



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB5879

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SYNOPSIS AS INTRODUCED:

35 ILCS 120/1	from Ch. 120, par. 440
35 ILCS 120/2-5	
35 ILCS 120/3	from Ch. 120, par. 442
35 ILCS 185/5-5	
35 ILCS 185/5-25	

Amends the Retailers' Occupation Tax Act. Provides that, beginning January 1, 2020 and through December 31, 2020, sales of tangible personal property made by a marketplace seller over a marketplace for which tax is due but for which use tax has been collected and remitted to the Department of Revenue by a marketplace facilitator are exempt. Provides that the term "marketplace facilitator" does not include any person licensed under the Auction License Act, other than any person who is an Internet auction listing service. Amends the Leveling the Playing Field for Illinois Retail Act. Provides that certified service providers who collect and remit taxes on behalf of retailers may claim the retailers' discount with respect to those taxes. Provides that the retailer is not entitled to the discount with respect to those taxes. Effective immediately.

LRB101 23487 HLH 74898 b

FISCAL NOTE ACT
MAY APPLY

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 Retailers' Occupation Tax Act is amended by
5 changing Sections 1, 2-5, and 3 as follows:

6 (35 ILCS 120/1) (from Ch. 120, par. 440)

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

23 "Sale at retail" shall be construed to include any transfer

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

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

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

23 Nonreusable tangible personal property that is used by
24 persons engaged in the business of operating a restaurant,
25 cafeteria, or drive-in is a sale for resale when it is
26 transferred to customers in the ordinary course of business as

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

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

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

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

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

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

20 "Reseller of motor fuel" means any person engaged in the
21 business of selling or delivering or transferring title of
22 motor fuel to another person other than for use or consumption.
23 No person shall act as a reseller of motor fuel within this
24 State without first being registered as a reseller pursuant to
25 Section 2c or a retailer pursuant to Section 2a.

26 "Selling price" or the "amount of sale" means the

1 consideration for a sale valued in money whether received in
2 money or otherwise, including cash, credits, property, other
3 than as hereinafter provided, and services, but, prior to
4 January 1, 2020, not including the value of or credit given for
5 traded-in tangible personal property where the item that is
6 traded-in is of like kind and character as that which is being
7 sold; beginning January 1, 2020, "selling price" includes the
8 portion of the value of or credit given for traded-in motor
9 vehicles of the First Division as defined in Section 1-146 of
10 the Illinois Vehicle Code of like kind and character as that
11 which is being sold that exceeds \$10,000. "Selling price" shall
12 be determined without any deduction on account of the cost of
13 the property sold, the cost of materials used, labor or service
14 cost or any other expense whatsoever, but does not include
15 charges that are added to prices by sellers on account of the
16 seller's tax liability under this Act, or on account of the
17 seller's duty to collect, from the purchaser, the tax that is
18 imposed by the Use Tax Act, or, except as otherwise provided
19 with respect to any cigarette tax imposed by a home rule unit,
20 on account of the seller's tax liability under any local
21 occupation tax administered by the Department, or, except as
22 otherwise provided with respect to any cigarette tax imposed by
23 a home rule unit on account of the seller's duty to collect,
24 from the purchasers, the tax that is imposed under any local
25 use tax administered by the Department. Effective December 1,
26 1985, "selling price" shall include charges that are added to

1 prices by sellers on account of the seller's tax liability
2 under the Cigarette Tax Act, on account of the sellers' duty to
3 collect, from the purchaser, the tax imposed under the
4 Cigarette Use Tax Act, and on account of the seller's duty to
5 collect, from the purchaser, any cigarette tax imposed by a
6 home rule unit.

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

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

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

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

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

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

24 "Department" means the Department of Revenue.

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

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

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

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

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

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

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

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

10 "Remote retailer" means a retailer that does not maintain
11 within this State, directly or by a subsidiary, an office,
12 distribution house, sales house, warehouse or other place of
13 business, or any agent or other representative operating within
14 this State under the authority of the retailer or its
15 subsidiary, irrespective of whether such place of business or
16 agent is located here permanently or temporarily or whether
17 such retailer or subsidiary is licensed to do business in this
18 State.

19 "Marketplace" means a physical or electronic place, forum,
20 platform, application, or other method by which a marketplace
21 seller sells or offers to sell items.

22 "Marketplace facilitator" means a person who, pursuant to
23 an agreement with an unrelated third-party marketplace seller,
24 directly or indirectly through one or more affiliates
25 facilitates a retail sale by an unrelated third party
26 marketplace seller by:

1 (1) listing or advertising for sale by the marketplace
2 seller in a marketplace, tangible personal property that is
3 subject to tax under this Act; and

4 (2) either directly or indirectly, through agreements
5 or arrangements with third parties, collecting payment
6 from the customer and transmitting that payment to the
7 marketplace seller regardless of whether the marketplace
8 facilitator receives compensation or other consideration
9 in exchange for its services.

10 A person who provides advertising services, including
11 listing products for sale, is not considered a marketplace
12 facilitator, so long as the advertising service platform or
13 forum does not engage, directly or indirectly through one or
14 more affiliated persons, in the activities described in
15 paragraph (2) of this definition of "marketplace facilitator".

16 "Marketplace facilitator" does not include any person
17 licensed under the Auction License Act. This exemption does not
18 apply to any person who is an Internet auction listing service,
19 as defined by the Auction License Act.

20 "Marketplace seller" means a person that makes sales
21 through a marketplace operated by an unrelated third party
22 marketplace facilitator.

23 (Source: P.A. 101-31, eff. 6-28-19; 101-604, eff. 1-1-20.)

24 (35 ILCS 120/2-5)

25 Sec. 2-5. Exemptions. Gross receipts from proceeds from the

1 sale of the following tangible personal property are exempt
2 from the tax imposed by this Act:

3 (1) Farm chemicals.

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

24 Farm machinery and equipment shall include precision
25 farming equipment that is installed or purchased to be
26 installed on farm machinery and equipment including, but

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

6 Farm machinery and equipment also includes computers,
7 sensors, software, and related equipment used primarily in
8 the computer-assisted operation of production agriculture
9 facilities, equipment, and activities such as, but not
10 limited to, the collection, monitoring, and correlation of
11 animal and crop data for the purpose of formulating animal
12 diets and agricultural chemicals. This item (2) is exempt
13 from the provisions of Section 2-70.

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

21 (4) Until July 1, 2003 and beginning again September 1,
22 2004 through August 30, 2014, graphic arts machinery and
23 equipment, including repair and replacement parts, both
24 new and used, and including that manufactured on special
25 order or purchased for lease, certified by the purchaser to
26 be used primarily for graphic arts production. Equipment

1 includes chemicals or chemicals acting as catalysts but
2 only if the chemicals or chemicals acting as catalysts
3 effect a direct and immediate change upon a graphic arts
4 product. Beginning on July 1, 2017, graphic arts machinery
5 and equipment is included in the manufacturing and
6 assembling machinery and equipment exemption under
7 paragraph (14).

8 (5) A motor vehicle that is used for automobile
9 renting, as defined in the Automobile Renting Occupation
10 and Use Tax Act. This paragraph is exempt from the
11 provisions of Section 2-70.

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

15 (7) Until July 1, 2003, proceeds of that portion of the
16 selling price of a passenger car the sale of which is
17 subject to the Replacement Vehicle Tax.

18 (8) Personal property sold to an Illinois county fair
19 association for use in conducting, operating, or promoting
20 the county fair.

21 (9) Personal property sold to a not-for-profit arts or
22 cultural organization that establishes, by proof required
23 by the Department by rule, that it has received an
24 exemption under Section 501(c)(3) of the Internal Revenue
25 Code and that is organized and operated primarily for the
26 presentation or support of arts or cultural programming,

1 activities, or services. These organizations include, but
2 are not limited to, music and dramatic arts organizations
3 such as symphony orchestras and theatrical groups, arts and
4 cultural service organizations, local arts councils,
5 visual arts organizations, and media arts organizations.
6 On and after July 1, 2001 (the effective date of Public Act
7 92-35), however, an entity otherwise eligible for this
8 exemption shall not make tax-free purchases unless it has
9 an active identification number issued by the Department.

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

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

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

6 (12) (Blank).

7 (12-5) On and after July 1, 2003 and through June 30,
8 2004, motor vehicles of the second division with a gross
9 vehicle weight in excess of 8,000 pounds that are subject
10 to the commercial distribution fee imposed under Section
11 3-815.1 of the Illinois Vehicle Code. Beginning on July 1,
12 2004 and through June 30, 2005, the use in this State of
13 motor vehicles of the second division: (i) with a gross
14 vehicle weight rating in excess of 8,000 pounds; (ii) that
15 are subject to the commercial distribution fee imposed
16 under Section 3-815.1 of the Illinois Vehicle Code; and
17 (iii) that are primarily used for commercial purposes.
18 Through June 30, 2005, this exemption applies to repair and
19 replacement parts added after the initial purchase of such
20 a motor vehicle if that motor vehicle is used in a manner
21 that would qualify for the rolling stock exemption
22 otherwise provided for in this Act. For purposes of this
23 paragraph, "used for commercial purposes" means the
24 transportation of persons or property in furtherance of any
25 commercial or industrial enterprise whether for-hire or
26 not.

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

9 (14) Machinery and equipment that will be used by the
10 purchaser, or a lessee of the purchaser, primarily in the
11 process of manufacturing or assembling tangible personal
12 property for wholesale or retail sale or lease, whether the
13 sale or lease is made directly by the manufacturer or by
14 some other person, whether the materials used in the
15 process are owned by the manufacturer or some other person,
16 or whether the sale or lease is made apart from or as an
17 incident to the seller's engaging in the service occupation
18 of producing machines, tools, dies, jigs, patterns,
19 gauges, or other similar items of no commercial value on
20 special order for a particular purchaser. The exemption
21 provided by this paragraph (14) does not include machinery
22 and equipment used in (i) the generation of electricity for
23 wholesale or retail sale; (ii) the generation or treatment
24 of natural or artificial gas for wholesale or retail sale
25 that is delivered to customers through pipes, pipelines, or
26 mains; or (iii) the treatment of water for wholesale or

1 retail sale that is delivered to customers through pipes,
2 pipelines, or mains. The provisions of Public Act 98-583
3 are declaratory of existing law as to the meaning and scope
4 of this exemption. Beginning on July 1, 2017, the exemption
5 provided by this paragraph (14) includes, but is not
6 limited to, graphic arts machinery and equipment, as
7 defined in paragraph (4) of this Section.

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

16 (16) Tangible personal property sold to a purchaser if
17 the purchaser is exempt from use tax by operation of
18 federal law. This paragraph is exempt from the provisions
19 of Section 2-70.

20 (17) Tangible personal property sold to a common
21 carrier by rail or motor that receives the physical
22 possession of the property in Illinois and that transports
23 the property, or shares with another common carrier in the
24 transportation of the property, out of Illinois on a
25 standard uniform bill of lading showing the seller of the
26 property as the shipper or consignor of the property to a

1 destination outside Illinois, for use outside Illinois.

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

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

16 (20) Photoprocessing machinery and equipment,
17 including repair and replacement parts, both new and used,
18 including that manufactured on special order, certified by
19 the purchaser to be used primarily for photoprocessing, and
20 including photoprocessing machinery and equipment
21 purchased for lease.

22 (21) Until July 1, 2023, coal and aggregate
23 exploration, mining, off-highway hauling, processing,
24 maintenance, and reclamation equipment, including
25 replacement parts and equipment, and including equipment
26 purchased for lease, but excluding motor vehicles required

1 to be registered under the Illinois Vehicle Code. The
2 changes made to this Section by Public Act 97-767 apply on
3 and after July 1, 2003, but no claim for credit or refund
4 is allowed on or after August 16, 2013 (the effective date
5 of Public Act 98-456) for such taxes paid during the period
6 beginning July 1, 2003 and ending on August 16, 2013 (the
7 effective date of Public Act 98-456).

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

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

25 (23) A transaction in which the purchase order is
26 received by a florist who is located outside Illinois, but

1 who has a florist located in Illinois deliver the property
2 to the purchaser or the purchaser's donee in Illinois.

3 (24) Fuel consumed or used in the operation of ships,
4 barges, or vessels that are used primarily in or for the
5 transportation of property or the conveyance of persons for
6 hire on rivers bordering on this State if the fuel is
7 delivered by the seller to the purchaser's barge, ship, or
8 vessel while it is afloat upon that bordering river.

9 (25) Except as provided in item (25-5) of this Section,
10 a motor vehicle sold in this State to a nonresident even
11 though the motor vehicle is delivered to the nonresident in
12 this State, if the motor vehicle is not to be titled in
13 this State, and if a drive-away permit is issued to the
14 motor vehicle as provided in Section 3-603 of the Illinois
15 Vehicle Code or if the nonresident purchaser has vehicle
16 registration plates to transfer to the motor vehicle upon
17 returning to his or her home state. The issuance of the
18 drive-away permit or having the out-of-state registration
19 plates to be transferred is prima facie evidence that the
20 motor vehicle will not be titled in this State.

21 (25-5) The exemption under item (25) does not apply if
22 the state in which the motor vehicle will be titled does
23 not allow a reciprocal exemption for a motor vehicle sold
24 and delivered in that state to an Illinois resident but
25 titled in Illinois. The tax collected under this Act on the
26 sale of a motor vehicle in this State to a resident of

1 another state that does not allow a reciprocal exemption
2 shall be imposed at a rate equal to the state's rate of tax
3 on taxable property in the state in which the purchaser is
4 a resident, except that the tax shall not exceed the tax
5 that would otherwise be imposed under this Act. At the time
6 of the sale, the purchaser shall execute a statement,
7 signed under penalty of perjury, of his or her intent to
8 title the vehicle in the state in which the purchaser is a
9 resident within 30 days after the sale and of the fact of
10 the payment to the State of Illinois of tax in an amount
11 equivalent to the state's rate of tax on taxable property
12 in his or her state of residence and shall submit the
13 statement to the appropriate tax collection agency in his
14 or her state of residence. In addition, the retailer must
15 retain a signed copy of the statement in his or her
16 records. Nothing in this item shall be construed to require
17 the removal of the vehicle from this state following the
18 filing of an intent to title the vehicle in the purchaser's
19 state of residence if the purchaser titles the vehicle in
20 his or her state of residence within 30 days after the date
21 of sale. The tax collected under this Act in accordance
22 with this item (25-5) shall be proportionately distributed
23 as if the tax were collected at the 6.25% general rate
24 imposed under this Act.

25 (25-7) Beginning on July 1, 2007, no tax is imposed
26 under this Act on the sale of an aircraft, as defined in

1 Section 3 of the Illinois Aeronautics Act, if all of the
2 following conditions are met:

3 (1) the aircraft leaves this State within 15 days
4 after the later of either the issuance of the final
5 billing for the sale of the aircraft, or the authorized
6 approval for return to service, completion of the
7 maintenance record entry, and completion of the test
8 flight and ground test for inspection, as required by
9 14 C.F.R. 91.407;

10 (2) the aircraft is not based or registered in this
11 State after the sale of the aircraft; and

12 (3) the seller retains in his or her books and
13 records and provides to the Department a signed and
14 dated certification from the purchaser, on a form
15 prescribed by the Department, certifying that the
16 requirements of this item (25-7) are met. The
17 certificate must also include the name and address of
18 the purchaser, the address of the location where the
19 aircraft is to be titled or registered, the address of
20 the primary physical location of the aircraft, and
21 other information that the Department may reasonably
22 require.

23 For purposes of this item (25-7):

24 "Based in this State" means hangared, stored, or
25 otherwise used, excluding post-sale customizations as
26 defined in this Section, for 10 or more days in each

1 12-month period immediately following the date of the sale
2 of the aircraft.

3 "Registered in this State" means an aircraft
4 registered with the Department of Transportation,
5 Aeronautics Division, or titled or registered with the
6 Federal Aviation Administration to an address located in
7 this State.

8 This paragraph (25-7) is exempt from the provisions of
9 Section 2-70.

10 (26) Semen used for artificial insemination of
11 livestock for direct agricultural production.

12 (27) Horses, or interests in horses, registered with
13 and meeting the requirements of any of the Arabian Horse
14 Club Registry of America, Appaloosa Horse Club, American
15 Quarter Horse Association, United States Trotting
16 Association, or Jockey Club, as appropriate, used for
17 purposes of breeding or racing for prizes. This item (27)
18 is exempt from the provisions of Section 2-70, and the
19 exemption provided for under this item (27) applies for all
20 periods beginning May 30, 1995, but no claim for credit or
21 refund is allowed on or after January 1, 2008 (the
22 effective date of Public Act 95-88) for such taxes paid
23 during the period beginning May 30, 2000 and ending on
24 January 1, 2008 (the effective date of Public Act 95-88).

25 (28) Computers and communications equipment utilized
26 for any hospital purpose and equipment used in the

1 diagnosis, analysis, or treatment of hospital patients
2 sold to a lessor who leases the equipment, under a lease of
3 one year or longer executed or in effect at the time of the
4 purchase, to a hospital that has been issued an active tax
5 exemption identification number by the Department under
6 Section 1g of this Act.

7 (29) Personal property sold to a lessor who leases the
8 property, under a lease of one year or longer executed or
9 in effect at the time of the purchase, to a governmental
10 body that has been issued an active tax exemption
11 identification number by the Department under Section 1g of
12 this Act.

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

24 (31) Beginning with taxable years ending on or after
25 December 31, 1995 and ending with taxable years ending on
26 or before December 31, 2004, personal property that is used

1 in the performance of infrastructure repairs in this State,
2 including but not limited to municipal roads and streets,
3 access roads, bridges, sidewalks, waste disposal systems,
4 water and sewer line extensions, water distribution and
5 purification facilities, storm water drainage and
6 retention facilities, and sewage treatment facilities,
7 resulting from a State or federally declared disaster in
8 Illinois or bordering Illinois when such repairs are
9 initiated on facilities located in the declared disaster
10 area within 6 months after the disaster.

11 (32) Beginning July 1, 1999, game or game birds sold at
12 a "game breeding and hunting preserve area" as that term is
13 used in the Wildlife Code. This paragraph is exempt from
14 the provisions of Section 2-70.

15 (33) A motor vehicle, as that term is defined in
16 Section 1-146 of the Illinois Vehicle Code, that is donated
17 to a corporation, limited liability company, society,
18 association, foundation, or institution that is determined
19 by the Department to be organized and operated exclusively
20 for educational purposes. For purposes of this exemption,
21 "a corporation, limited liability company, society,
22 association, foundation, or institution organized and
23 operated exclusively for educational purposes" means all
24 tax-supported public schools, private schools that offer
25 systematic instruction in useful branches of learning by
26 methods common to public schools and that compare favorably

1 in their scope and intensity with the course of study
2 presented in tax-supported schools, and vocational or
3 technical schools or institutes organized and operated
4 exclusively to provide a course of study of not less than 6
5 weeks duration and designed to prepare individuals to
6 follow a trade or to pursue a manual, technical,
7 mechanical, industrial, business, or commercial
8 occupation.

9 (34) Beginning January 1, 2000, personal property,
10 including food, purchased through fundraising events for
11 the benefit of a public or private elementary or secondary
12 school, a group of those schools, or one or more school
13 districts if the events are sponsored by an entity
14 recognized by the school district that consists primarily
15 of volunteers and includes parents and teachers of the
16 school children. This paragraph does not apply to
17 fundraising events (i) for the benefit of private home
18 instruction or (ii) for which the fundraising entity
19 purchases the personal property sold at the events from
20 another individual or entity that sold the property for the
21 purpose of resale by the fundraising entity and that
22 profits from the sale to the fundraising entity. This
23 paragraph is exempt from the provisions of Section 2-70.

24 (35) Beginning January 1, 2000 and through December 31,
25 2001, new or used automatic vending machines that prepare
26 and serve hot food and beverages, including coffee, soup,

1 and other items, and replacement parts for these machines.
2 Beginning January 1, 2002 and through June 30, 2003,
3 machines and parts for machines used in commercial,
4 coin-operated amusement and vending business if a use or
5 occupation tax is paid on the gross receipts derived from
6 the use of the commercial, coin-operated amusement and
7 vending machines. This paragraph is exempt from the
8 provisions of Section 2-70.

9 (35-5) Beginning August 23, 2001 and through June 30,
10 2016, food for human consumption that is to be consumed off
11 the premises where it is sold (other than alcoholic
12 beverages, soft drinks, and food that has been prepared for
13 immediate consumption) and prescription and
14 nonprescription medicines, drugs, medical appliances, and
15 insulin, urine testing materials, syringes, and needles
16 used by diabetics, for human use, when purchased for use by
17 a person receiving medical assistance under Article V of
18 the Illinois Public Aid Code who resides in a licensed
19 long-term care facility, as defined in the Nursing Home
20 Care Act, or a licensed facility as defined in the ID/DD
21 Community Care Act, the MC/DD Act, or the Specialized
22 Mental Health Rehabilitation Act of 2013.

23 (36) Beginning August 2, 2001, computers and
24 communications equipment utilized for any hospital purpose
25 and equipment used in the diagnosis, analysis, or treatment
26 of hospital patients sold to a lessor who leases the

1 equipment, under a lease of one year or longer executed or
2 in effect at the time of the purchase, to a hospital that
3 has been issued an active tax exemption identification
4 number by the Department under Section 1g of this Act. This
5 paragraph is exempt from the provisions of Section 2-70.

6 (37) Beginning August 2, 2001, personal property sold
7 to a lessor who leases the property, under a lease of one
8 year or longer executed or in effect at the time of the
9 purchase, to a governmental body that has been issued an
10 active tax exemption identification number by the
11 Department under Section 1g of this Act. This paragraph is
12 exempt from the provisions of Section 2-70.

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

1 any taxpayer in good standing with the Department who is
2 eligible for the exemption under this paragraph (38). The
3 permit issued under this paragraph (38) shall authorize the
4 holder, to the extent and in the manner specified in the
5 rules adopted under this Act, to purchase tangible personal
6 property from a retailer exempt from the taxes imposed by
7 this Act. Taxpayers shall maintain all necessary books and
8 records to substantiate the use and consumption of all such
9 tangible personal property outside of the State of
10 Illinois.

11 (39) Beginning January 1, 2008, tangible personal
12 property used in the construction or maintenance of a
13 community water supply, as defined under Section 3.145 of
14 the Environmental Protection Act, that is operated by a
15 not-for-profit corporation that holds a valid water supply
16 permit issued under Title IV of the Environmental
17 Protection Act. This paragraph is exempt from the
18 provisions of Section 2-70.

19 (40) Beginning January 1, 2010 and continuing through
20 December 31, 2024, materials, parts, equipment,
21 components, and furnishings incorporated into or upon an
22 aircraft as part of the modification, refurbishment,
23 completion, replacement, repair, or maintenance of the
24 aircraft. This exemption includes consumable supplies used
25 in the modification, refurbishment, completion,
26 replacement, repair, and maintenance of aircraft, but

1 excludes any materials, parts, equipment, components, and
2 consumable supplies used in the modification, replacement,
3 repair, and maintenance of aircraft engines or power
4 plants, whether such engines or power plants are installed
5 or uninstalled upon any such aircraft. "Consumable
6 supplies" include, but are not limited to, adhesive, tape,
7 sandpaper, general purpose lubricants, cleaning solution,
8 latex gloves, and protective films. This exemption applies
9 only to the sale of qualifying tangible personal property
10 to persons who modify, refurbish, complete, replace, or
11 maintain an aircraft and who (i) hold an Air Agency
12 Certificate and are empowered to operate an approved repair
13 station by the Federal Aviation Administration, (ii) have a
14 Class IV Rating, and (iii) conduct operations in accordance
15 with Part 145 of the Federal Aviation Regulations. The
16 exemption does not include aircraft operated by a
17 commercial air carrier providing scheduled passenger air
18 service pursuant to authority issued under Part 121 or Part
19 129 of the Federal Aviation Regulations. The changes made
20 to this paragraph (40) by Public Act 98-534 are declarative
21 of existing law. It is the intent of the General Assembly
22 that the exemption under this paragraph (40) applies
23 continuously from January 1, 2010 through December 31,
24 2024; however, no claim for credit or refund is allowed for
25 taxes paid as a result of the disallowance of this
26 exemption on or after January 1, 2015 and prior to the

1 effective date of this amendatory Act of the 101st General
2 Assembly.

3 (41) Tangible personal property sold to a
4 public-facilities corporation, as described in Section
5 11-65-10 of the Illinois Municipal Code, for purposes of
6 constructing or furnishing a municipal convention hall,
7 but only if the legal title to the municipal convention
8 hall is transferred to the municipality without any further
9 consideration by or on behalf of the municipality at the
10 time of the completion of the municipal convention hall or
11 upon the retirement or redemption of any bonds or other
12 debt instruments issued by the public-facilities
13 corporation in connection with the development of the
14 municipal convention hall. This exemption includes
15 existing public-facilities corporations as provided in
16 Section 11-65-25 of the Illinois Municipal Code. This
17 paragraph is exempt from the provisions of Section 2-70.

18 (42) Beginning January 1, 2017, menstrual pads,
19 tampons, and menstrual cups.

20 (43) Merchandise that is subject to the Rental Purchase
21 Agreement Occupation and Use Tax. The purchaser must
22 certify that the item is purchased to be rented subject to
23 a rental purchase agreement, as defined in the Rental
24 Purchase Agreement Act, and provide proof of registration
25 under the Rental Purchase Agreement Occupation and Use Tax
26 Act. This paragraph is exempt from the provisions of

1 Section 2-70.

2 (44) Qualified tangible personal property used in the
3 construction or operation of a data center that has been
4 granted a certificate of exemption by the Department of
5 Commerce and Economic Opportunity, whether that tangible
6 personal property is purchased by the owner, operator, or
7 tenant of the data center or by a contractor or
8 subcontractor of the owner, operator, or tenant. Data
9 centers that would have qualified for a certificate of
10 exemption prior to January 1, 2020 had this amendatory Act
11 of the 101st General Assembly been in effect, may apply for
12 and obtain an exemption for subsequent purchases of
13 computer equipment or enabling software purchased or
14 leased to upgrade, supplement, or replace computer
15 equipment or enabling software purchased or leased in the
16 original investment that would have qualified.

17 The Department of Commerce and Economic Opportunity
18 shall grant a certificate of exemption under this item (44)
19 to qualified data centers as defined by Section 605-1025 of
20 the Department of Commerce and Economic Opportunity Law of
21 the Civil Administrative Code of Illinois.

22 For the purposes of this item (44):

23 "Data center" means a building or a series of
24 buildings rehabilitated or constructed to house
25 working servers in one physical location or multiple
26 sites within the State of Illinois.

1 "Qualified tangible personal property" means:
2 electrical systems and equipment; climate control and
3 chilling equipment and systems; mechanical systems and
4 equipment; monitoring and secure systems; emergency
5 generators; hardware; computers; servers; data storage
6 devices; network connectivity equipment; racks;
7 cabinets; telecommunications cabling infrastructure;
8 raised floor systems; peripheral components or
9 systems; software; mechanical, electrical, or plumbing
10 systems; battery systems; cooling systems and towers;
11 temperature control systems; other cabling; and other
12 data center infrastructure equipment and systems
13 necessary to operate qualified tangible personal
14 property, including fixtures; and component parts of
15 any of the foregoing, including installation,
16 maintenance, repair, refurbishment, and replacement of
17 qualified tangible personal property to generate,
18 transform, transmit, distribute, or manage electricity
19 necessary to operate qualified tangible personal
20 property; and all other tangible personal property
21 that is essential to the operations of a computer data
22 center. The term "qualified tangible personal
23 property" also includes building materials physically
24 incorporated in to the qualifying data center. To
25 document the exemption allowed under this Section, the
26 retailer must obtain from the purchaser a copy of the

1 certificate of eligibility issued by the Department of
2 Commerce and Economic Opportunity.

3 This item (44) is exempt from the provisions of Section
4 2-70.

5 (45) Beginning January 1, 2020 and through December 31,
6 2020, sales of tangible personal property made by a
7 marketplace seller over a marketplace for which tax is due
8 under this Act but for which use tax has been collected and
9 remitted to the Department by a marketplace facilitator
10 under Section 2d of the Use Tax Act are exempt from tax
11 under this Act. A marketplace seller claiming this
12 exemption shall maintain books and records demonstrating
13 that the use tax on such sales has been collected and
14 remitted by a marketplace facilitator. Marketplace sellers
15 that have properly remitted tax under this Act on such
16 sales may file a claim for credit as provided in Section 6
17 of this Act. No claim is allowed, however, for such taxes
18 for which a credit or refund has been issued to the
19 marketplace facilitator under the Use Tax Act, or for which
20 the marketplace facilitator has filed a claim for credit or
21 refund under the Use Tax Act.

22 (Source: P.A. 100-22, eff. 7-6-17; 100-321, eff. 8-24-17;
23 100-437, eff. 1-1-18; 100-594, eff. 6-29-18; 100-863, eff.
24 8-14-18; 100-1171, eff. 1-4-19; 101-31, eff. 6-28-19; 101-81,
25 eff. 7-12-19; 101-629, eff. 2-5-20.)

1 (35 ILCS 120/3) (from Ch. 120, par. 442)

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

7 1. The name of the seller;

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

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

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

23 5. Deductions allowed by law;

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

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

3 8. The amount of tax due;

4 9. The signature of the taxpayer; and

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

7 On and after January 1, 2018, except for returns for motor
8 vehicles, watercraft, aircraft, and trailers that are required
9 to be registered with an agency of this State, with respect to
10 retailers whose annual gross receipts average \$20,000 or more,
11 all returns required to be filed pursuant to this Act shall be
12 filed electronically. Retailers who demonstrate that they do
13 not have access to the Internet or demonstrate hardship in
14 filing electronically may petition the Department to waive the
15 electronic filing requirement.

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

20 Each return shall be accompanied by the statement of
21 prepaid tax issued pursuant to Section 2e for which credit is
22 claimed.

23 Prior to October 1, 2003, and on and after September 1,
24 2004 a retailer may accept a Manufacturer's Purchase Credit
25 certification from a purchaser in satisfaction of Use Tax as
26 provided in Section 3-85 of the Use Tax Act if the purchaser

1 provides the appropriate documentation as required by Section
2 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit
3 certification, accepted by a retailer prior to October 1, 2003
4 and on and after September 1, 2004 as provided in Section 3-85
5 of the Use Tax Act, may be used by that retailer to satisfy
6 Retailers' Occupation Tax liability in the amount claimed in
7 the certification, not to exceed 6.25% of the receipts subject
8 to tax from a qualifying purchase. A Manufacturer's Purchase
9 Credit reported on any original or amended return filed under
10 this Act after October 20, 2003 for reporting periods prior to
11 September 1, 2004 shall be disallowed. Manufacturer's
12 Purchaser Credit reported on annual returns due on or after
13 January 1, 2005 will be disallowed for periods prior to
14 September 1, 2004. No Manufacturer's Purchase Credit may be
15 used after September 30, 2003 through August 31, 2004 to
16 satisfy any tax liability imposed under this Act, including any
17 audit liability.

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

25 1. The name of the seller;

26 2. The address of the principal place of business from

1 which he engages in the business of selling tangible
2 personal property at retail in this State;

3 3. The total amount of taxable receipts received by him
4 during the preceding calendar month from sales of tangible
5 personal property by him during such preceding calendar
6 month, including receipts from charge and time sales, but
7 less all deductions allowed by law;

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

10 5. The amount of tax due; and

11 6. Such other reasonable information as the Department
12 may require.

13 Every person engaged in the business of selling aviation
14 fuel at retail in this State during the preceding calendar
15 month shall, instead of reporting and paying tax as otherwise
16 required by this Section, report and pay such tax on a separate
17 aviation fuel tax return. The requirements related to the
18 return shall be as otherwise provided in this Section.
19 Notwithstanding any other provisions of this Act to the
20 contrary, retailers selling aviation fuel shall file all
21 aviation fuel tax returns and shall make all aviation fuel tax
22 payments by electronic means in the manner and form required by
23 the Department. For purposes of this Section, "aviation fuel"
24 means jet fuel and aviation gasoline.

25 Beginning on October 1, 2003, any person who is not a
26 licensed distributor, importing distributor, or manufacturer,

1 as defined in the Liquor Control Act of 1934, but is engaged in
2 the business of selling, at retail, alcoholic liquor shall file
3 a statement with the Department of Revenue, in a format and at
4 a time prescribed by the Department, showing the total amount
5 paid for alcoholic liquor purchased during the preceding month
6 and such other information as is reasonably required by the
7 Department. The Department may adopt rules to require that this
8 statement be filed in an electronic or telephonic format. Such
9 rules may provide for exceptions from the filing requirements
10 of this paragraph. For the purposes of this paragraph, the term
11 "alcoholic liquor" shall have the meaning prescribed in the
12 Liquor Control Act of 1934.

13 Beginning on October 1, 2003, every distributor, importing
14 distributor, and manufacturer of alcoholic liquor as defined in
15 the Liquor Control Act of 1934, shall file a statement with the
16 Department of Revenue, no later than the 10th day of the month
17 for the preceding month during which transactions occurred, by
18 electronic means, showing the total amount of gross receipts
19 from the sale of alcoholic liquor sold or distributed during
20 the preceding month to purchasers; identifying the purchaser to
21 whom it was sold or distributed; the purchaser's tax
22 registration number; and such other information reasonably
23 required by the Department. A distributor, importing
24 distributor, or manufacturer of alcoholic liquor must
25 personally deliver, mail, or provide by electronic means to
26 each retailer listed on the monthly statement a report

1 containing a cumulative total of that distributor's, importing
2 distributor's, or manufacturer's total sales of alcoholic
3 liquor to that retailer no later than the 10th day of the month
4 for the preceding month during which the transaction occurred.
5 The distributor, importing distributor, or manufacturer shall
6 notify the retailer as to the method by which the distributor,
7 importing distributor, or manufacturer will provide the sales
8 information. If the retailer is unable to receive the sales
9 information by electronic means, the distributor, importing
10 distributor, or manufacturer shall furnish the sales
11 information by personal delivery or by mail. For purposes of
12 this paragraph, the term "electronic means" includes, but is
13 not limited to, the use of a secure Internet website, e-mail,
14 or facsimile.

15 If a total amount of less than \$1 is payable, refundable or
16 creditable, such amount shall be disregarded if it is less than
17 50 cents and shall be increased to \$1 if it is 50 cents or more.

18 Notwithstanding any other provision of this Act to the
19 contrary, retailers subject to tax on cannabis shall file all
20 cannabis tax returns and shall make all cannabis tax payments
21 by electronic means in the manner and form required by the
22 Department.

23 Beginning October 1, 1993, a taxpayer who has an average
24 monthly tax liability of \$150,000 or more shall make all
25 payments required by rules of the Department by electronic
26 funds transfer. Beginning October 1, 1994, a taxpayer who has

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

22 Before August 1 of each year beginning in 1993, the
23 Department shall notify all taxpayers required to make payments
24 by electronic funds transfer. All taxpayers required to make
25 payments by electronic funds transfer shall make those payments
26 for a minimum of one year beginning on October 1.

1 Any taxpayer not required to make payments by electronic
2 funds transfer may make payments by electronic funds transfer
3 with the permission of the Department.

4 All taxpayers required to make payment by electronic funds
5 transfer and any taxpayers authorized to voluntarily make
6 payments by electronic funds transfer shall make those payments
7 in the manner authorized by the Department.

8 The Department shall adopt such rules as are necessary to
9 effectuate a program of electronic funds transfer and the
10 requirements of this Section.

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

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

1 October, November and December of a given year being due by
2 January 20 of the following year.

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

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

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

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

24 In addition, with respect to motor vehicles, watercraft,
25 aircraft, and trailers that are required to be registered with
26 an agency of this State, except as otherwise provided in this

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

21 In addition, with respect to motor vehicles, watercraft,
22 aircraft, and trailers that are required to be registered with
23 an agency of this State, every person who is engaged in the
24 business of leasing or renting such items and who, in
25 connection with such business, sells any such item to a
26 retailer for the purpose of resale is, notwithstanding any

1 other provision of this Section to the contrary, authorized to
2 meet the return-filing requirement of this Act by reporting the
3 transfer of all the aircraft, watercraft, motor vehicles, or
4 trailers transferred for resale during a month to the
5 Department on the same uniform invoice-transaction reporting
6 return form on or before the 20th of the month following the
7 month in which the transfer takes place. Notwithstanding any
8 other provision of this Act to the contrary, all returns filed
9 under this paragraph must be filed by electronic means in the
10 manner and form as required by the Department.

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

19 The transaction reporting return, in the case of motor
20 vehicles or trailers that are required to be registered with an
21 agency of this State, shall be the same document as the Uniform
22 Invoice referred to in Section 5-402 of the Illinois Vehicle
23 Code and must show the name and address of the seller; the name
24 and address of the purchaser; the amount of the selling price
25 including the amount allowed by the retailer for traded-in
26 property, if any; the amount allowed by the retailer for the

1 traded-in tangible personal property, if any, to the extent to
2 which Section 1 of this Act allows an exemption for the value
3 of traded-in property; the balance payable after deducting such
4 trade-in allowance from the total selling price; the amount of
5 tax due from the retailer with respect to such transaction; the
6 amount of tax collected from the purchaser by the retailer on
7 such transaction (or satisfactory evidence that such tax is not
8 due in that particular instance, if that is claimed to be the
9 fact); the place and date of the sale; a sufficient
10 identification of the property sold; such other information as
11 is required in Section 5-402 of the Illinois Vehicle Code, and
12 such other information as the Department may reasonably
13 require.

14 The transaction reporting return in the case of watercraft
15 or aircraft must show the name and address of the seller; the
16 name and address of the purchaser; the amount of the selling
17 price including the amount allowed by the retailer for
18 traded-in property, if any; the amount allowed by the retailer
19 for the traded-in tangible personal property, if any, to the
20 extent to which Section 1 of this Act allows an exemption for
21 the value of traded-in property; the balance payable after
22 deducting such trade-in allowance from the total selling price;
23 the amount of tax due from the retailer with respect to such
24 transaction; the amount of tax collected from the purchaser by
25 the retailer on such transaction (or satisfactory evidence that
26 such tax is not due in that particular instance, if that is

1 claimed to be the fact); the place and date of the sale, a
2 sufficient identification of the property sold, and such other
3 information as the Department may reasonably require.

4 Such transaction reporting return shall be filed not later
5 than 20 days after the day of delivery of the item that is
6 being sold, but may be filed by the retailer at any time sooner
7 than that if he chooses to do so. The transaction reporting
8 return and tax remittance or proof of exemption from the
9 Illinois use tax may be transmitted to the Department by way of
10 the State agency with which, or State officer with whom the
11 tangible personal property must be titled or registered (if
12 titling or registration is required) if the Department and such
13 agency or State officer determine that this procedure will
14 expedite the processing of applications for title or
15 registration.

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

1 Illinois certificate or other evidence of title or registration
2 to such tangible personal property.

3 No retailer's failure or refusal to remit tax under this
4 Act precludes a user, who has paid the proper tax to the
5 retailer, from obtaining his certificate of title or other
6 evidence of title or registration (if titling or registration
7 is required) upon satisfying the Department that such user has
8 paid the proper tax (if tax is due) to the retailer. The
9 Department shall adopt appropriate rules to carry out the
10 mandate of this paragraph.

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

1 same amount and in the same form in which it would be remitted
2 if the tax had been remitted to the Department by the retailer.

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

11 Where the seller is a corporation, the return filed on
12 behalf of such corporation shall be signed by the president,
13 vice-president, secretary or treasurer or by the properly
14 accredited agent of such corporation.

15 Where the seller is a limited liability company, the return
16 filed on behalf of the limited liability company shall be
17 signed by a manager, member, or properly accredited agent of
18 the limited liability company.

19 Except as provided in this Section, the retailer filing the
20 return under this Section shall, at the time of filing such
21 return, pay to the Department the amount of tax imposed by this
22 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%
23 on and after January 1, 1990, or \$5 per calendar year,
24 whichever is greater, which is allowed to reimburse the
25 retailer for the expenses incurred in keeping records,
26 preparing and filing returns, remitting the tax and supplying

1 data to the Department on request. On and after January 1,
2 2021, a certified service provider, as defined in the Leveling
3 the Playing Field for Illinois Retail Act, filing the return
4 under this Section on behalf of a remote retailer shall, at the
5 time of such return, pay to the Department the amount of tax
6 imposed by this Act less a discount of 1.75%. A remote retailer
7 using a certified service provider to file a return on its
8 behalf, as provided in the Leveling the Playing Field for
9 Illinois Retail Act, is not eligible for the discount. The
10 discount under this Section is not allowed for the 1.25%
11 portion of taxes paid on aviation fuel that is subject to the
12 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
13 47133. Any prepayment made pursuant to Section 2d of this Act
14 shall be included in the amount on which such 2.1% or 1.75%
15 discount is computed. In the case of retailers who report and
16 pay the tax on a transaction by transaction basis, as provided
17 in this Section, such discount shall be taken with each such
18 tax remittance instead of when such retailer files his periodic
19 return. The discount allowed under this Section is allowed only
20 for returns that are filed in the manner required by this Act.
21 The Department may disallow the discount for retailers whose
22 certificate of registration is revoked at the time the return
23 is filed, but only if the Department's decision to revoke the
24 certificate of registration has become final.

25 Before October 1, 2000, if the taxpayer's average monthly
26 tax liability to the Department under this Act, the Use Tax

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

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

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

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

22 The provisions of this paragraph apply before October 1,
23 2001. Without regard to whether a taxpayer is required to make
24 quarter monthly payments as specified above, any taxpayer who
25 is required by Section 2d of this Act to collect and remit
26 prepaid taxes and has collected prepaid taxes which average in

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

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

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

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

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

1 taken was not actually due to the taxpayer, the taxpayer's 2.1%
2 and 1.75% vendor's discount shall be reduced by 2.1% or 1.75%
3 of the difference between the credit taken and that actually
4 due, and that taxpayer shall be liable for penalties and
5 interest on such difference.

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

11 Beginning January 1, 1990, each month the Department shall
12 pay into the Local Government Tax Fund, a special fund in the
13 State treasury which is hereby created, the net revenue
14 realized for the preceding month from the 1% tax imposed under
15 this Act.

16 Beginning January 1, 1990, each month the Department shall
17 pay into the County and Mass Transit District Fund, a special
18 fund in the State treasury which is hereby created, 4% of the
19 net revenue realized for the preceding month from the 6.25%
20 general rate other than aviation fuel sold on or after December
21 1, 2019. This exception for aviation fuel only applies for so
22 long as the revenue use requirements of 49 U.S.C. 47107(b) and
23 49 U.S.C. 47133 are binding on the State.

24 Beginning August 1, 2000, each month the Department shall
25 pay into the County and Mass Transit District Fund 20% of the
26 net revenue realized for the preceding month from the 1.25%

1 rate on the selling price of motor fuel and gasohol. Beginning
2 September 1, 2010, each month the Department shall pay into the
3 County and Mass Transit District Fund 20% of the net revenue
4 realized for the preceding month from the 1.25% rate on the
5 selling price of sales tax holiday items.

6 Beginning January 1, 1990, each month the Department shall
7 pay into the Local Government Tax Fund 16% of the net revenue
8 realized for the preceding month from the 6.25% general rate on
9 the selling price of tangible personal property other than
10 aviation fuel sold on or after December 1, 2019. This exception
11 for aviation fuel only applies for so long as the revenue use
12 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
13 binding on the State.

14 For aviation fuel sold on or after December 1, 2019, each
15 month the Department shall pay into the State Aviation Program
16 Fund 20% of the net revenue realized for the preceding month
17 from the 6.25% general rate on the selling price of aviation
18 fuel, less an amount estimated by the Department to be required
19 for refunds of the 20% portion of the tax on aviation fuel
20 under this Act, which amount shall be deposited into the
21 Aviation Fuel Sales Tax Refund Fund. The Department shall only
22 pay moneys into the State Aviation Program Fund and the
23 Aviation Fuel Sales Tax Refund Fund under this Act for so long
24 as the revenue use requirements of 49 U.S.C. 47107(b) and 49
25 U.S.C. 47133 are binding on the State.

26 Beginning August 1, 2000, each month the Department shall

1 pay into the Local Government Tax Fund 80% of the net revenue
2 realized for the preceding month from the 1.25% rate on the
3 selling price of motor fuel and gasohol. Beginning September 1,
4 2010, each month the Department shall pay into the Local
5 Government Tax Fund 80% of the net revenue realized for the
6 preceding month from the 1.25% rate on the selling price of
7 sales tax holiday items.

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

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

23 Beginning July 1, 2013, each month the Department shall pay
24 into the Underground Storage Tank Fund from the proceeds
25 collected under this Act, the Use Tax Act, the Service Use Tax
26 Act, and the Service Occupation Tax Act an amount equal to the

1 average monthly deficit in the Underground Storage Tank Fund
2 during the prior year, as certified annually by the Illinois
3 Environmental Protection Agency, but the total payment into the
4 Underground Storage Tank Fund under this Act, the Use Tax Act,
5 the Service Use Tax Act, and the Service Occupation Tax Act
6 shall not exceed \$18,000,000 in any State fiscal year. As used
7 in this paragraph, the "average monthly deficit" shall be equal
8 to the difference between the average monthly claims for
9 payment by the fund and the average monthly revenues deposited
10 into the fund, excluding payments made pursuant to this
11 paragraph.

12 Beginning July 1, 2015, of the remainder of the moneys
13 received by the Department under the Use Tax Act, the Service
14 Use Tax Act, the Service Occupation Tax Act, and this Act, each
15 month the Department shall deposit \$500,000 into the State
16 Crime Laboratory Fund.

17 Of the remainder of the moneys received by the Department
18 pursuant to this Act, (a) 1.75% thereof shall be paid into the
19 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
20 and after July 1, 1989, 3.8% thereof shall be paid into the
21 Build Illinois Fund; provided, however, that if in any fiscal
22 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
23 may be, of the moneys received by the Department and required
24 to be paid into the Build Illinois Fund pursuant to this Act,
25 Section 9 of the Use Tax Act, Section 9 of the Service Use Tax
26 Act, and Section 9 of the Service Occupation Tax Act, such Acts

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

11	Fiscal Year	Annual Specified Amount
12	1986	\$54,800,000
13	1987	\$76,650,000
14	1988	\$80,480,000
15	1989	\$88,510,000
16	1990	\$115,330,000
17	1991	\$145,470,000
18	1992	\$182,730,000
19	1993	\$206,520,000;

20 and means the Certified Annual Debt Service Requirement (as
21 defined in Section 13 of the Build Illinois Bond Act) or the
22 Tax Act Amount, whichever is greater, for fiscal year 1994 and
23 each fiscal year thereafter; and further provided, that if on
24 the last business day of any month the sum of (1) the Tax Act
25 Amount required to be deposited into the Build Illinois Bond
26 Account in the Build Illinois Fund during such month and (2)

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

1 month shall be less than the amount required to be transferred
2 in such month from the Build Illinois Bond Account to the Build
3 Illinois Bond Retirement and Interest Fund pursuant to Section
4 13 of the Build Illinois Bond Act, an amount equal to such
5 deficiency shall be immediately paid from other moneys received
6 by the Department pursuant to the Tax Acts to the Build
7 Illinois Fund; provided, however, that any amounts paid to the
8 Build Illinois Fund in any fiscal year pursuant to this
9 sentence shall be deemed to constitute payments pursuant to
10 clause (b) of the first sentence of this paragraph and shall
11 reduce the amount otherwise payable for such fiscal year
12 pursuant to that clause (b). The moneys received by the
13 Department pursuant to this Act and required to be deposited
14 into the Build Illinois Fund are subject to the pledge, claim
15 and charge set forth in Section 12 of the Build Illinois Bond
16 Act.

17 Subject to payment of amounts into the Build Illinois Fund
18 as provided in the preceding paragraph or in any amendment
19 thereto hereafter enacted, the following specified monthly
20 installment of the amount requested in the certificate of the
21 Chairman of the Metropolitan Pier and Exposition Authority
22 provided under Section 8.25f of the State Finance Act, but not
23 in excess of sums designated as "Total Deposit", shall be
24 deposited in the aggregate from collections under Section 9 of
25 the Use Tax Act, Section 9 of the Service Use Tax Act, Section
26 9 of the Service Occupation Tax Act, and Section 3 of the

1 Retailers' Occupation Tax Act into the McCormick Place
2 Expansion Project Fund in the specified fiscal years.

3	Fiscal Year	Total Deposit
4	1993	\$0
5	1994	53,000,000
6	1995	58,000,000
7	1996	61,000,000
8	1997	64,000,000
9	1998	68,000,000
10	1999	71,000,000
11	2000	75,000,000
12	2001	80,000,000
13	2002	93,000,000
14	2003	99,000,000
15	2004	103,000,000
16	2005	108,000,000
17	2006	113,000,000
18	2007	119,000,000
19	2008	126,000,000
20	2009	132,000,000
21	2010	139,000,000
22	2011	146,000,000
23	2012	153,000,000
24	2013	161,000,000
25	2014	170,000,000
26	2015	179,000,000

1	2016	189,000,000
2	2017	199,000,000
3	2018	210,000,000
4	2019	221,000,000
5	2020	233,000,000
6	2021	300,000,000
7	2022	300,000,000
8	2023	300,000,000
9	2024	300,000,000
10	2025	300,000,000
11	2026	300,000,000
12	2027	375,000,000
13	2028	375,000,000
14	2029	375,000,000
15	2030	375,000,000
16	2031	375,000,000
17	2032	375,000,000
18	2033	375,000,000
19	2034	375,000,000
20	2035	375,000,000
21	2036	450,000,000

22 and
23 each fiscal year
24 thereafter that bonds
25 are outstanding under
26 Section 13.2 of the

1 Metropolitan Pier and
2 Exposition Authority Act,
3 but not after fiscal year 2060.

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

17 Subject to payment of amounts into the Capital Projects
18 Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,
19 and the McCormick Place Expansion Project Fund pursuant to the
20 preceding paragraphs or in any amendments thereto hereafter
21 enacted, for aviation fuel sold on or after December 1, 2019,
22 the Department shall each month deposit into the Aviation Fuel
23 Sales Tax Refund Fund an amount estimated by the Department to
24 be required for refunds of the 80% portion of the tax on
25 aviation fuel under this Act. The Department shall only deposit
26 moneys into the Aviation Fuel Sales Tax Refund Fund under this

1 paragraph for so long as the revenue use requirements of 49
2 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

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

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

24 Subject to payment of amounts into the Build Illinois Fund,
25 the McCormick Place Expansion Project Fund, the Illinois Tax
26 Increment Fund, and the Energy Infrastructure Fund pursuant to

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

17 Subject to payments of amounts into the Build Illinois
18 Fund, the McCormick Place Expansion Project Fund, the Illinois
19 Tax Increment Fund, the Energy Infrastructure Fund, and the Tax
20 Compliance and Administration Fund as provided in this Section,
21 beginning on July 1, 2018 the Department shall pay each month
22 into the Downstate Public Transportation Fund the moneys
23 required to be so paid under Section 2-3 of the Downstate
24 Public Transportation Act.

25 Subject to successful execution and delivery of a
26 public-private agreement between the public agency and private

1 entity and completion of the civic build, beginning on July 1,
 2 2023, of the remainder of the moneys received by the Department
 3 under the Use Tax Act, the Service Use Tax Act, the Service
 4 Occupation Tax Act, and this Act, the Department shall deposit
 5 the following specified deposits in the aggregate from
 6 collections under the Use Tax Act, the Service Use Tax Act, the
 7 Service Occupation Tax Act, and the Retailers' Occupation Tax
 8 Act, as required under Section 8.25g of the State Finance Act
 9 for distribution consistent with the Public-Private
 10 Partnership for Civic and Transit Infrastructure Project Act.
 11 The moneys received by the Department pursuant to this Act and
 12 required to be deposited into the Civic and Transit
 13 Infrastructure Fund are subject to the pledge, claim and charge
 14 set forth in Section 25-55 of the Public-Private Partnership
 15 for Civic and Transit Infrastructure Project Act. As used in
 16 this paragraph, "civic build", "private entity",
 17 "public-private agreement", and "public agency" have the
 18 meanings provided in Section 25-10 of the Public-Private
 19 Partnership for Civic and Transit Infrastructure Project Act.

20	Fiscal Year	Total Deposit
21	2024	\$200,000,000
22	2025	\$206,000,000
23	2026	\$212,200,000
24	2027	\$218,500,000
25	2028	\$225,100,000
26	2029	\$288,700,000

1	2030	.....	\$298,900,000
2	2031	.....	\$309,300,000
3	2032	.....	\$320,100,000
4	2033	.....	\$331,200,000
5	2034	.....	\$341,200,000
6	2035	.....	\$351,400,000
7	2036	.....	\$361,900,000
8	2037	.....	\$372,800,000
9	2038	.....	\$384,000,000
10	2039	.....	\$395,500,000
11	2040	.....	\$407,400,000
12	2041	.....	\$419,600,000
13	2042	.....	\$432,200,000
14	2043	.....	\$445,100,000

15 Beginning July 1, 2021 and until July 1, 2022, subject to
16 the payment of amounts into the County and Mass Transit
17 District Fund, the Local Government Tax Fund, the Build
18 Illinois Fund, the McCormick Place Expansion Project Fund, the
19 Illinois Tax Increment Fund, the Energy Infrastructure Fund,
20 and the Tax Compliance and Administration Fund as provided in
21 this Section, the Department shall pay each month into the Road
22 Fund the amount estimated to represent 16% of the net revenue
23 realized from the taxes imposed on motor fuel and gasohol.
24 Beginning July 1, 2022 and until July 1, 2023, subject to the
25 payment of amounts into the County and Mass Transit District
26 Fund, the Local Government Tax Fund, the Build Illinois Fund,

1 the McCormick Place Expansion Project Fund, the Illinois Tax
2 Increment Fund, the Energy Infrastructure Fund, and the Tax
3 Compliance and Administration Fund as provided in this Section,
4 the Department shall pay each month into the Road Fund the
5 amount estimated to represent 32% of the net revenue realized
6 from the taxes imposed on motor fuel and gasohol. Beginning
7 July 1, 2023 and until July 1, 2024, subject to the payment of
8 amounts into the County and Mass Transit District Fund, the
9 Local Government Tax Fund, the Build Illinois Fund, the
10 McCormick Place Expansion Project Fund, the Illinois Tax
11 Increment Fund, the Energy Infrastructure Fund, and the Tax
12 Compliance and Administration Fund as provided in this Section,
13 the Department shall pay each month into the Road Fund the
14 amount estimated to represent 48% of the net revenue realized
15 from the taxes imposed on motor fuel and gasohol. Beginning
16 July 1, 2024 and until July 1, 2025, subject to the payment of
17 amounts into the County and Mass Transit District Fund, the
18 Local Government Tax Fund, the Build Illinois Fund, the
19 McCormick Place Expansion Project Fund, the Illinois Tax
20 Increment Fund, the Energy Infrastructure Fund, and the Tax
21 Compliance and Administration Fund as provided in this Section,
22 the Department shall pay each month into the Road Fund the
23 amount estimated to represent 64% of the net revenue realized
24 from the taxes imposed on motor fuel and gasohol. Beginning on
25 July 1, 2025, subject to the payment of amounts into the County
26 and Mass Transit District Fund, the Local Government Tax Fund,

1 the Build Illinois Fund, the McCormick Place Expansion Project
2 Fund, the Illinois Tax Increment Fund, the Energy
3 Infrastructure Fund, and the Tax Compliance and Administration
4 Fund as provided in this Section, the Department shall pay each
5 month into the Road Fund the amount estimated to represent 80%
6 of the net revenue realized from the taxes imposed on motor
7 fuel and gasohol. As used in this paragraph "motor fuel" has
8 the meaning given to that term in Section 1.1 of the Motor Fuel
9 Tax Act, and "gasohol" has the meaning given to that term in
10 Section 3-40 of the Use Tax Act.

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

17 The Department may, upon separate written notice to a
18 taxpayer, require the taxpayer to prepare and file with the
19 Department on a form prescribed by the Department within not
20 less than 60 days after receipt of the notice an annual
21 information return for the tax year specified in the notice.
22 Such annual return to the Department shall include a statement
23 of gross receipts as shown by the retailer's last Federal
24 income tax return. If the total receipts of the business as
25 reported in the Federal income tax return do not agree with the
26 gross receipts reported to the Department of Revenue for the

1 same period, the retailer shall attach to his annual return a
2 schedule showing a reconciliation of the 2 amounts and the
3 reasons for the difference. The retailer's annual return to the
4 Department shall also disclose the cost of goods sold by the
5 retailer during the year covered by such return, opening and
6 closing inventories of such goods for such year, costs of goods
7 used from stock or taken from stock and given away by the
8 retailer during such year, payroll information of the
9 retailer's business during such year and any additional
10 reasonable information which the Department deems would be
11 helpful in determining the accuracy of the monthly, quarterly
12 or annual returns filed by such retailer as provided for in
13 this Section.

14 If the annual information return required by this Section
15 is not filed when and as required, the taxpayer shall be liable
16 as follows:

17 (i) Until January 1, 1994, the taxpayer shall be liable
18 for a penalty equal to $1/6$ of 1% of the tax due from such
19 taxpayer under this Act during the period to be covered by
20 the annual return for each month or fraction of a month
21 until such return is filed as required, the penalty to be
22 assessed and collected in the same manner as any other
23 penalty provided for in this Act.

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

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

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

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

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

24 For greater simplicity of administration, manufacturers,
25 importers and wholesalers whose products are sold at retail in
26 Illinois by numerous retailers, and who wish to do so, may

1 assume the responsibility for accounting and paying to the
2 Department all tax accruing under this Act with respect to such
3 sales, if the retailers who are affected do not make written
4 objection to the Department to this arrangement.

5 Any person who promotes, organizes, provides retail
6 selling space for concessionaires or other types of sellers at
7 the Illinois State Fair, DuQuoin State Fair, county fairs,
8 local fairs, art shows, flea markets and similar exhibitions or
9 events, including any transient merchant as defined by Section
10 2 of the Transient Merchant Act of 1987, is required to file a
11 report with the Department providing the name of the merchant's
12 business, the name of the person or persons engaged in
13 merchant's business, the permanent address and Illinois
14 Retailers Occupation Tax Registration Number of the merchant,
15 the dates and location of the event and other reasonable
16 information that the Department may require. The report must be
17 filed not later than the 20th day of the month next following
18 the month during which the event with retail sales was held.
19 Any person who fails to file a report required by this Section
20 commits a business offense and is subject to a fine not to
21 exceed \$250.

22 Any person engaged in the business of selling tangible
23 personal property at retail as a concessionaire or other type
24 of seller at the Illinois State Fair, county fairs, art shows,
25 flea markets and similar exhibitions or events, or any
26 transient merchants, as defined by Section 2 of the Transient

1 Merchant Act of 1987, may be required to make a daily report of
2 the amount of such sales to the Department and to make a daily
3 payment of the full amount of tax due. The Department shall
4 impose this requirement when it finds that there is a
5 significant risk of loss of revenue to the State at such an
6 exhibition or event. Such a finding shall be based on evidence
7 that a substantial number of concessionaires or other sellers
8 who are not residents of Illinois will be engaging in the
9 business of selling tangible personal property at retail at the
10 exhibition or event, or other evidence of a significant risk of
11 loss of revenue to the State. The Department shall notify
12 concessionaires and other sellers affected by the imposition of
13 this requirement. In the absence of notification by the
14 Department, the concessionaires and other sellers shall file
15 their returns as otherwise required in this Section.

16 (Source: P.A. 100-303, eff. 8-24-17; 100-363, eff. 7-1-18;
17 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; 101-10, Article
18 15, Section 15-25, eff. 6-5-19; 101-10, Article 25, Section
19 25-120, eff. 6-5-19; 101-27, eff. 6-25-19; 101-32, eff.
20 6-28-19; 101-604, eff. 12-13-19; 101-636, eff. 6-10-20.)

21 Section 10. The Leveling the Playing Field for Illinois
22 Retail Act is amended by changing Sections 5-5 and 5-25 as
23 follows:

24 (35 ILCS 185/5-5)

1 Sec. 5-5. Findings. The General Assembly finds that
2 certified service providers and certified automated systems
3 simplify use and occupation tax compliance for remote
4 retailers, which fosters higher levels of accurate tax
5 collection and remittance and generates administrative savings
6 and new marginal tax revenue for both State and local taxing
7 jurisdictions. By making the services of certified service
8 providers and certified automated systems available to remote
9 retailers ~~without charge, other than their retailer customer's~~
10 ~~retail discount,~~ as provided in this Act, the State will
11 substantially eliminate the burden on those remote retailers to
12 collect and remit both State and local taxing jurisdiction use
13 and occupation taxes. While providing a means for remote
14 retailers to collect and remit tax on an even basis with
15 Illinois retailers, this Act also protects existing local tax
16 revenue streams by retaining origin sourcing for all
17 transactions by retailers maintaining a physical presence in
18 Illinois.

19 (Source: P.A. 101-31, eff. 6-28-19; 101-604, eff. 1-1-20.)

20 (35 ILCS 185/5-25)

21 Sec. 5-25. Certification.

22 (a) The Department shall, no later than July 1, 2020:

23 (1) establish uniform minimum standards that companies
24 wishing to be designated as a certified service provider in
25 this State must meet;

1 (2) establish uniform minimum standards that certified
2 automated systems must meet;

3 (3) establish a certification process to review the
4 systems of companies wishing to be designated as a
5 certified service provider in this State or of companies
6 wishing to use a certified automated process; this
7 certification process shall provide that companies that
8 meet all required standards and whose systems have been
9 tested and approved by the Department for properly
10 determining the taxability of items to be sold, the correct
11 tax rate to apply to a transaction, and the appropriate
12 jurisdictions to which the tax shall be remitted, shall be
13 certified;

14 (4) enter into a contractual relationship with each
15 company that qualifies as a certified service provider ~~or~~
16 ~~that will be using a certified automated system;~~ those
17 contracts shall, at a minimum, provide:

18 (A) that the certified service provider shall be
19 held liable for the tax imposed under this Act and the
20 Use Tax Act and all applicable local occupation taxes
21 administered by the Department if the certified
22 service provider fails to correctly remit the tax after
23 having been provided with the tax and information by a
24 remote retailer to correctly remit the taxes imposed
25 under this Act and the Use Tax Act and all applicable
26 local occupation taxes administered by the Department;

1 if the certified service provider demonstrates to the
2 satisfaction of the Department that its failure to
3 correctly remit tax on a retail sale resulted from the
4 certified service provider's good faith reliance on
5 incorrect or insufficient information provided by the
6 remote retailer, the certified service provider shall
7 be relieved of liability for the tax on that retail
8 sale; in that case, the remote retailer is liable for
9 any resulting tax due;

10 (B) the responsibilities of the certified service
11 provider and the remote retailers that contract with
12 the certified service provider ~~or the user of a~~
13 ~~certified automated system~~ related to record keeping
14 and auditing consistent with requirements imposed
15 under the Retailers' Occupation Tax Act and the Use Tax
16 Act;

17 (C) for the protection and confidentiality of tax
18 information consistent with requirements imposed under
19 the Retailers' Occupation Tax Act and the Use Tax Act;

20 (D) that a certified service provider may claim the
21 discount provided for in Section 3 of the Retailers'
22 Occupation Tax Act for the tax dollars it collects and
23 timely remits on returns that are timely filed with the
24 Department on behalf of remote retailers; remote
25 retailers using a certified service provider may not
26 claim the discount allowed in Section 3 of the

1 Retailers' Occupation Tax Act with respect to those
2 collections ~~compensation equal to 1.75% of the tax~~
3 ~~dollars collected and remitted to the State by a~~
4 ~~certified service provider on a timely basis, along~~
5 ~~with a return that has been timely filed, on behalf of~~
6 ~~remote retailers; remote retailers using a certified~~
7 ~~service provider may not claim the vendor's discount~~
8 ~~allowed under the Retailers' Occupation Tax Act or the~~
9 ~~Service Occupation Tax Act; and~~

10 (E) that the certified service provider shall file
11 a separate return for each remote retailer with which
12 it has a Tax Remittance Agreement.

13 The provisions of this Section shall supersede the
14 provisions of the Illinois Procurement Code.

15 (b) The Department may act jointly with other states to
16 establish the minimum standards and process for certification
17 required by paragraphs (1), (2), and (3) of subsection (a).

18 (c) When the systems of a certified service provider or
19 certified automated systems are updated or upgraded, they must
20 be recertified by the Department. Notification of changes shall
21 be provided to the Department prior to implementation. Upon
22 receipt of such notification, the Department shall review and
23 test the changes to assess whether the updated system of the
24 certified service provider or the updated certified automated
25 system can properly determine the taxability of items to be
26 sold, the correct tax rate to apply to a transaction, and the

1 appropriate jurisdictions to which the tax shall be remitted.
2 The Department shall recertify updated systems that meet these
3 requirements. The certified service provider or retailer using
4 a certified automated system shall be liable for any tax
5 resulting from errors caused by use of an updated or upgraded
6 system prior to recertification by the Department. In addition
7 to these procedures, the Department may periodically review the
8 system of a certified service provider or the certified
9 automated system used by a retailer to ensure that the system
10 can properly determine the taxability of items to be sold, the
11 correct tax rate to apply to a transaction, and the appropriate
12 jurisdictions to which the tax shall be remitted.

13 (Source: P.A. 101-31, eff. 6-28-19; 101-604, eff. 1-1-20.)

14 Section 99. Effective date. This Act takes effect upon
15 becoming law.