shall be administered under the  
20 provisions of subsection (b) of this Section. The following  
21 items are subject to the reduced rate:

22 (1) Clothing items that each have a retail selling  
23 price of less than \$100.

24 "Clothing" means, unless otherwise specified in this

1 Section, all human wearing apparel suitable for general  
2 use. "Clothing" does not include clothing accessories,  
3 protective equipment, or sport or recreational equipment.  
4 "Clothing" includes, but is not limited to: household and  
5 shop aprons; athletic supporters; bathing suits and caps;  
6 belts and suspenders; boots; coats and jackets; ear muffs;  
7 footlets; gloves and mittens for general use; hats and  
8 caps; hosiery; insoles for shoes; lab coats; neckties;  
9 overshoes; pantyhose; rainwear; rubber pants; sandals;  
10 scarves; shoes and shoelaces; slippers; sneakers; socks  
11 and stockings; steel-toed shoes; underwear; and school  
12 uniforms.

13 "Clothing accessories" means, but is not limited to:  
14 briefcases; cosmetics; hair notions, including, but not  
15 limited to barrettes, hair bows, and hair nets; handbags;  
16 handkerchiefs; jewelry; non-prescription sunglasses;  
17 umbrellas; wallets; watches; and wigs and hair pieces.

18 "Protective equipment" means, but is not limited to:  
19 breathing masks; clean room apparel and equipment; ear and  
20 hearing protectors; face shields; hard hats; helmets;  
21 paint or dust respirators; protective gloves; safety  
22 glasses and goggles; safety belts; tool belts; and welder's  
23 gloves and masks.

24 "Sport or recreational equipment" means, but is not  
25 limited to: ballet and tap shoes; cleated or spiked  
26 athletic shoes; gloves, including, but not limited to,

1 baseball, bowling, boxing, hockey, and golf gloves;  
2 goggles; hand and elbow guards; life preservers and vests;  
3 mouth guards; roller and ice skates; shin guards; shoulder  
4 pads; ski boots; waders; and wetsuits and fins.

5 (2) School supplies. "School supplies" means, unless  
6 otherwise specified in this Section, items used by a  
7 student in a course of study. The purchase of school  
8 supplies for use by persons other than students for use in  
9 a course of study are not eligible for the reduced rate of  
10 tax. "School supplies" do not include school art supplies;  
11 school instructional materials; cameras; film and memory  
12 cards; videocameras, tapes, and videotapes; computers;  
13 cell phones; Personal Digital Assistants (PDAs); handheld  
14 electronic schedulers; and school computer supplies.

15 "School supplies" includes, but is not limited to:  
16 binders; book bags; calculators; cellophane tape;  
17 blackboard chalk; compasses; composition books; crayons;  
18 erasers; expandable, pocket, plastic, and manila folders;  
19 glue, paste, and paste sticks; highlighters; index cards;  
20 index card boxes; legal pads; lunch boxes; markers;  
21 notebooks; paper, including loose leaf ruled notebook  
22 paper, copy paper, graph paper, tracing paper, manila  
23 paper, colored paper, poster board, and construction  
24 paper; pencils; pencil leads; pens; ink and ink refills for  
25 pens; pencil boxes and other school supply boxes; pencil  
26 sharpeners; protractors; rulers; scissors; and writing

1 tablets.

2 "School art supply" means an item commonly used by a  
3 student in a course of study for artwork and includes only  
4 the following items: clay and glazes; acrylic, tempera, and  
5 oil paint; paintbrushes for artwork; sketch and drawing  
6 pads; and watercolors.

7 "School instructional material" means written material  
8 commonly used by a student in a course of study as a  
9 reference and to learn the subject being taught and  
10 includes only the following items: reference books;  
11 reference maps and globes; textbooks; and workbooks.

12 "School computer supply" means an item commonly used by  
13 a student in a course of study in which a computer is used  
14 and applies only to the following items: flashdrives and  
15 other computer data storage devices; data storage media,  
16 such as diskettes and compact disks; boxes and cases for  
17 disk storage; external ports or drives; computer cases;  
18 computer cables; computer printers; and printer  
19 cartridges, toner, and ink.

20 (b) Administration. Notwithstanding any other provision of  
21 this Act, the reduced rate of tax under Section 3-10 of this  
22 Act for clothing and school supplies shall be administered by  
23 the Department under the provisions of this subsection (b).

24 (1) Bundled sales. Items that qualify for the reduced  
25 rate of tax that are bundled together with items that do  
26 not qualify for the reduced rate of tax and that are sold

1 for one itemized price will be subject to the reduced rate  
2 of tax only if the value of the items that qualify for the  
3 reduced rate of tax exceeds the value of the items that do  
4 not qualify for the reduced rate of tax.

5 (2) Coupons and discounts. An unreimbursed discount by  
6 the seller reduces the sales price of the property so that  
7 the discounted sales price determines whether the sales  
8 price is within a sales tax holiday price threshold. A  
9 coupon or other reduction in the sales price is treated as  
10 a discount if the seller is not reimbursed for the coupon  
11 or reduction amount by a third party.

12 (3) Splitting of items normally sold together.  
13 Articles that are normally sold as a single unit must  
14 continue to be sold in that manner. Such articles cannot be  
15 priced separately and sold as individual items in order to  
16 obtain the reduced rate of tax. For example, a pair of  
17 shoes cannot have each shoe sold separately so that the  
18 sales price of each shoe is within a sales tax holiday  
19 price threshold.

20 (4) Rain checks. A rain check is a procedure that  
21 allows a customer to purchase an item at a certain price at  
22 a later time because the particular item was out of stock.  
23 Eligible property that customers purchase during the Sales  
24 Tax Holiday Period with the use of a rain check will  
25 qualify for the reduced rate of tax regardless of when the  
26 rain check was issued. Issuance of a rain check during the

1 Sales Tax Holiday Period will not qualify eligible property  
2 for the reduced rate of tax if the property is actually  
3 purchased after the Sales Tax Holiday Period.

4 (5) Exchanges. The procedure for an exchange in regards  
5 to a sales tax holiday is as follows:

6 (A) If a customer purchases an item of eligible  
7 property during the Sales Tax Holiday Period, but later  
8 exchanges the item for a similar eligible item, even if  
9 a different size, different color, or other feature, no  
10 additional tax is due even if the exchange is made  
11 after the Sales Tax Holiday Period.

12 (B) If a customer purchases an item of eligible  
13 property during the Sales Tax Holiday Period, but after  
14 the Sales Tax Holiday Period has ended, the customer  
15 returns the item and receives credit on the purchase of  
16 a different item, the 6.25% general merchandise sales  
17 tax rate is due on the sale of the newly purchased  
18 item.

19 (C) If a customer purchases an item of eligible  
20 property before the Sales Tax Holiday Period, but  
21 during the Sales Tax Holiday Period the customer  
22 returns the item and receives credit on the purchase of  
23 a different item of eligible property, the reduced rate  
24 of tax is due on the sale of the new item if the new  
25 item is purchased during the Sales Tax Holiday Period.

26 (6) Delivery charges. Delivery charges, including



1 shipping, handling and service charges, are part of the  
2 sales price of eligible property.

3 (7) Order date and back orders. For the purpose of a  
4 sales tax holiday, eligible property qualifies for the  
5 reduced rate of tax if: (i) the item is both delivered to  
6 and paid for by the customer during the Sales Tax Holiday  
7 Period or (ii) the customer orders and pays for the item  
8 and the seller accepts the order during the Sales Tax  
9 Holiday Period for immediate shipment, even if delivery is  
10 made after the Sales Tax Holiday Period. The seller accepts  
11 an order when the seller has taken action to fill the order  
12 for immediate shipment. Actions to fill an order include  
13 placement of an "in date" stamp on an order or assignment  
14 of an "order number" to an order within the Sales Tax  
15 Holiday Period. An order is for immediate shipment when the  
16 customer does not request delayed shipment. An order is for  
17 immediate shipment notwithstanding that the shipment may  
18 be delayed because of a backlog of orders or because stock  
19 is currently unavailable to, or on back order by, the  
20 seller.

21 (8) Returns. For a 60-day period immediately after the  
22 Sales Tax Holiday Period, if a customer returns an item  
23 that would qualify for the reduced rate of tax, credit for  
24 or refund of sales tax shall be given only at the reduced  
25 rate unless the customer provides a receipt or invoice that  
26 shows tax was paid at the 6.25% general merchandise rate,

1 or the seller has sufficient documentation to show that tax  
2 was paid at the 6.25% general merchandise rate on the  
3 specific item. This 60-day period is set solely for the  
4 purpose of designating a time period during which the  
5 customer must provide documentation that shows that the  
6 appropriate sales tax rate was paid on returned  
7 merchandise. The 60-day period is not intended to change a  
8 seller's policy on the time period during which the seller  
9 will accept returns.

10 (c) The Department may implement the provisions of this  
11 Section through the use of emergency rules, along with  
12 permanent rules filed concurrently with such emergency rules,  
13 in accordance with the provisions of Section 5-45 of the  
14 Illinois Administrative Procedure Act. For purposes of the  
15 Illinois Administrative Procedure Act, the adoption of rules to  
16 implement the provisions of this Section shall be deemed an  
17 emergency and necessary for the public interest, safety, and  
18 welfare.

19 (d) As used in this Act, "Sales Tax Holiday Period" means  
20 the period beginning on August 6, 2010 and ending on August 15,  
21 2010 and the period beginning on August 5, 2018 and ending on  
22 August 11, 2018.

23 (Source: P.A. 96-1012, eff. 7-7-10.)

24 (35 ILCS 120/2-10)

25 Sec. 2-10. Rate of tax. Unless otherwise provided in this

1 Section, the tax imposed by this Act is at the rate of 6.25% of  
2 gross receipts from sales of tangible personal property made in  
3 the course of business.

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

8 During the Sales Tax Holiday Period, as defined in Section  
9 2-8 of this Act Beginning on August 6, 2010 through August 15,  
10 2010, with respect to sales tax holiday items as defined in  
11 Section 2-8 of this Act, the tax is imposed at the rate of  
12 1.25%.

13 Within 14 days after the effective date of this amendatory  
14 Act of the 91st General Assembly, each retailer of motor fuel  
15 and gasohol shall cause the following notice to be posted in a  
16 prominently visible place on each retail dispensing device that  
17 is used to dispense motor fuel or gasohol in the State of  
18 Illinois: "As of July 1, 2000, the State of Illinois has  
19 eliminated the State's share of sales tax on motor fuel and  
20 gasohol through December 31, 2000. The price on this pump  
21 should reflect the elimination of the tax." The notice shall be  
22 printed in bold print on a sign that is no smaller than 4  
23 inches by 8 inches. The sign shall be clearly visible to  
24 customers. Any retailer who fails to post or maintain a  
25 required sign through December 31, 2000 is guilty of a petty  
26 offense for which the fine shall be \$500 per day per each

1 retail premises where a violation occurs.

2 With respect to gasohol, as defined in the Use Tax Act, the  
3 tax imposed by this Act applies to (i) 70% of the proceeds of  
4 sales made on or after January 1, 1990, and before July 1,  
5 2003, (ii) 80% of the proceeds of sales made on or after July  
6 1, 2003 and on or before July 1, 2017, and (iii) 100% of the  
7 proceeds of sales made thereafter. If, at any time, however,  
8 the tax under this Act on sales of gasohol, as defined in the  
9 Use Tax Act, is imposed at the rate of 1.25%, then the tax  
10 imposed by this Act applies to 100% of the proceeds of sales of  
11 gasohol made during that time.

12 With respect to majority blended ethanol fuel, as defined  
13 in the Use Tax Act, the tax imposed by this Act does not apply  
14 to the proceeds of sales made on or after July 1, 2003 and on or  
15 before December 31, 2023 but applies to 100% of the proceeds of  
16 sales made thereafter.

17 With respect to biodiesel blends, as defined in the Use Tax  
18 Act, with no less than 1% and no more than 10% biodiesel, the  
19 tax imposed by this Act applies to (i) 80% of the proceeds of  
20 sales made on or after July 1, 2003 and on or before December  
21 31, 2018 and (ii) 100% of the proceeds of sales made  
22 thereafter. If, at any time, however, the tax under this Act on  
23 sales of biodiesel blends, as defined in the Use Tax Act, with  
24 no less than 1% and no more than 10% biodiesel is imposed at  
25 the rate of 1.25%, then the tax imposed by this Act applies to  
26 100% of the proceeds of sales of biodiesel blends with no less

1 than 1% and no more than 10% biodiesel made during that time.

2 With respect to 100% biodiesel, as defined in the Use Tax  
3 Act, and biodiesel blends, as defined in the Use Tax Act, with  
4 more than 10% but no more than 99% biodiesel, the tax imposed  
5 by this Act does not apply to the proceeds of sales made on or  
6 after July 1, 2003 and on or before December 31, 2023 but  
7 applies to 100% of the proceeds of sales made thereafter.

8 With respect to food for human consumption that is to be  
9 consumed off the premises where it is sold (other than  
10 alcoholic beverages, soft drinks, and food that has been  
11 prepared for immediate consumption) and prescription and  
12 nonprescription medicines, drugs, medical appliances, products  
13 classified as Class III medical devices by the United States  
14 Food and Drug Administration that are used for cancer treatment  
15 pursuant to a prescription, as well as any accessories and  
16 components related to those devices, modifications to a motor  
17 vehicle for the purpose of rendering it usable by a person with  
18 a disability, and insulin, urine testing materials, syringes,  
19 and needles used by diabetics, for human use, the tax is  
20 imposed at the rate of 1%. For the purposes of this Section,  
21 until September 1, 2009: the term "soft drinks" means any  
22 complete, finished, ready-to-use, non-alcoholic drink, whether  
23 carbonated or not, including but not limited to soda water,  
24 cola, fruit juice, vegetable juice, carbonated water, and all  
25 other preparations commonly known as soft drinks of whatever  
26 kind or description that are contained in any closed or sealed

1 bottle, can, carton, or container, regardless of size; but  
2 "soft drinks" does not include coffee, tea, non-carbonated  
3 water, infant formula, milk or milk products as defined in the  
4 Grade A Pasteurized Milk and Milk Products Act, or drinks  
5 containing 50% or more natural fruit or vegetable juice.

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

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

24 Notwithstanding any other provisions of this Act,  
25 beginning September 1, 2009, "food for human consumption that  
26 is to be consumed off the premises where it is sold" does not

1 include candy. For purposes of this Section, "candy" means a  
2 preparation of sugar, honey, or other natural or artificial  
3 sweeteners in combination with chocolate, fruits, nuts or other  
4 ingredients or flavorings in the form of bars, drops, or  
5 pieces. "Candy" does not include any preparation that contains  
6 flour or requires refrigeration.

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

20 (A) A "Drug Facts" panel; or

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

24 Beginning on the effective date of this amendatory Act of  
25 the 98th General Assembly, "prescription and nonprescription  
26 medicines and drugs" includes medical cannabis purchased from a

1 registered dispensing organization under the Compassionate Use  
2 of Medical Cannabis Pilot Program Act.

3 (Source: P.A. 99-143, eff. 7-27-15; 99-858, eff. 8-19-16;  
4 100-22, eff. 7-6-17.)

5 (35 ILCS 120/3) (from Ch. 120, par. 442)

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

11 1. The name of the seller;

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

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

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



1 is filed;

2 5. Deductions allowed by law;

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

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

8 8. The amount of tax due;

9 9. The signature of the taxpayer; and

10 10. Such other reasonable information as the  
11 Department may require.

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

16 Each return shall be accompanied by the statement of  
17 prepaid tax issued pursuant to Section 2e for which credit is  
18 claimed.

19 Prior to October 1, 2003, and on and after September 1,  
20 2004 a retailer may accept a Manufacturer's Purchase Credit  
21 certification from a purchaser in satisfaction of Use Tax as  
22 provided in Section 3-85 of the Use Tax Act if the purchaser  
23 provides the appropriate documentation as required by Section  
24 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit  
25 certification, accepted by a retailer prior to October 1, 2003  
26 and on and after September 1, 2004 as provided in Section 3-85

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

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

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

1 personal property by him during such preceding calendar  
2 month, including receipts from charge and time sales, but  
3 less all deductions allowed by law;

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

6 5. The amount of tax due; and

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

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

23 Beginning on October 1, 2003, every distributor, importing  
24 distributor, and manufacturer of alcoholic liquor as defined in  
25 the Liquor Control Act of 1934, shall file a statement with the  
26 Department of Revenue, no later than the 10th day of the month

1 for the preceding month during which transactions occurred, by  
2 electronic means, showing the total amount of gross receipts  
3 from the sale of alcoholic liquor sold or distributed during  
4 the preceding month to purchasers; identifying the purchaser to  
5 whom it was sold or distributed; the purchaser's tax  
6 registration number; and such other information reasonably  
7 required by the Department. A distributor, importing  
8 distributor, or manufacturer of alcoholic liquor must  
9 personally deliver, mail, or provide by electronic means to  
10 each retailer listed on the monthly statement a report  
11 containing a cumulative total of that distributor's, importing  
12 distributor's, or manufacturer's total sales of alcoholic  
13 liquor to that retailer no later than the 10th day of the month  
14 for the preceding month during which the transaction occurred.  
15 The distributor, importing distributor, or manufacturer shall  
16 notify the retailer as to the method by which the distributor,  
17 importing distributor, or manufacturer will provide the sales  
18 information. If the retailer is unable to receive the sales  
19 information by electronic means, the distributor, importing  
20 distributor, or manufacturer shall furnish the sales  
21 information by personal delivery or by mail. For purposes of  
22 this paragraph, the term "electronic means" includes, but is  
23 not limited to, the use of a secure Internet website, e-mail,  
24 or facsimile.

25 If a total amount of less than \$1 is payable, refundable or  
26 creditable, such amount shall be disregarded if it is less than

1 50 cents and shall be increased to \$1 if it is 50 cents or more.

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

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

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

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

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

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

23           If the retailer is otherwise required to file a monthly  
24 return and if the retailer's average monthly tax liability to  
25 the Department does not exceed \$200, the Department may  
26 authorize his returns to be filed on a quarter annual basis,

1 with the return for January, February and March of a given year  
2 being due by April 20 of such year; with the return for April,  
3 May and June of a given year being due by July 20 of such year;  
4 with the return for July, August and September of a given year  
5 being due by October 20 of such year, and with the return for  
6 October, November and December of a given year being due by  
7 January 20 of the following year.

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

14 Such quarter annual and annual returns, as to form and  
15 substance, shall be subject to the same requirements as monthly  
16 returns.

17 Notwithstanding any other provision in this Act concerning  
18 the time within which a retailer may file his return, in the  
19 case of any retailer who ceases to engage in a kind of business  
20 which makes him responsible for filing returns under this Act,  
21 such retailer shall file a final return under this Act with the  
22 Department not more than one month after discontinuing such  
23 business.

24 Where the same person has more than one business registered  
25 with the Department under separate registrations under this  
26 Act, such person may not file each return that is due as a

1 single return covering all such registered businesses, but  
2 shall file separate returns for each such registered business.

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

26 Any retailer who sells only motor vehicles, watercraft,



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

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

1 such other information as the Department may reasonably  
2 require.

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

19 Such transaction reporting return shall be filed not later  
20 than 20 days after the day of delivery of the item that is  
21 being sold, but may be filed by the retailer at any time sooner  
22 than that if he chooses to do so. The transaction reporting  
23 return and tax remittance or proof of exemption from the  
24 Illinois use tax may be transmitted to the Department by way of  
25 the State agency with which, or State officer with whom the  
26 tangible personal property must be titled or registered (if

1 titling or registration is required) if the Department and such  
2 agency or State officer determine that this procedure will  
3 expedite the processing of applications for title or  
4 registration.

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

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

26 If the user who would otherwise pay tax to the retailer

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

18 Refunds made by the seller during the preceding return  
19 period to purchasers, on account of tangible personal property  
20 returned to the seller, shall be allowed as a deduction under  
21 subdivision 5 of his monthly or quarterly return, as the case  
22 may be, in case the seller had theretofore included the  
23 receipts from the sale of such tangible personal property in a  
24 return filed by him and had paid the tax imposed by this Act  
25 with respect to such receipts.

26 Where the seller is a corporation, the return filed on

1 behalf of such corporation shall be signed by the president,  
2 vice-president, secretary or treasurer or by the properly  
3 accredited agent of such corporation.

4 Where the seller is a limited liability company, the return  
5 filed on behalf of the limited liability company shall be  
6 signed by a manager, member, or properly accredited agent of  
7 the limited liability company.

8 Except as provided in this Section, the retailer filing the  
9 return under this Section shall, at the time of filing such  
10 return, pay to the Department the amount of tax imposed by this  
11 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%  
12 on and after January 1, 1990, or \$5 per calendar year,  
13 whichever is greater, which is allowed to reimburse the  
14 retailer for the expenses incurred in keeping records,  
15 preparing and filing returns, remitting the tax and supplying  
16 data to the Department on request. Any prepayment made pursuant  
17 to Section 2d of this Act shall be included in the amount on  
18 which such 2.1% or 1.75% discount is computed. In the case of  
19 retailers who report and pay the tax on a transaction by  
20 transaction basis, as provided in this Section, such discount  
21 shall be taken with each such tax remittance instead of when  
22 such retailer files his periodic return. The Department may  
23 disallow the discount for retailers whose certificate of  
24 registration is revoked at the time the return is filed, but  
25 only if the Department's decision to revoke the certificate of  
26 registration has become final.

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

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

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



1 average monthly liability to the Department as computed for  
2 each calendar quarter of the 4 preceding complete calendar  
3 quarter period is less than \$20,000. However, if a taxpayer can  
4 show the Department that a substantial change in the taxpayer's  
5 business has occurred which causes the taxpayer to anticipate  
6 that his average monthly tax liability for the reasonably  
7 foreseeable future will fall below the \$20,000 threshold stated  
8 above, then such taxpayer may petition the Department for a  
9 change in such taxpayer's reporting status. The Department  
10 shall change such taxpayer's reporting status unless it finds  
11 that such change is seasonal in nature and not likely to be  
12 long term. If any such quarter monthly payment is not paid at  
13 the time or in the amount required by this Section, then the  
14 taxpayer shall be liable for penalties and interest on the  
15 difference between the minimum amount due as a payment and the  
16 amount of such quarter monthly payment actually and timely  
17 paid, except insofar as the taxpayer has previously made  
18 payments for that month to the Department in excess of the  
19 minimum payments previously due as provided in this Section.  
20 The Department shall make reasonable rules and regulations to  
21 govern the quarter monthly payment amount and quarter monthly  
22 payment dates for taxpayers who file on other than a calendar  
23 monthly basis.

24 The provisions of this paragraph apply before October 1,  
25 2001. Without regard to whether a taxpayer is required to make  
26 quarter monthly payments as specified above, any taxpayer who

1 is required by Section 2d of this Act to collect and remit  
2 prepaid taxes and has collected prepaid taxes which average in  
3 excess of \$25,000 per month during the preceding 2 complete  
4 calendar quarters, shall file a return with the Department as  
5 required by Section 2f and shall make payments to the  
6 Department on or before the 7th, 15th, 22nd and last day of the  
7 month during which such liability is incurred. If the month  
8 during which such tax liability is incurred began prior to  
9 September 1, 1985 (the effective date of Public Act 84-221)  
10 ~~this amendatory Act of 1985~~, each payment shall be in an amount  
11 not less than 22.5% of the taxpayer's actual liability under  
12 Section 2d. If the month during which such tax liability is  
13 incurred begins on or after January 1, 1986, each payment shall  
14 be in an amount equal to 22.5% of the taxpayer's actual  
15 liability for the month or 27.5% of the taxpayer's liability  
16 for the same calendar month of the preceding calendar year. If  
17 the month during which such tax liability is incurred begins on  
18 or after January 1, 1987, each payment shall be in an amount  
19 equal to 22.5% of the taxpayer's actual liability for the month  
20 or 26.25% of the taxpayer's liability for the same calendar  
21 month of the preceding year. The amount of such quarter monthly  
22 payments shall be credited against the final tax liability of  
23 the taxpayer's return for that month filed under this Section  
24 or Section 2f, as the case may be. Once applicable, the  
25 requirement of the making of quarter monthly payments to the  
26 Department pursuant to this paragraph shall continue until such

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

8 The provisions of this paragraph apply on and after October  
9 1, 2001. Without regard to whether a taxpayer is required to  
10 make quarter monthly payments as specified above, any taxpayer  
11 who is required by Section 2d of this Act to collect and remit  
12 prepaid taxes and has collected prepaid taxes that average in  
13 excess of \$20,000 per month during the preceding 4 complete  
14 calendar quarters shall file a return with the Department as  
15 required by Section 2f and shall make payments to the  
16 Department on or before the 7th, 15th, 22nd and last day of the  
17 month during which the liability is incurred. Each payment  
18 shall be in an amount equal to 22.5% of the taxpayer's actual  
19 liability for the month or 25% of the taxpayer's liability for  
20 the same calendar month of the preceding year. The amount of  
21 the quarter monthly payments shall be credited against the  
22 final tax liability of the taxpayer's return for that month  
23 filed under this Section or Section 2f, as the case may be.  
24 Once applicable, the requirement of the making of quarter  
25 monthly payments to the Department pursuant to this paragraph  
26 shall continue until the taxpayer's average monthly prepaid tax

1 collections during the preceding 4 complete calendar quarters  
2 (excluding the month of highest liability and the month of  
3 lowest liability) is less than \$19,000 or until such taxpayer's  
4 average monthly liability to the Department as computed for  
5 each calendar quarter of the 4 preceding complete calendar  
6 quarters is less than \$20,000. If any such quarter monthly  
7 payment is not paid at the time or in the amount required, the  
8 taxpayer shall be liable for penalties and interest on such  
9 difference, except insofar as the taxpayer has previously made  
10 payments for that month in excess of the minimum payments  
11 previously due.

12 If any payment provided for in this Section exceeds the  
13 taxpayer's liabilities under this Act, the Use Tax Act, the  
14 Service Occupation Tax Act and the Service Use Tax Act, as  
15 shown on an original monthly return, the Department shall, if  
16 requested by the taxpayer, issue to the taxpayer a credit  
17 memorandum no later than 30 days after the date of payment. The  
18 credit evidenced by such credit memorandum may be assigned by  
19 the taxpayer to a similar taxpayer under this Act, the Use Tax  
20 Act, the Service Occupation Tax Act or the Service Use Tax Act,  
21 in accordance with reasonable rules and regulations to be  
22 prescribed by the Department. If no such request is made, the  
23 taxpayer may credit such excess payment against tax liability  
24 subsequently to be remitted to the Department under this Act,  
25 the Use Tax Act, the Service Occupation Tax Act or the Service  
26 Use Tax Act, in accordance with reasonable rules and

1 regulations prescribed by the Department. If the Department  
2 subsequently determined that all or any part of the credit  
3 taken was not actually due to the taxpayer, the taxpayer's 2.1%  
4 and 1.75% vendor's discount shall be reduced by 2.1% or 1.75%  
5 of the difference between the credit taken and that actually  
6 due, and that taxpayer shall be liable for penalties and  
7 interest on such difference.

8 If a retailer of motor fuel is entitled to a credit under  
9 Section 2d of this Act which exceeds the taxpayer's liability  
10 to the Department under this Act for the month which the  
11 taxpayer is filing a return, the Department shall issue the  
12 taxpayer a credit memorandum for the excess.

13 Beginning January 1, 1990, each month the Department shall  
14 pay into the Local Government Tax Fund, a special fund in the  
15 State treasury which is hereby created, the net revenue  
16 realized for the preceding month from the 1% tax on sales of  
17 food for human consumption which is to be consumed off the  
18 premises where it is sold (other than alcoholic beverages, soft  
19 drinks and food which has been prepared for immediate  
20 consumption) and prescription and nonprescription medicines,  
21 drugs, medical appliances, products classified as Class III  
22 medical devices by the United States Food and Drug  
23 Administration that are used for cancer treatment pursuant to a  
24 prescription, as well as any accessories and components related  
25 to those devices, and insulin, urine testing materials,  
26 syringes and needles used by diabetics.

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

6           Beginning August 1, 2000, each month the Department shall  
7 pay into the County and Mass Transit District Fund 20% of the  
8 net revenue realized for the preceding month from the 1.25%  
9 rate on the selling price of motor fuel and gasohol. Beginning  
10 September 1, 2010, and beginning again on September 1, 2018,  
11 each month the Department shall pay into the County and Mass  
12 Transit District Fund 20% of the net revenue realized for the  
13 preceding month from the 1.25% rate on the selling price of  
14 sales tax holiday items.

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

19           Beginning August 1, 2000, each month the Department shall  
20 pay into the Local Government Tax Fund 80% of the net revenue  
21 realized for the preceding month from the 1.25% rate on the  
22 selling price of motor fuel and gasohol. Beginning September 1,  
23 2010, and beginning again on September 1, 2018, each month the  
24 Department shall pay into the Local Government Tax Fund 80% of  
25 the net revenue realized for the preceding month from the 1.25%  
26 rate on the selling price of sales tax holiday items.

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

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

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

1 to the difference between the average monthly claims for  
2 payment by the fund and the average monthly revenues deposited  
3 into the fund, excluding payments made pursuant to this  
4 paragraph.

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

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



1 moneys received by the Department pursuant to the Tax Acts; the  
2 "Annual Specified Amount" means the amounts specified below for  
3 fiscal years 1986 through 1993:

4	Fiscal Year	Annual Specified Amount
5	1986	\$54,800,000
6	1987	\$76,650,000
7	1988	\$80,480,000
8	1989	\$88,510,000
9	1990	\$115,330,000
10	1991	\$145,470,000
11	1992	\$182,730,000
12	1993	\$206,520,000;

13 and means the Certified Annual Debt Service Requirement (as  
14 defined in Section 13 of the Build Illinois Bond Act) or the  
15 Tax Act Amount, whichever is greater, for fiscal year 1994 and  
16 each fiscal year thereafter; and further provided, that if on  
17 the last business day of any month the sum of (1) the Tax Act  
18 Amount required to be deposited into the Build Illinois Bond  
19 Account in the Build Illinois Fund during such month and (2)  
20 the amount transferred to the Build Illinois Fund from the  
21 State and Local Sales Tax Reform Fund shall have been less than  
22 1/12 of the Annual Specified Amount, an amount equal to the  
23 difference shall be immediately paid into the Build Illinois  
24 Fund from other moneys received by the Department pursuant to  
25 the Tax Acts; and, further provided, that in no event shall the  
26 payments required under the preceding proviso result in

1 aggregate payments into the Build Illinois Fund pursuant to  
2 this clause (b) for any fiscal year in excess of the greater of  
3 (i) the Tax Act Amount or (ii) the Annual Specified Amount for  
4 such fiscal year. The amounts payable into the Build Illinois  
5 Fund under clause (b) of the first sentence in this paragraph  
6 shall be payable only until such time as the aggregate amount  
7 on deposit under each trust indenture securing Bonds issued and  
8 outstanding pursuant to the Build Illinois Bond Act is  
9 sufficient, taking into account any future investment income,  
10 to fully provide, in accordance with such indenture, for the  
11 defeasance of or the payment of the principal of, premium, if  
12 any, and interest on the Bonds secured by such indenture and on  
13 any Bonds expected to be issued thereafter and all fees and  
14 costs payable with respect thereto, all as certified by the  
15 Director of the Bureau of the Budget (now Governor's Office of  
16 Management and Budget). If on the last business day of any  
17 month in which Bonds are outstanding pursuant to the Build  
18 Illinois Bond Act, the aggregate of moneys deposited in the  
19 Build Illinois Bond Account in the Build Illinois Fund in such  
20 month shall be less than the amount required to be transferred  
21 in such month from the Build Illinois Bond Account to the Build  
22 Illinois Bond Retirement and Interest Fund pursuant to Section  
23 13 of the Build Illinois Bond Act, an amount equal to such  
24 deficiency shall be immediately paid from other moneys received  
25 by the Department pursuant to the Tax Acts to the Build  
26 Illinois Fund; provided, however, that any amounts paid to the

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

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

	Fiscal Year	Total Deposit
22		
23	1993	\$0
24	1994	53,000,000
25	1995	58,000,000

1	1996	61,000,000
2	1997	64,000,000
3	1998	68,000,000
4	1999	71,000,000
5	2000	75,000,000
6	2001	80,000,000
7	2002	93,000,000
8	2003	99,000,000
9	2004	103,000,000
10	2005	108,000,000
11	2006	113,000,000
12	2007	119,000,000
13	2008	126,000,000
14	2009	132,000,000
15	2010	139,000,000
16	2011	146,000,000
17	2012	153,000,000
18	2013	161,000,000
19	2014	170,000,000
20	2015	179,000,000
21	2016	189,000,000
22	2017	199,000,000
23	2018	210,000,000
24	2019	221,000,000
25	2020	233,000,000
26	2021	246,000,000

1	2022	260,000,000
2	2023	275,000,000
3	2024	275,000,000
4	2025	275,000,000
5	2026	279,000,000
6	2027	292,000,000
7	2028	307,000,000
8	2029	322,000,000
9	2030	338,000,000
10	2031	350,000,000
11	2032	350,000,000

12                   and  
13                    each fiscal year  
14                   thereafter that bonds  
15                   are outstanding under  
16                   Section 13.2 of the  
17                   Metropolitan Pier and  
18                   Exposition Authority Act,  
19                   but not after fiscal year 2060.

20                   Beginning July 20, 1993 and in each month of each fiscal  
21                   year thereafter, one-eighth of the amount requested in the  
22                   certificate of the Chairman of the Metropolitan Pier and  
23                   Exposition Authority for that fiscal year, less the amount  
24                   deposited into the McCormick Place Expansion Project Fund by  
25                   the State Treasurer in the respective month under subsection  
26                   (g) of Section 13 of the Metropolitan Pier and Exposition

1 Authority Act, plus cumulative deficiencies in the deposits  
2 required under this Section for previous months and years,  
3 shall be deposited into the McCormick Place Expansion Project  
4 Fund, until the full amount requested for the fiscal year, but  
5 not in excess of the amount specified above as "Total Deposit",  
6 has been deposited.

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

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

1 Civil Administrative Code of Illinois.

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

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

1 accordance with Section 8a of the State Finance Act.

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

25       If the annual information return required by this Section  
26 is not filed when and as required, the taxpayer shall be liable



1 as follows:

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

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

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

20 The provisions of this Section concerning the filing of an  
21 annual information return do not apply to a retailer who is not  
22 required to file an income tax return with the United States  
23 Government.

24 As soon as possible after the first day of each month, upon  
25 certification of the Department of Revenue, the Comptroller  
26 shall order transferred and the Treasurer shall transfer from

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

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

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

16 Any person who promotes, organizes, provides retail  
17 selling space for concessionaires or other types of sellers at  
18 the Illinois State Fair, DuQuoin State Fair, county fairs,  
19 local fairs, art shows, flea markets and similar exhibitions or  
20 events, including any transient merchant as defined by Section  
21 2 of the Transient Merchant Act of 1987, is required to file a  
22 report with the Department providing the name of the merchant's  
23 business, the name of the person or persons engaged in  
24 merchant's business, the permanent address and Illinois  
25 Retailers Occupation Tax Registration Number of the merchant,  
26 the dates and location of the event and other reasonable

1 information that the Department may require. The report must be  
2 filed not later than the 20th day of the month next following  
3 the month during which the event with retail sales was held.  
4 Any person who fails to file a report required by this Section  
5 commits a business offense and is subject to a fine not to  
6 exceed \$250.

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

1 (Source: P.A. 98-24, eff. 6-19-13; 98-109, eff. 7-25-13;  
2 98-496, eff. 1-1-14; 98-756, eff. 7-16-14; 98-1098, eff.  
3 8-26-14; 99-352, eff. 8-12-15; 99-858, eff. 8-19-16; 99-933,  
4 eff. 1-27-17; revised 2-3-17.)

5 Section 99. Effective date. This Act takes effect upon  
6 becoming law.