



Rep. Michael J. Zalewski

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10200HB1497ham001

LRB102 03513 HLH 38716 a

1 AMENDMENT TO HOUSE BILL 1497

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 1497 by replacing  
3 everything after the enacting clause with the following:

4 "ARTICLE 5. USE AND OCCUPATION TAX-EQUIPMENT

5 Section 5-5. The Use Tax Act is amended by changing  
6 Section 3-5 as follows:

7 (35 ILCS 105/3-5)

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

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

1 purpose of resale by the enterprise.

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

5 (3) Personal property purchased by a not-for-profit arts  
6 or cultural organization that establishes, by proof required  
7 by the Department by rule, that it has received an exemption  
8 under Section 501(c)(3) of the Internal Revenue Code and that  
9 is organized and operated primarily for the presentation or  
10 support of arts or cultural programming, activities, or  
11 services. These organizations include, but are not limited to,  
12 music and dramatic arts organizations such as symphony  
13 orchestras and theatrical groups, arts and cultural service  
14 organizations, local arts councils, visual arts organizations,  
15 and media arts organizations. On and after July 1, 2001 (the  
16 effective date of Public Act 92-35), however, an entity  
17 otherwise eligible for this exemption shall not make tax-free  
18 purchases unless it has an active identification number issued  
19 by the Department.

20 (4) Personal property purchased by a governmental body, by  
21 a corporation, society, association, foundation, or  
22 institution organized and operated exclusively for charitable,  
23 religious, or educational purposes, or by a not-for-profit  
24 corporation, society, association, foundation, institution, or  
25 organization that has no compensated officers or employees and  
26 that is organized and operated primarily for the recreation of

1 persons 55 years of age or older. A limited liability company  
2 may qualify for the exemption under this paragraph only if the  
3 limited liability company is organized and operated  
4 exclusively for educational purposes. On and after July 1,  
5 1987, however, no entity otherwise eligible for this exemption  
6 shall make tax-free purchases unless it has an active  
7 exemption identification number issued by the Department.

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

11 (6) Until July 1, 2003 and beginning again on September 1,  
12 2004 through August 30, 2014, graphic arts machinery and  
13 equipment, including repair and replacement parts, both new  
14 and used, and including that manufactured on special order,  
15 certified by the purchaser to be used primarily for graphic  
16 arts production, and including machinery and equipment  
17 purchased for lease. Equipment includes chemicals or chemicals  
18 acting as catalysts but only if the chemicals or chemicals  
19 acting as catalysts effect a direct and immediate change upon  
20 a graphic arts product. Beginning on July 1, 2017, graphic  
21 arts machinery and equipment is included in the manufacturing  
22 and assembling machinery and equipment exemption under  
23 paragraph (18).

24 (7) Farm chemicals.

25 (8) Legal tender, currency, medallions, or gold or silver  
26 coinage issued by the State of Illinois, the government of the

1 United States of America, or the government of any foreign  
2 country, and bullion.

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

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

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

1 of the tender is separately stated.

2 Farm machinery and equipment shall include precision  
3 farming equipment that is installed or purchased to be  
4 installed on farm machinery and equipment including, but not  
5 limited to, tractors, harvesters, sprayers, planters, seeders,  
6 or spreaders. Precision farming equipment includes, but is not  
7 limited to, soil testing sensors, computers, monitors,  
8 software, global positioning and mapping systems, and other  
9 such equipment.

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

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

25 Beginning July 1, 2013, fuel and petroleum products sold  
26 to or used by an air carrier, certified by the carrier to be

1 used for consumption, shipment, or storage in the conduct of  
2 its business as an air common carrier, for a flight that (i) is  
3 engaged in foreign trade or is engaged in trade between the  
4 United States and any of its possessions and (ii) transports  
5 at least one individual or package for hire from the city of  
6 origination to the city of final destination on the same  
7 aircraft, without regard to a change in the flight number of  
8 that aircraft.

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

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

1           (15) Photoprocessing machinery and equipment, including  
2 repair and replacement parts, both new and used, including  
3 that manufactured on special order, certified by the purchaser  
4 to be used primarily for photoprocessing, and including  
5 photoprocessing machinery and equipment purchased for lease.

6           (16) Coal ~~Until July 1, 2023, coal~~ and aggregate  
7 exploration, mining, off-highway hauling, processing,  
8 maintenance, and reclamation equipment, including replacement  
9 parts and equipment, and including equipment purchased for  
10 lease, but excluding motor vehicles required to be registered  
11 under the Illinois Vehicle Code. The changes made to this  
12 Section by Public Act 97-767 apply on and after July 1, 2003,  
13 but no claim for credit or refund is allowed on or after August  
14 16, 2013 (the effective date of Public Act 98-456) for such  
15 taxes paid during the period beginning July 1, 2003 and ending  
16 on August 16, 2013 (the effective date of Public Act 98-456).  
17 The exemption under this paragraph (16) for coal applies until  
18 July 1, 2023. The exemption under this paragraph (16) for  
19 aggregate exploration, mining, off-highway hauling,  
20 processing, maintenance, and reclamation equipment applies  
21 until July 1, 2028.

22           (17) Until July 1, 2003, distillation machinery and  
23 equipment, sold as a unit or kit, assembled or installed by the  
24 retailer, certified by the user to be used only for the  
25 production of ethyl alcohol that will be used for consumption  
26 as motor fuel or as a component of motor fuel for the personal

1 use of the user, and not subject to sale or resale.

2 (18) Manufacturing and assembling machinery and equipment  
3 used primarily in the process of manufacturing or assembling  
4 tangible personal property for wholesale or retail sale or  
5 lease, whether that sale or lease is made directly by the  
6 manufacturer or by some other person, whether the materials  
7 used in the process are owned by the manufacturer or some other  
8 person, or whether that sale or lease is made apart from or as  
9 an incident to the seller's engaging in the service occupation  
10 of producing machines, tools, dies, jigs, patterns, gauges, or  
11 other similar items of no commercial value on special order  
12 for a particular purchaser. The exemption provided by this  
13 paragraph (18) includes production related tangible personal  
14 property, as defined in Section 3-50, purchased on or after  
15 July 1, 2019. The exemption provided by this paragraph (18)  
16 does not include machinery and equipment used in (i) the  
17 generation of electricity for wholesale or retail sale; (ii)  
18 the generation or treatment of natural or artificial gas for  
19 wholesale or retail sale that is delivered to customers  
20 through pipes, pipelines, or mains; or (iii) the treatment of  
21 water for wholesale or retail sale that is delivered to  
22 customers through pipes, pipelines, or mains. The provisions  
23 of Public Act 98-583 are declaratory of existing law as to the  
24 meaning and scope of this exemption. Beginning on July 1,  
25 2017, the exemption provided by this paragraph (18) includes,  
26 but is not limited to, graphic arts machinery and equipment,



1 as defined in paragraph (6) of this Section.

2 (19) Personal property delivered to a purchaser or  
3 purchaser's donee inside Illinois when the purchase order for  
4 that personal property was received by a florist located  
5 outside Illinois who has a florist located inside Illinois  
6 deliver the personal property.

7 (20) Semen used for artificial insemination of livestock  
8 for direct agricultural production.

9 (21) Horses, or interests in horses, registered with and  
10 meeting the requirements of any of the Arabian Horse Club  
11 Registry of America, Appaloosa Horse Club, American Quarter  
12 Horse Association, United States Trotting Association, or  
13 Jockey Club, as appropriate, used for purposes of breeding or  
14 racing for prizes. This item (21) is exempt from the  
15 provisions of Section 3-90, and the exemption provided for  
16 under this item (21) applies for all periods beginning May 30,  
17 1995, but no claim for credit or refund is allowed on or after  
18 January 1, 2008 for such taxes paid during the period  
19 beginning May 30, 2000 and ending on January 1, 2008.

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

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

17 (23) Personal property purchased by a lessor who leases  
18 the property, under a lease of one year or longer executed or  
19 in effect at the time the lessor would otherwise be subject to  
20 the tax imposed by this Act, to a governmental body that has  
21 been issued an active sales tax exemption identification  
22 number by the Department under Section 1g of the Retailers'  
23 Occupation Tax Act. If the property is leased in a manner that  
24 does not qualify for this exemption or used in any other  
25 non-exempt manner, the lessor shall be liable for the tax  
26 imposed under this Act or the Service Use Tax Act, as the case

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

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

22 (25) Beginning with taxable years ending on or after  
23 December 31, 1995 and ending with taxable years ending on or  
24 before December 31, 2004, personal property that is used in  
25 the performance of infrastructure repairs in this State,  
26 including but not limited to municipal roads and streets,

1 access roads, bridges, sidewalks, waste disposal systems,  
2 water and sewer line extensions, water distribution and  
3 purification facilities, storm water drainage and retention  
4 facilities, and sewage treatment facilities, resulting from a  
5 State or federally declared disaster in Illinois or bordering  
6 Illinois when such repairs are initiated on facilities located  
7 in the declared disaster area within 6 months after the  
8 disaster.

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

13 (27) A motor vehicle, as that term is defined in Section  
14 1-146 of the Illinois Vehicle Code, that is donated to a  
15 corporation, limited liability company, society, association,  
16 foundation, or institution that is determined by the  
17 Department to be organized and operated exclusively for  
18 educational purposes. For purposes of this exemption, "a  
19 corporation, limited liability company, society, association,  
20 foundation, or institution organized and operated exclusively  
21 for educational purposes" means all tax-supported public  
22 schools, private schools that offer systematic instruction in  
23 useful branches of learning by methods common to public  
24 schools and that compare favorably in their scope and  
25 intensity with the course of study presented in tax-supported  
26 schools, and vocational or technical schools or institutes

1 organized and operated exclusively to provide a course of  
2 study of not less than 6 weeks duration and designed to prepare  
3 individuals to follow a trade or to pursue a manual,  
4 technical, mechanical, industrial, business, or commercial  
5 occupation.

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

20 (29) Beginning January 1, 2000 and through December 31,  
21 2001, new or used automatic vending machines that prepare and  
22 serve hot food and beverages, including coffee, soup, and  
23 other items, and replacement parts for these machines.  
24 Beginning January 1, 2002 and through June 30, 2003, machines  
25 and parts for machines used in commercial, coin-operated  
26 amusement and vending business if a use or occupation tax is

1 paid on the gross receipts derived from the use of the  
2 commercial, coin-operated amusement and vending machines. This  
3 paragraph is exempt from the provisions of Section 3-90.

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

17 (31) Beginning on August 2, 2001 (the effective date of  
18 Public Act 92-227), computers and communications equipment  
19 utilized for any hospital purpose and equipment used in the  
20 diagnosis, analysis, or treatment of hospital patients  
21 purchased by a lessor who leases the equipment, under a lease  
22 of one year or longer executed or in effect at the time the  
23 lessor would otherwise be subject to the tax imposed by this  
24 Act, to a hospital that has been issued an active tax exemption  
25 identification number by the Department under Section 1g of  
26 the Retailers' Occupation Tax Act. If the equipment is leased

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

16 (32) Beginning on August 2, 2001 (the effective date of  
17 Public Act 92-227), personal property purchased by a lessor  
18 who leases the property, under a lease of one year or longer  
19 executed or in effect at the time the lessor would otherwise be  
20 subject to the tax imposed by this Act, to a governmental body  
21 that has been issued an active sales tax exemption  
22 identification number by the Department under Section 1g of  
23 the Retailers' Occupation Tax Act. If the property is leased  
24 in a manner that does not qualify for this exemption or used in  
25 any other nonexempt manner, the lessor shall be liable for the  
26 tax imposed under this Act or the Service Use Tax Act, as the

1 case may be, based on the fair market value of the property at  
2 the time the nonqualifying use occurs. No lessor shall collect  
3 or attempt to collect an amount (however designated) that  
4 purports to reimburse that lessor for the tax imposed by this  
5 Act or the Service Use Tax Act, as the case may be, if the tax  
6 has not been paid by the lessor. If a lessor improperly  
7 collects any such amount from the lessee, the lessee shall  
8 have a legal right to claim a refund of that amount from the  
9 lessor. If, however, that amount is not refunded to the lessee  
10 for any reason, the lessor is liable to pay that amount to the  
11 Department. This paragraph is exempt from the provisions of  
12 Section 3-90.

13 (33) On and after July 1, 2003 and through June 30, 2004,  
14 the use in this State of motor vehicles of the second division  
15 with a gross vehicle weight in excess of 8,000 pounds and that  
16 are subject to the commercial distribution fee imposed under  
17 Section 3-815.1 of the Illinois Vehicle Code. Beginning on  
18 July 1, 2004 and through June 30, 2005, the use in this State  
19 of motor vehicles of the second division: (i) with a gross  
20 vehicle weight rating in excess of 8,000 pounds; (ii) that are  
21 subject to the commercial distribution fee imposed under  
22 Section 3-815.1 of the Illinois Vehicle Code; and (iii) that  
23 are primarily used for commercial purposes. Through June 30,  
24 2005, this exemption applies to repair and replacement parts  
25 added after the initial purchase of such a motor vehicle if  
26 that motor vehicle is used in a manner that would qualify for



1 the rolling stock exemption otherwise provided for in this  
2 Act. For purposes of this paragraph, the term "used for  
3 commercial purposes" means the transportation of persons or  
4 property in furtherance of any commercial or industrial  
5 enterprise, whether for-hire or not.

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

13 (35) Beginning January 1, 2010 and continuing through  
14 December 31, 2024, materials, parts, equipment, components,  
15 and furnishings incorporated into or upon an aircraft as part  
16 of the modification, refurbishment, completion, replacement,  
17 repair, or maintenance of the aircraft. This exemption  
18 includes consumable supplies used in the modification,  
19 refurbishment, completion, replacement, repair, and  
20 maintenance of aircraft, but excludes any materials, parts,  
21 equipment, components, and consumable supplies used in the  
22 modification, replacement, repair, and maintenance of aircraft  
23 engines or power plants, whether such engines or power plants  
24 are installed or uninstalled upon any such aircraft.  
25 "Consumable supplies" include, but are not limited to,  
26 adhesive, tape, sandpaper, general purpose lubricants,

1 cleaning solution, latex gloves, and protective films. This  
2 exemption applies only to the use of qualifying tangible  
3 personal property by persons who modify, refurbish, complete,  
4 repair, replace, or maintain aircraft and who (i) hold an Air  
5 Agency Certificate and are empowered to operate an approved  
6 repair station by the Federal Aviation Administration, (ii)  
7 have a Class IV Rating, and (iii) conduct operations in  
8 accordance with Part 145 of the Federal Aviation Regulations.  
9 The exemption does not include aircraft operated by a  
10 commercial air carrier providing scheduled passenger air  
11 service pursuant to authority issued under Part 121 or Part  
12 129 of the Federal Aviation Regulations. The changes made to  
13 this paragraph (35) by Public Act 98-534 are declarative of  
14 existing law. It is the intent of the General Assembly that the  
15 exemption under this paragraph (35) applies continuously from  
16 January 1, 2010 through December 31, 2024; however, no claim  
17 for credit or refund is allowed for taxes paid as a result of  
18 the disallowance of this exemption on or after January 1, 2015  
19 and prior to the effective date of this amendatory Act of the  
20 101st General Assembly.

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

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

10 (37) Beginning January 1, 2017 and through December 31,  
11 2026, menstrual pads, tampons, and menstrual cups.

12 (38) Merchandise that is subject to the Rental Purchase  
13 Agreement Occupation and Use Tax. The purchaser must certify  
14 that the item is purchased to be rented subject to a rental  
15 purchase agreement, as defined in the Rental Purchase  
16 Agreement Act, and provide proof of registration under the  
17 Rental Purchase Agreement Occupation and Use Tax Act. This  
18 paragraph is exempt from the provisions of Section 3-90.

19 (39) Tangible personal property purchased by a purchaser  
20 who is exempt from the tax imposed by this Act by operation of  
21 federal law. This paragraph is exempt from the provisions of  
22 Section 3-90.

23 (40) Qualified tangible personal property used in the  
24 construction or operation of a data center that has been  
25 granted a certificate of exemption by the Department of  
26 Commerce and Economic Opportunity, whether that tangible

1 personal property is purchased by the owner, operator, or  
2 tenant of the data center or by a contractor or subcontractor  
3 of the owner, operator, or tenant. Data centers that would  
4 have qualified for a certificate of exemption prior to January  
5 1, 2020 had Public Act 101-31 been in effect may apply for and  
6 obtain an exemption for subsequent purchases of computer  
7 equipment or enabling software purchased or leased to upgrade,  
8 supplement, or replace computer equipment or enabling software  
9 purchased or leased in the original investment that would have  
10 qualified.

11 The Department of Commerce and Economic Opportunity shall  
12 grant a certificate of exemption under this item (40) to  
13 qualified data centers as defined by Section 605-1025 of the  
14 Department of Commerce and Economic Opportunity Law of the  
15 Civil Administrative Code of Illinois.

16 For the purposes of this item (40):

17 "Data center" means a building or a series of  
18 buildings rehabilitated or constructed to house working  
19 servers in one physical location or multiple sites within  
20 the State of Illinois.

21 "Qualified tangible personal property" means:  
22 electrical systems and equipment; climate control and  
23 chilling equipment and systems; mechanical systems and  
24 equipment; monitoring and secure systems; emergency  
25 generators; hardware; computers; servers; data storage  
26 devices; network connectivity equipment; racks; cabinets;

1 telecommunications cabling infrastructure; raised floor  
2 systems; peripheral components or systems; software;  
3 mechanical, electrical, or plumbing systems; battery  
4 systems; cooling systems and towers; temperature control  
5 systems; other cabling; and other data center  
6 infrastructure equipment and systems necessary to operate  
7 qualified tangible personal property, including fixtures;  
8 and component parts of any of the foregoing, including  
9 installation, maintenance, repair, refurbishment, and  
10 replacement of qualified tangible personal property to  
11 generate, transform, transmit, distribute, or manage  
12 electricity necessary to operate qualified tangible  
13 personal property; and all other tangible personal  
14 property that is essential to the operations of a computer  
15 data center. The term "qualified tangible personal  
16 property" also includes building materials physically  
17 incorporated in to the qualifying data center. To document  
18 the exemption allowed under this Section, the retailer  
19 must obtain from the purchaser a copy of the certificate  
20 of eligibility issued by the Department of Commerce and  
21 Economic Opportunity.

22 This item (40) is exempt from the provisions of Section  
23 3-90.

24 (Source: P.A. 101-9, eff. 6-5-19; 101-31, eff. 6-28-19;  
25 101-81, eff. 7-12-19; 101-629, eff. 2-5-20; 102-16, eff.  
26 6-17-21.)

1           Section 5-10. The Service Use Tax Act is amended by  
2 changing Section 3-5 as follows:

3           (35 ILCS 110/3-5)

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

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

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

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

1 organizations, local arts councils, visual arts organizations,  
2 and media arts organizations. On and after July 1, 2001 (the  
3 effective date of Public Act 92-35), however, an entity  
4 otherwise eligible for this exemption shall not make tax-free  
5 purchases unless it has an active identification number issued  
6 by the Department.

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

11 (5) Until July 1, 2003 and beginning again on September 1,  
12 2004 through August 30, 2014, graphic arts machinery and  
13 equipment, including repair and replacement parts, both new  
14 and used, and including that manufactured on special order or  
15 purchased for lease, certified by the purchaser to be used  
16 primarily for graphic arts production. Equipment includes  
17 chemicals or chemicals acting as catalysts but only if the  
18 chemicals or chemicals acting as catalysts effect a direct and  
19 immediate change upon a graphic arts product. Beginning on  
20 July 1, 2017, graphic arts machinery and equipment is included  
21 in the manufacturing and assembling machinery and equipment  
22 exemption under Section 2 of this Act.

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

26 (7) Farm machinery and equipment, both new and used,

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

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



1 Farm machinery and equipment also includes computers,  
2 sensors, software, and related equipment used primarily in the  
3 computer-assisted operation of production agriculture  
4 facilities, equipment, and activities such as, but not limited  
5 to, the collection, monitoring, and correlation of animal and  
6 crop data for the purpose of formulating animal diets and  
7 agricultural chemicals. This item (7) is exempt from the  
8 provisions of Section 3-75.

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

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

26 (9) Proceeds of mandatory service charges separately

1 stated on customers' bills for the purchase and consumption of  
2 food and beverages acquired as an incident to the purchase of a  
3 service from a serviceman, to the extent that the proceeds of  
4 the service charge are in fact turned over as tips or as a  
5 substitute for tips to the employees who participate directly  
6 in preparing, serving, hosting or cleaning up the food or  
7 beverage function with respect to which the service charge is  
8 imposed.

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

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

25 (12) Coal ~~Until July 1, 2023, coal~~ and aggregate  
26 exploration, mining, off-highway hauling, processing,

1 maintenance, and reclamation equipment, including replacement  
2 parts and equipment, and including equipment purchased for  
3 lease, but excluding motor vehicles required to be registered  
4 under the Illinois Vehicle Code. The changes made to this  
5 Section by Public Act 97-767 apply on and after July 1, 2003,  
6 but no claim for credit or refund is allowed on or after August  
7 16, 2013 (the effective date of Public Act 98-456) for such  
8 taxes paid during the period beginning July 1, 2003 and ending  
9 on August 16, 2013 (the effective date of Public Act 98-456).  
10 The exemption under this paragraph (12) for coal applies until  
11 July 1, 2023. The exemption under this paragraph (12) for  
12 aggregate exploration, mining, off-highway hauling,  
13 processing, maintenance, and reclamation equipment applies  
14 until July 1, 2028.

15 (13) Semen used for artificial insemination of livestock  
16 for direct agricultural production.

17 (14) Horses, or interests in horses, registered with and  
18 meeting the requirements of any of the Arabian Horse Club  
19 Registry of America, Appaloosa Horse Club, American Quarter  
20 Horse Association, United States Trotting Association, or  
21 Jockey Club, as appropriate, used for purposes of breeding or  
22 racing for prizes. This item (14) is exempt from the  
23 provisions of Section 3-75, and the exemption provided for  
24 under this item (14) applies for all periods beginning May 30,  
25 1995, but no claim for credit or refund is allowed on or after  
26 January 1, 2008 (the effective date of Public Act 95-88) for

1 such taxes paid during the period beginning May 30, 2000 and  
2 ending on January 1, 2008 (the effective date of Public Act  
3 95-88).

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

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

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

1 corporation, society, association, foundation, or institution  
2 that has been issued a sales tax exemption identification  
3 number by the Department that assists victims of the disaster  
4 who reside within the declared disaster area.

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

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

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

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

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

1 from the sale to the fundraising entity. This paragraph is  
2 exempt from the provisions of Section 3-75.

3 (22) Beginning January 1, 2000 and through December 31,  
4 2001, new or used automatic vending machines that prepare and  
5 serve hot food and beverages, including coffee, soup, and  
6 other items, and replacement parts for these machines.  
7 Beginning January 1, 2002 and through June 30, 2003, machines  
8 and parts for machines used in commercial, coin-operated  
9 amusement and vending business if a use or occupation tax is  
10 paid on the gross receipts derived from the use of the  
11 commercial, coin-operated amusement and vending machines. This  
12 paragraph is exempt from the provisions of Section 3-75.

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

26 (24) Beginning on August 2, 2001 (the effective date of



1 Public Act 92-227), computers and communications equipment  
2 utilized for any hospital purpose and equipment used in the  
3 diagnosis, analysis, or treatment of hospital patients  
4 purchased by a lessor who leases the equipment, under a lease  
5 of one year or longer executed or in effect at the time the  
6 lessor would otherwise be subject to the tax imposed by this  
7 Act, to a hospital that has been issued an active tax exemption  
8 identification number by the Department under Section 1g of  
9 the Retailers' Occupation Tax Act. If the equipment is leased  
10 in a manner that does not qualify for this exemption or is used  
11 in any other nonexempt manner, the lessor shall be liable for  
12 the tax imposed under this Act or the Use Tax Act, as the case  
13 may be, based on the fair market value of the property at the  
14 time the nonqualifying use occurs. No lessor shall collect or  
15 attempt to collect an amount (however designated) that  
16 purports to reimburse that lessor for the tax imposed by this  
17 Act or the Use Tax Act, as the case may be, if the tax has not  
18 been paid by the lessor. If a lessor improperly collects any  
19 such amount from the lessee, the lessee shall have a legal  
20 right to claim a refund of that amount from the lessor. If,  
21 however, that amount is not refunded to the lessee for any  
22 reason, the lessor is liable to pay that amount to the  
23 Department. This paragraph is exempt from the provisions of  
24 Section 3-75.

25 (25) Beginning on August 2, 2001 (the effective date of  
26 Public Act 92-227), personal property purchased by a lessor

1 who leases the property, under a lease of one year or longer  
2 executed or in effect at the time the lessor would otherwise be  
3 subject to the tax imposed by this Act, to a governmental body  
4 that has been issued an active tax exemption identification  
5 number by the Department under Section 1g of the Retailers'  
6 Occupation Tax Act. If the property is leased in a manner that  
7 does not qualify for this exemption or is used in any other  
8 nonexempt manner, the lessor shall be liable for the tax  
9 imposed under this Act or the Use Tax Act, as the case may be,  
10 based on the fair market value of the property at the time the  
11 nonqualifying use occurs. No lessor shall collect or attempt  
12 to collect an amount (however designated) that purports to  
13 reimburse that lessor for the tax imposed by this Act or the  
14 Use Tax Act, as the case may be, if the tax has not been paid  
15 by the lessor. If a lessor improperly collects any such amount  
16 from the lessee, the lessee shall have a legal right to claim a  
17 refund of that amount from the lessor. If, however, that  
18 amount is not refunded to the lessee for any reason, the lessor  
19 is liable to pay that amount to the Department. This paragraph  
20 is exempt from the provisions of Section 3-75.

21 (26) Beginning January 1, 2008, tangible personal property  
22 used in the construction or maintenance of a community water  
23 supply, as defined under Section 3.145 of the Environmental  
24 Protection Act, that is operated by a not-for-profit  
25 corporation that holds a valid water supply permit issued  
26 under Title IV of the Environmental Protection Act. This

1 paragraph is exempt from the provisions of Section 3-75.

2 (27) Beginning January 1, 2010 and continuing through  
3 December 31, 2024, materials, parts, equipment, components,  
4 and furnishings incorporated into or upon an aircraft as part  
5 of the modification, refurbishment, completion, replacement,  
6 repair, or maintenance of the aircraft. This exemption  
7 includes consumable supplies used in the modification,  
8 refurbishment, completion, replacement, repair, and  
9 maintenance of aircraft, but excludes any materials, parts,  
10 equipment, components, and consumable supplies used in the  
11 modification, replacement, repair, and maintenance of aircraft  
12 engines or power plants, whether such engines or power plants  
13 are installed or uninstalled upon any such aircraft.  
14 "Consumable supplies" include, but are not limited to,  
15 adhesive, tape, sandpaper, general purpose lubricants,  
16 cleaning solution, latex gloves, and protective films. This  
17 exemption applies only to the use of qualifying tangible  
18 personal property transferred incident to the modification,  
19 refurbishment, completion, replacement, repair, or maintenance  
20 of aircraft by persons who (i) hold an Air Agency Certificate  
21 and are empowered to operate an approved repair station by the  
22 Federal Aviation Administration, (ii) have a Class IV Rating,  
23 and (iii) conduct operations in accordance with Part 145 of  
24 the Federal Aviation Regulations. The exemption does not  
25 include aircraft operated by a commercial air carrier  
26 providing scheduled passenger air service pursuant to

1 authority issued under Part 121 or Part 129 of the Federal  
2 Aviation Regulations. The changes made to this paragraph (27)  
3 by Public Act 98-534 are declarative of existing law. It is the  
4 intent of the General Assembly that the exemption under this  
5 paragraph (27) applies continuously from January 1, 2010  
6 through December 31, 2024; however, no claim for credit or  
7 refund is allowed for taxes paid as a result of the  
8 disallowance of this exemption on or after January 1, 2015 and  
9 prior to the effective date of this amendatory Act of the 101st  
10 General Assembly.

11 (28) Tangible personal property purchased by a  
12 public-facilities corporation, as described in Section  
13 11-65-10 of the Illinois Municipal Code, for purposes of  
14 constructing or furnishing a municipal convention hall, but  
15 only if the legal title to the municipal convention hall is  
16 transferred to the municipality without any further  
17 consideration by or on behalf of the municipality at the time  
18 of the completion of the municipal convention hall or upon the  
19 retirement or redemption of any bonds or other debt  
20 instruments issued by the public-facilities corporation in  
21 connection with the development of the municipal convention  
22 hall. This exemption includes existing public-facilities  
23 corporations as provided in Section 11-65-25 of the Illinois  
24 Municipal Code. This paragraph is exempt from the provisions  
25 of Section 3-75.

26 (29) Beginning January 1, 2017 and through December 31,

1 2026, menstrual pads, tampons, and menstrual cups.

2 (30) Tangible personal property transferred to a purchaser  
3 who is exempt from the tax imposed by this Act by operation of  
4 federal law. This paragraph is exempt from the provisions of  
5 Section 3-75.

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

20 The Department of Commerce and Economic Opportunity shall  
21 grant a certificate of exemption under this item (31) to  
22 qualified data centers as defined by Section 605-1025 of the  
23 Department of Commerce and Economic Opportunity Law of the  
24 Civil Administrative Code of Illinois.

25 For the purposes of this item (31):

26 "Data center" means a building or a series of

1 buildings rehabilitated or constructed to house working  
2 servers in one physical location or multiple sites within  
3 the State of Illinois.

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

1 the exemption allowed under this Section, the retailer  
2 must obtain from the purchaser a copy of the certificate  
3 of eligibility issued by the Department of Commerce and  
4 Economic Opportunity.

5 This item (31) is exempt from the provisions of Section  
6 3-75.

7 (Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;  
8 101-629, eff. 2-5-20; 102-16, eff. 6-17-21.)

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

11 (35 ILCS 115/3-5)

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

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

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

24 (3) Personal property purchased by any not-for-profit arts

1 or cultural organization that establishes, by proof required  
2 by the Department by rule, that it has received an exemption  
3 under Section 501(c)(3) of the Internal Revenue Code and that  
4 is organized and operated primarily for the presentation or  
5 support of arts or cultural programming, activities, or  
6 services. These organizations include, but are not limited to,  
7 music and dramatic arts organizations such as symphony  
8 orchestras and theatrical groups, arts and cultural service  
9 organizations, local arts councils, visual arts organizations,  
10 and media arts organizations. On and after July 1, 2001 (the  
11 effective date of Public Act 92-35), however, an entity  
12 otherwise eligible for this exemption shall not make tax-free  
13 purchases unless it has an active identification number issued  
14 by the Department.

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

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



1 immediate change upon a graphic arts product. Beginning on  
2 July 1, 2017, graphic arts machinery and equipment is included  
3 in the manufacturing and assembling machinery and equipment  
4 exemption under Section 2 of this Act.

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

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

1 Farm machinery and equipment shall include precision  
2 farming equipment that is installed or purchased to be  
3 installed on farm machinery and equipment including, but not  
4 limited to, tractors, harvesters, sprayers, planters, seeders,  
5 or spreaders. Precision farming equipment includes, but is not  
6 limited to, soil testing sensors, computers, monitors,  
7 software, global positioning and mapping systems, and other  
8 such equipment.

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

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

24 Beginning July 1, 2013, fuel and petroleum products sold  
25 to or used by an air carrier, certified by the carrier to be  
26 used for consumption, shipment, or storage in the conduct of

1 its business as an air common carrier, for a flight that (i) is  
2 engaged in foreign trade or is engaged in trade between the  
3 United States and any of its possessions and (ii) transports  
4 at least one individual or package for hire from the city of  
5 origination to the city of final destination on the same  
6 aircraft, without regard to a change in the flight number of  
7 that aircraft.

8 (9) Proceeds of mandatory service charges separately  
9 stated on customers' bills for the 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 directly  
13 in preparing, serving, hosting or cleaning up the food or  
14 beverage function with respect to which the service charge is  
15 imposed.

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

26 (11) Photoprocessing machinery and equipment, including

1 repair and replacement parts, both new and used, including  
2 that manufactured on special order, certified by the purchaser  
3 to be used primarily for photoprocessing, and including  
4 photoprocessing machinery and equipment purchased for lease.

5 (12) Coal ~~Until July 1, 2023, coal~~ and aggregate  
6 exploration, mining, off-highway hauling, processing,  
7 maintenance, and reclamation equipment, including replacement  
8 parts and equipment, and including equipment purchased for  
9 lease, but excluding motor vehicles required to be registered  
10 under the Illinois Vehicle Code. The changes made to this  
11 Section by Public Act 97-767 apply on and after July 1, 2003,  
12 but no claim for credit or refund is allowed on or after August  
13 16, 2013 (the effective date of Public Act 98-456) for such  
14 taxes paid during the period beginning July 1, 2003 and ending  
15 on August 16, 2013 (the effective date of Public Act 98-456).  
16 The exemption under this paragraph (12) for coal applies until  
17 July 1, 2023. The exemption under this paragraph (12) for  
18 aggregate exploration, mining, off-highway hauling,  
19 processing, maintenance, and reclamation equipment applies  
20 until July 1, 2028.

21 (13) Beginning January 1, 1992 and through June 30, 2016,  
22 food for human consumption that is to be consumed off the  
23 premises where it is sold (other than alcoholic beverages,  
24 soft drinks and food that has been prepared for immediate  
25 consumption) and prescription and non-prescription medicines,  
26 drugs, medical appliances, and insulin, urine testing

1 materials, syringes, and needles used by diabetics, for human  
2 use, when purchased for use by a person receiving medical  
3 assistance under Article V of the Illinois Public Aid Code who  
4 resides in a licensed long-term care facility, as defined in  
5 the Nursing Home Care Act, or in a licensed facility as defined  
6 in the ID/DD Community Care Act, the MC/DD Act, or the  
7 Specialized Mental Health Rehabilitation Act of 2013.

8 (14) Semen used for artificial insemination of livestock  
9 for direct agricultural production.

10 (15) Horses, or interests in horses, registered with and  
11 meeting the requirements of any of the Arabian Horse Club  
12 Registry of America, Appaloosa Horse Club, American Quarter  
13 Horse Association, United States Trotting Association, or  
14 Jockey Club, as appropriate, used for purposes of breeding or  
15 racing for prizes. This item (15) is exempt from the  
16 provisions of Section 3-55, and the exemption provided for  
17 under this item (15) applies for all periods beginning May 30,  
18 1995, but no claim for credit or refund is allowed on or after  
19 January 1, 2008 (the effective date of Public Act 95-88) for  
20 such taxes paid during the period beginning May 30, 2000 and  
21 ending on January 1, 2008 (the effective date of Public Act  
22 95-88).

23 (16) Computers and communications equipment utilized for  
24 any hospital purpose and equipment used in the diagnosis,  
25 analysis, or treatment of hospital patients sold to a lessor  
26 who leases the equipment, under a lease of one year or longer

1 executed or in effect at the time of the purchase, to a  
2 hospital that has been issued an active tax exemption  
3 identification number by the Department under Section 1g of  
4 the Retailers' Occupation Tax Act.

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

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

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

1 water and sewer line extensions, water distribution and  
2 purification facilities, storm water drainage and retention  
3 facilities, and sewage treatment facilities, resulting from a  
4 State or federally declared disaster in Illinois or bordering  
5 Illinois when such repairs are initiated on facilities located  
6 in the declared disaster area within 6 months after the  
7 disaster.

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

12 (21) A motor vehicle, as that term is defined in Section  
13 1-146 of the Illinois Vehicle Code, that is donated to a  
14 corporation, limited liability company, society, association,  
15 foundation, or institution that is determined by the  
16 Department to be organized and operated exclusively for  
17 educational purposes. For purposes of this exemption, "a  
18 corporation, limited liability company, society, association,  
19 foundation, or institution organized and operated exclusively  
20 for educational purposes" means all tax-supported public  
21 schools, private schools that offer systematic instruction in  
22 useful branches of learning by methods common to public  
23 schools and that compare favorably in their scope and  
24 intensity with the course of study presented in tax-supported  
25 schools, and vocational or technical schools or institutes  
26 organized and operated exclusively to provide a course of

1 study of not less than 6 weeks duration and designed to prepare  
2 individuals to follow a trade or to pursue a manual,  
3 technical, mechanical, industrial, business, or commercial  
4 occupation.

5 (22) Beginning January 1, 2000, personal property,  
6 including food, purchased through fundraising events for the  
7 benefit of a public or private elementary or secondary school,  
8 a group of those schools, or one or more school districts if  
9 the events are sponsored by an entity recognized by the school  
10 district that consists primarily of volunteers and includes  
11 parents and teachers of the school children. This paragraph  
12 does not apply to fundraising events (i) for the benefit of  
13 private home instruction or (ii) for which the fundraising  
14 entity purchases the personal property sold at the events from  
15 another individual or entity that sold the property for the  
16 purpose of resale by the fundraising entity and that profits  
17 from the sale to the fundraising entity. This paragraph is  
18 exempt from the provisions of Section 3-55.

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



1 commercial, coin-operated amusement and vending machines. This  
2 paragraph is exempt from the provisions of Section 3-55.

3 (24) Beginning on August 2, 2001 (the effective date of  
4 Public Act 92-227), computers and communications equipment  
5 utilized for any hospital purpose and equipment used in the  
6 diagnosis, analysis, or treatment of hospital patients sold to  
7 a lessor who leases the equipment, under a lease of one year or  
8 longer executed or in effect at the time of the purchase, to a  
9 hospital that has been issued an active tax exemption  
10 identification number by the Department under Section 1g of  
11 the Retailers' Occupation Tax Act. This paragraph is exempt  
12 from the provisions of Section 3-55.

13 (25) Beginning on August 2, 2001 (the effective date of  
14 Public Act 92-227), personal property sold to a lessor who  
15 leases the property, under a lease of one year or longer  
16 executed or in effect at the time of the purchase, to a  
17 governmental body that has been issued an active tax exemption  
18 identification number by the Department under Section 1g of  
19 the Retailers' Occupation Tax Act. This paragraph is exempt  
20 from the provisions of Section 3-55.

21 (26) Beginning on January 1, 2002 and through June 30,  
22 2016, tangible personal property purchased from an Illinois  
23 retailer by a taxpayer engaged in centralized purchasing  
24 activities in Illinois who will, upon receipt of the property  
25 in Illinois, temporarily store the property in Illinois (i)  
26 for the purpose of subsequently transporting it outside this

1 State for use or consumption thereafter solely outside this  
2 State or (ii) for the purpose of being processed, fabricated,  
3 or manufactured into, attached to, or incorporated into other  
4 tangible personal property to be transported outside this  
5 State and thereafter used or consumed solely outside this  
6 State. The Director of Revenue shall, pursuant to rules  
7 adopted in accordance with the Illinois Administrative  
8 Procedure Act, issue a permit to any taxpayer in good standing  
9 with the Department who is eligible for the exemption under  
10 this paragraph (26). The permit issued under this paragraph  
11 (26) shall authorize the holder, to the extent and in the  
12 manner specified in the rules adopted under this Act, to  
13 purchase tangible personal property from a retailer exempt  
14 from the taxes imposed by this Act. Taxpayers shall maintain  
15 all necessary books and records to substantiate the use and  
16 consumption of all such tangible personal property outside of  
17 the State of Illinois.

18 (27) Beginning January 1, 2008, tangible personal property  
19 used in the construction or maintenance of a community water  
20 supply, as defined under Section 3.145 of the Environmental  
21 Protection Act, that is operated by a not-for-profit  
22 corporation that holds a valid water supply permit issued  
23 under Title IV of the Environmental Protection Act. This  
24 paragraph is exempt from the provisions of Section 3-55.

25 (28) Tangible personal property sold to a  
26 public-facilities corporation, as described in Section

1 11-65-10 of the Illinois Municipal Code, for purposes of  
2 constructing or furnishing a municipal convention hall, but  
3 only if the legal title to the municipal convention hall is  
4 transferred to the municipality without any further  
5 consideration by or on behalf of the municipality at the time  
6 of the completion of the municipal convention hall or upon the  
7 retirement or redemption of any bonds or other debt  
8 instruments issued by the public-facilities corporation in  
9 connection with the development of the municipal convention  
10 hall. This exemption includes existing public-facilities  
11 corporations as provided in Section 11-65-25 of the Illinois  
12 Municipal Code. This paragraph is exempt from the provisions  
13 of Section 3-55.

14 (29) Beginning January 1, 2010 and continuing through  
15 December 31, 2024, materials, parts, equipment, components,  
16 and furnishings incorporated into or upon an aircraft as part  
17 of the modification, refurbishment, completion, replacement,  
18 repair, or maintenance of the aircraft. This exemption  
19 includes consumable supplies used in the modification,  
20 refurbishment, completion, replacement, repair, and  
21 maintenance of aircraft, but excludes any materials, parts,  
22 equipment, components, and consumable supplies used in the  
23 modification, replacement, repair, and maintenance of aircraft  
24 engines or power plants, whether such engines or power plants  
25 are installed or uninstalled upon any such aircraft.  
26 "Consumable supplies" include, but are not limited to,

1 adhesive, tape, sandpaper, general purpose lubricants,  
2 cleaning solution, latex gloves, and protective films. This  
3 exemption applies only to the transfer of qualifying tangible  
4 personal property incident to the modification, refurbishment,  
5 completion, replacement, repair, or maintenance of an aircraft  
6 by persons who (i) hold an Air Agency Certificate and are  
7 empowered to operate an approved repair station by the Federal  
8 Aviation Administration, (ii) have a Class IV Rating, and  
9 (iii) conduct operations in accordance with Part 145 of the  
10 Federal Aviation Regulations. The exemption does not include  
11 aircraft operated by a commercial air carrier providing  
12 scheduled passenger air service pursuant to authority issued  
13 under Part 121 or Part 129 of the Federal Aviation  
14 Regulations. The changes made to this paragraph (29) by Public  
15 Act 98-534 are declarative of existing law. It is the intent of  
16 the General Assembly that the exemption under this paragraph  
17 (29) applies continuously from January 1, 2010 through  
18 December 31, 2024; however, no claim for credit or refund is  
19 allowed for taxes paid as a result of the disallowance of this  
20 exemption on or after January 1, 2015 and prior to the  
21 effective date of this amendatory Act of the 101st General  
22 Assembly.

23 (30) Beginning January 1, 2017 and through December 31,  
24 2026, menstrual pads, tampons, and menstrual cups.

25 (31) Tangible personal property transferred to a purchaser  
26 who is exempt from tax by operation of federal law. This

1 paragraph is exempt from the provisions of Section 3-55.

2 (32) 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 subcontractor  
8 of the owner, operator, or tenant. Data centers that would  
9 have qualified for a certificate of exemption prior to January  
10 1, 2020 had this amendatory Act of the 101st General Assembly  
11 been in effect, may apply for and obtain an exemption for  
12 subsequent purchases of computer equipment or enabling  
13 software purchased or leased to upgrade, supplement, or  
14 replace computer equipment or enabling software purchased or  
15 leased in the original investment that would have qualified.

16 The Department of Commerce and Economic Opportunity shall  
17 grant a certificate of exemption under this item (32) to  
18 qualified data centers as defined by Section 605-1025 of the  
19 Department of Commerce and Economic Opportunity Law of the  
20 Civil Administrative Code of Illinois.

21 For the purposes of this item (32):

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

26 "Qualified tangible personal property" means:

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

1           This item (32) is exempt from the provisions of Section  
2 3-55.

3           (Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;  
4 101-629, eff. 2-5-20; 102-16, eff. 6-17-21.)

5           Section 5-20. The Retailers' Occupation Tax Act is amended  
6 by changing Section 2-5 as follows:

7           (35 ILCS 120/2-5)

8           Sec. 2-5. Exemptions. Gross receipts from proceeds from  
9 the sale of the following tangible personal property are  
10 exempt from the tax imposed by this Act:

11           (1) Farm chemicals.

12           (2) Farm machinery and equipment, both new and used,  
13 including that manufactured on special order, certified by  
14 the purchaser to be used primarily for production  
15 agriculture or State or federal agricultural programs,  
16 including individual replacement parts for the machinery  
17 and equipment, including machinery and equipment purchased  
18 for lease, and including implements of husbandry defined  
19 in Section 1-130 of the Illinois Vehicle Code, farm  
20 machinery and agricultural chemical and fertilizer  
21 spreaders, and nurse wagons required to be registered  
22 under Section 3-809 of the Illinois Vehicle Code, but  
23 excluding other motor vehicles required to be registered  
24 under the Illinois Vehicle Code. Horticultural polyhouses

1 or hoop houses used for propagating, growing, or  
2 overwintering plants shall be considered farm machinery  
3 and equipment under this item (2). Agricultural chemical  
4 tender tanks and dry boxes shall include units sold  
5 separately from a motor vehicle required to be licensed  
6 and units sold mounted on a motor vehicle required to be  
7 licensed, if the selling price of the tender is separately  
8 stated.

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

17 Farm machinery and equipment also includes computers,  
18 sensors, software, and related equipment used primarily in  
19 the computer-assisted operation of production agriculture  
20 facilities, equipment, and activities such as, but not  
21 limited to, the collection, monitoring, and correlation of  
22 animal and crop data for the purpose of formulating animal  
23 diets and agricultural chemicals. This item (2) is exempt  
24 from the provisions of Section 2-70.

25 (3) Until July 1, 2003, distillation machinery and  
26 equipment, sold as a unit or kit, assembled or installed



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

6 (4) Until July 1, 2003 and beginning again September  
7 1, 2004 through August 30, 2014, graphic arts machinery  
8 and equipment, including repair and replacement parts,  
9 both new and used, and including that manufactured on  
10 special order or purchased for lease, certified by the  
11 purchaser to be used primarily for graphic arts  
12 production. Equipment includes chemicals or chemicals  
13 acting as catalysts but only if the chemicals or chemicals  
14 acting as catalysts effect a direct and immediate change  
15 upon a graphic arts product. Beginning on July 1, 2017,  
16 graphic arts machinery and equipment is included in the  
17 manufacturing and assembling machinery and equipment  
18 exemption under paragraph (14).

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

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

26 (7) Until July 1, 2003, proceeds of that portion of

1 the selling price of a passenger car the sale of which is  
2 subject to the Replacement Vehicle Tax.

3 (8) Personal property sold to an Illinois county fair  
4 association for use in conducting, operating, or promoting  
5 the county fair.

6 (9) Personal property sold to a not-for-profit arts or  
7 cultural organization that establishes, by proof required  
8 by the Department by rule, that it has received an  
9 exemption under Section 501(c)(3) of the Internal Revenue  
10 Code and that is organized and operated primarily for the  
11 presentation or support of arts or cultural programming,  
12 activities, or services. These organizations include, but  
13 are not limited to, music and dramatic arts organizations  
14 such as symphony orchestras and theatrical groups, arts  
15 and cultural service organizations, local arts councils,  
16 visual arts organizations, and media arts organizations.  
17 On and after July 1, 2001 (the effective date of Public Act  
18 92-35), however, an entity otherwise eligible for this  
19 exemption shall not make tax-free purchases unless it has  
20 an active identification number issued by the Department.

21 (10) Personal property sold by a corporation, society,  
22 association, foundation, institution, or organization,  
23 other than a limited liability company, that is organized  
24 and operated as a not-for-profit service enterprise for  
25 the benefit of persons 65 years of age or older if the  
26 personal property was not purchased by the enterprise for

1 the purpose of resale by the enterprise.

2 (11) Personal property sold to a governmental body, to  
3 a corporation, society, association, foundation, or  
4 institution organized and operated exclusively for  
5 charitable, religious, or educational purposes, or to a  
6 not-for-profit corporation, society, association,  
7 foundation, institution, or organization that has no  
8 compensated officers or employees and that is organized  
9 and operated primarily for the recreation of persons 55  
10 years of age or older. A limited liability company may  
11 qualify for the exemption under this paragraph only if the  
12 limited liability company is organized and operated  
13 exclusively for educational purposes. On and after July 1,  
14 1987, however, no entity otherwise eligible for this  
15 exemption shall make tax-free purchases unless it has an  
16 active identification number issued by the Department.

17 (12) (Blank).

18 (12-5) On and after July 1, 2003 and through June 30,  
19 2004, motor vehicles of the second division with a gross  
20 vehicle weight in excess of 8,000 pounds that are subject  
21 to the commercial distribution fee imposed under Section  
22 3-815.1 of the Illinois Vehicle Code. Beginning on July 1,  
23 2004 and through June 30, 2005, the use in this State of  
24 motor vehicles of the second division: (i) with a gross  
25 vehicle weight rating in excess of 8,000 pounds; (ii) that  
26 are subject to the commercial distribution fee imposed

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

12 (13) Proceeds from sales to owners, lessors, or  
13 shippers of tangible personal property that is utilized by  
14 interstate carriers for hire for use as rolling stock  
15 moving in interstate commerce and equipment operated by a  
16 telecommunications provider, licensed as a common carrier  
17 by the Federal Communications Commission, which is  
18 permanently installed in or affixed to aircraft moving in  
19 interstate commerce.

20 (14) Machinery and equipment that will be used by the  
21 purchaser, or a lessee of the purchaser, primarily in the  
22 process of manufacturing or assembling tangible personal  
23 property for wholesale or retail sale or lease, whether  
24 the sale or lease is made directly by the manufacturer or  
25 by some other person, whether the materials used in the  
26 process are owned by the manufacturer or some other

1 person, or whether the sale or lease is made apart from or  
2 as an incident to the seller's engaging in the service  
3 occupation of producing machines, tools, dies, jigs,  
4 patterns, gauges, or other similar items of no commercial  
5 value on special order for a particular purchaser. The  
6 exemption provided by this paragraph (14) does not include  
7 machinery and equipment used in (i) the generation of  
8 electricity for wholesale or retail sale; (ii) the  
9 generation or treatment of natural or artificial gas for  
10 wholesale or retail sale that is delivered to customers  
11 through pipes, pipelines, or mains; or (iii) the treatment  
12 of water for wholesale or retail sale that is delivered to  
13 customers through pipes, pipelines, or mains. The  
14 provisions of Public Act 98-583 are declaratory of  
15 existing law as to the meaning and scope of this  
16 exemption. Beginning on July 1, 2017, the exemption  
17 provided by this paragraph (14) includes, but is not  
18 limited to, graphic arts machinery and equipment, as  
19 defined in paragraph (4) of this Section.

20 (15) Proceeds of mandatory service charges separately  
21 stated on customers' bills for purchase and consumption of  
22 food and beverages, to the extent that the proceeds of the  
23 service charge are in fact turned over as tips or as a  
24 substitute for tips to the employees who participate  
25 directly in preparing, serving, hosting or cleaning up the  
26 food or beverage function with respect to which the

1 service charge is imposed.

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

6 (17) Tangible personal property sold to a common  
7 carrier by rail or motor that receives the physical  
8 possession of the property in Illinois and that transports  
9 the property, or shares with another common carrier in the  
10 transportation of the property, out of Illinois on a  
11 standard uniform bill of lading showing the seller of the  
12 property as the shipper or consignor of the property to a  
13 destination outside Illinois, for use outside Illinois.

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

18 (19) Until July 1, 2003, oil field exploration,  
19 drilling, and production equipment, including (i) rigs and  
20 parts of rigs, rotary rigs, cable tool rigs, and workover  
21 rigs, (ii) pipe and tubular goods, including casing and  
22 drill strings, (iii) pumps and pump-jack units, (iv)  
23 storage tanks and flow lines, (v) any individual  
24 replacement part for oil field exploration, drilling, and  
25 production equipment, and (vi) machinery and equipment  
26 purchased for lease; but excluding motor vehicles required

1 to be registered under the Illinois Vehicle Code.

2 (20) Photoprocessing machinery and equipment,  
3 including repair and replacement parts, both new and used,  
4 including that manufactured on special order, certified by  
5 the purchaser to be used primarily for photoprocessing,  
6 and including photoprocessing machinery and equipment  
7 purchased for lease.

8 (21) Coal ~~Until July 1, 2023, coal~~ and aggregate  
9 exploration, mining, off-highway hauling, processing,  
10 maintenance, and reclamation equipment, including  
11 replacement parts and equipment, and including equipment  
12 purchased for lease, but excluding motor vehicles required  
13 to be registered under the Illinois Vehicle Code. The  
14 changes made to this Section by Public Act 97-767 apply on  
15 and after July 1, 2003, but no claim for credit or refund  
16 is allowed on or after August 16, 2013 (the effective date  
17 of Public Act 98-456) for such taxes paid during the  
18 period beginning July 1, 2003 and ending on August 16,  
19 2013 (the effective date of Public Act 98-456). The  
20 exemption under this paragraph (21) for coal applies until  
21 July 1, 2023. The exemption under this paragraph (21) for  
22 aggregate exploration, mining, off-highway hauling,  
23 processing, maintenance, and reclamation equipment applies  
24 until July 1, 2028.

25 (22) Until June 30, 2013, fuel and petroleum products  
26 sold to or used by an air carrier, certified by the carrier

1 to be used for consumption, shipment, or storage in the  
2 conduct of its business as an air common carrier, for a  
3 flight destined for or returning from a location or  
4 locations outside the United States without regard to  
5 previous or subsequent domestic stopovers.

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

16 (23) A transaction in which the purchase order is  
17 received by a florist who is located outside Illinois, but  
18 who has a florist located in Illinois deliver the property  
19 to the purchaser or the purchaser's donee in Illinois.

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

26 (25) Except as provided in item (25-5) of this



1 Section, a motor vehicle sold in this State to a  
2 nonresident even though the motor vehicle is delivered to  
3 the nonresident in this State, if the motor vehicle is not  
4 to be titled in this State, and if a drive-away permit is  
5 issued to the motor vehicle as provided in Section 3-603  
6 of the Illinois Vehicle Code or if the nonresident  
7 purchaser has vehicle registration plates to transfer to  
8 the motor vehicle upon returning to his or her home state.  
9 The issuance of the drive-away permit or having the  
10 out-of-state registration plates to be transferred is  
11 prima facie evidence that the motor vehicle will not be  
12 titled in this State.

13 (25-5) The exemption under item (25) does not apply if  
14 the state in which the motor vehicle will be titled does  
15 not allow a reciprocal exemption for a motor vehicle sold  
16 and delivered in that state to an Illinois resident but  
17 titled in Illinois. The tax collected under this Act on  
18 the sale of a motor vehicle in this State to a resident of  
19 another state that does not allow a reciprocal exemption  
20 shall be imposed at a rate equal to the state's rate of tax  
21 on taxable property in the state in which the purchaser is  
22 a resident, except that the tax shall not exceed the tax  
23 that would otherwise be imposed under this Act. At the  
24 time of the sale, the purchaser shall execute a statement,  
25 signed under penalty of perjury, of his or her intent to  
26 title the vehicle in the state in which the purchaser is a

1 resident within 30 days after the sale and of the fact of  
2 the payment to the State of Illinois of tax in an amount  
3 equivalent to the state's rate of tax on taxable property  
4 in his or her state of residence and shall submit the  
5 statement to the appropriate tax collection agency in his  
6 or her state of residence. In addition, the retailer must  
7 retain a signed copy of the statement in his or her  
8 records. Nothing in this item shall be construed to  
9 require the removal of the vehicle from this state  
10 following the filing of an intent to title the vehicle in  
11 the purchaser's state of residence if the purchaser titles  
12 the vehicle in his or her state of residence within 30 days  
13 after the date of sale. The tax collected under this Act in  
14 accordance with this item (25-5) shall be proportionately  
15 distributed as if the tax were collected at the 6.25%  
16 general rate imposed under this Act.

17 (25-7) Beginning on July 1, 2007, no tax is imposed  
18 under this Act on the sale of an aircraft, as defined in  
19 Section 3 of the Illinois Aeronautics Act, if all of the  
20 following conditions are met:

21 (1) the aircraft leaves this State within 15 days  
22 after the later of either the issuance of the final  
23 billing for the sale of the aircraft, or the  
24 authorized approval for return to service, completion  
25 of the maintenance record entry, and completion of the  
26 test flight and ground test for inspection, as

1 required by 14 C.F.R. 91.407;

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

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

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

16 "Based in this State" means hangared, stored, or  
17 otherwise used, excluding post-sale customizations as  
18 defined in this Section, for 10 or more days in each  
19 12-month period immediately following the date of the sale  
20 of the aircraft.

21 "Registered in this State" means an aircraft  
22 registered with the Department of Transportation,  
23 Aeronautics Division, or titled or registered with the  
24 Federal Aviation Administration to an address located in  
25 this State.

26 This paragraph (25-7) is exempt from the provisions of

1 Section 2-70.

2 (26) Semen used for artificial insemination of  
3 livestock for direct agricultural production.

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

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

26 (29) Personal property sold to a lessor who leases the

1 property, under a lease of one year or longer executed or  
2 in effect at the time of the purchase, to a governmental  
3 body that has been issued an active tax exemption  
4 identification number by the Department under Section 1g  
5 of this Act.

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

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

1 disaster in Illinois or bordering Illinois when such  
2 repairs are initiated on facilities located in the  
3 declared disaster area within 6 months after the disaster.

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

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

1 occupation.

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

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

1 from the provisions of Section 2-70.

2 (35-5) Beginning August 23, 2001 and through June 30,  
3 2016, food for human consumption that is to be consumed  
4 off the premises where it is sold (other than alcoholic  
5 beverages, soft drinks, and food that has been prepared  
6 for immediate consumption) and prescription and  
7 nonprescription medicines, drugs, medical appliances, and  
8 insulin, urine testing materials, syringes, and needles  
9 used by diabetics, for human use, when purchased for use  
10 by a person receiving medical assistance under Article V  
11 of the Illinois Public Aid Code who resides in a licensed  
12 long-term care facility, as defined in the Nursing Home  
13 Care Act, or a licensed facility as defined in the ID/DD  
14 Community Care Act, the MC/DD Act, or the Specialized  
15 Mental Health Rehabilitation Act of 2013.

16 (36) Beginning August 2, 2001, computers and  
17 communications equipment utilized for any hospital purpose  
18 and equipment used in the diagnosis, analysis, or  
19 treatment of hospital patients sold to a lessor who leases  
20 the equipment, under a lease of one year or longer  
21 executed or in effect at the time of the purchase, to a  
22 hospital that has been issued an active tax exemption  
23 identification number by the Department under Section 1g  
24 of this Act. This paragraph is exempt from the provisions  
25 of Section 2-70.

26 (37) Beginning August 2, 2001, personal property sold



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

7 (38) Beginning on January 1, 2002 and through June 30,  
8 2016, tangible personal property purchased from an  
9 Illinois retailer by a taxpayer engaged in centralized  
10 purchasing activities in Illinois who will, upon receipt  
11 of the property in Illinois, temporarily store the  
12 property in Illinois (i) for the purpose of subsequently  
13 transporting it outside this State for use or consumption  
14 thereafter solely outside this State or (ii) for the  
15 purpose of being processed, fabricated, or manufactured  
16 into, attached to, or incorporated into other tangible  
17 personal property to be transported outside this State and  
18 thereafter used or consumed solely outside this State. The  
19 Director of Revenue shall, pursuant to rules adopted in  
20 accordance with the Illinois Administrative Procedure Act,  
21 issue a permit to any taxpayer in good standing with the  
22 Department who is eligible for the exemption under this  
23 paragraph (38). The permit issued under this paragraph  
24 (38) shall authorize the holder, to the extent and in the  
25 manner specified in the rules adopted under this Act, to  
26 purchase tangible personal property from a retailer exempt

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

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

13 (40) Beginning January 1, 2010 and continuing through  
14 December 31, 2024, materials, parts, equipment,  
15 components, and furnishings incorporated into or upon an  
16 aircraft as part of the modification, refurbishment,  
17 completion, replacement, repair, or maintenance of the  
18 aircraft. This exemption includes consumable supplies used  
19 in the modification, refurbishment, completion,  
20 replacement, repair, and maintenance of aircraft, but  
21 excludes any materials, parts, equipment, components, and  
22 consumable supplies used in the modification, replacement,  
23 repair, and maintenance of aircraft engines or power  
24 plants, whether such engines or power plants are installed  
25 or uninstalled upon any such aircraft. "Consumable  
26 supplies" include, but are not limited to, adhesive, tape,

1 sandpaper, general purpose lubricants, cleaning solution,  
2 latex gloves, and protective films. This exemption applies  
3 only to the sale of qualifying tangible personal property  
4 to persons who modify, refurbish, complete, replace, or  
5 maintain an aircraft and who (i) hold an Air Agency  
6 Certificate and are empowered to operate an approved  
7 repair station by the Federal Aviation Administration,  
8 (ii) have a Class IV Rating, and (iii) conduct operations  
9 in accordance with Part 145 of the Federal Aviation  
10 Regulations. The exemption does not include aircraft  
11 operated by a commercial air carrier providing scheduled  
12 passenger air service pursuant to authority issued under  
13 Part 121 or Part 129 of the Federal Aviation Regulations.  
14 The changes made to this paragraph (40) by Public Act  
15 98-534 are declarative of existing law. It is the intent  
16 of the General Assembly that the exemption under this  
17 paragraph (40) applies continuously from January 1, 2010  
18 through December 31, 2024; however, no claim for credit or  
19 refund is allowed for taxes paid as a result of the  
20 disallowance of this exemption on or after January 1, 2015  
21 and prior to the effective date of this amendatory Act of  
22 the 101st General Assembly.

23 (41) Tangible personal property sold to a  
24 public-facilities corporation, as described in Section  
25 11-65-10 of the Illinois Municipal Code, for purposes of  
26 constructing or furnishing a municipal convention hall,

1 but only if the legal title to the municipal convention  
2 hall is transferred to the municipality without any  
3 further consideration by or on behalf of the municipality  
4 at the time of the completion of the municipal convention  
5 hall or upon the retirement or redemption of any bonds or  
6 other debt instruments issued by the public-facilities  
7 corporation in connection with the development of the  
8 municipal convention hall. This exemption includes  
9 existing public-facilities corporations as provided in  
10 Section 11-65-25 of the Illinois Municipal Code. This  
11 paragraph is exempt from the provisions of Section 2-70.

12 (42) Beginning January 1, 2017 and through December  
13 31, 2026, menstrual pads, tampons, and menstrual cups.

14 (43) Merchandise that is subject to the Rental  
15 Purchase Agreement Occupation and Use Tax. The purchaser  
16 must certify that the item is purchased to be rented  
17 subject to a rental purchase agreement, as defined in the  
18 Rental Purchase Agreement Act, and provide proof of  
19 registration under the Rental Purchase Agreement  
20 Occupation and Use Tax Act. This paragraph is exempt from  
21 the provisions of Section 2-70.

22 (44) Qualified tangible personal property used in the  
23 construction or operation of a data center that has been  
24 granted a certificate of exemption by the Department of  
25 Commerce and Economic Opportunity, whether that tangible  
26 personal property is purchased by the owner, operator, or

1 tenant of the data center or by a contractor or  
2 subcontractor of the owner, operator, or tenant. Data  
3 centers that would have qualified for a certificate of  
4 exemption prior to January 1, 2020 had this amendatory Act  
5 of the 101st General Assembly been in effect, may apply  
6 for and obtain an exemption for subsequent purchases of  
7 computer equipment or enabling software purchased or  
8 leased to upgrade, supplement, or replace computer  
9 equipment or enabling software purchased or leased in the  
10 original investment that would have qualified.

11 The Department of Commerce and Economic Opportunity  
12 shall grant a certificate of exemption under this item  
13 (44) to qualified data centers as defined by Section  
14 605-1025 of the Department of Commerce and Economic  
15 Opportunity Law of the Civil Administrative Code of  
16 Illinois.

17 For the purposes of this item (44):

18 "Data center" means a building or a series of  
19 buildings rehabilitated or constructed to house  
20 working servers in one physical location or multiple  
21 sites within the State of Illinois.

22 "Qualified tangible personal property" means:  
23 electrical systems and equipment; climate control and  
24 chilling equipment and systems; mechanical systems and  
25 equipment; monitoring and secure systems; emergency  
26 generators; hardware; computers; servers; data storage

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

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

26 (45) Beginning January 1, 2020 and through December

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

17 (Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;  
18 101-629, eff. 2-5-20; 102-16, eff. 6-17-21; 102-634, eff.  
19 8-27-21; revised 11-9-21.)

#### 20 ARTICLE 10. EDGE-SUNSET

21 Section 10-5. The Economic Development for a Growing  
22 Economy Tax Credit Act is amended by changing Section 5-77 as  
23 follows:

1 (35 ILCS 10/5-77)

2 Sec. 5-77. Sunset of new Agreements. The Department shall  
3 not enter into any new Agreements under the provisions of  
4 Section 5-50 of this Act after June 30, 2027 ~~2022~~.

5 (Source: P.A. 99-925, eff. 1-20-17; 100-511, eff. 9-18-17.)

6 ARTICLE 15. EDGE-STARTUPS

7 Section 15-5. The Economic Development for a Growing  
8 Economy Tax Credit Act is amended by changing Sections 5-5,  
9 5-15, and 5-20 as follows:

10 (35 ILCS 10/5-5)

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

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

14 "Applicant" means a Taxpayer that is operating a business  
15 located or that the Taxpayer plans to locate within the State  
16 of Illinois and that is engaged in interstate or intrastate  
17 commerce for the purpose of manufacturing, processing,  
18 assembling, warehousing, or distributing products, conducting  
19 research and development, providing tourism services, or  
20 providing services in interstate commerce, office industries,  
21 or agricultural processing, but excluding retail, retail food,  
22 health, or professional services. "Applicant" does not include  
23 a Taxpayer who closes or substantially reduces an operation at



1 one location in the State and relocates substantially the same  
2 operation to another location in the State. This does not  
3 prohibit a Taxpayer from expanding its operations at another  
4 location in the State, provided that existing operations of a  
5 similar nature located within the State are not closed or  
6 substantially reduced. This also does not prohibit a Taxpayer  
7 from moving its operations from one location in the State to  
8 another location in the State for the purpose of expanding the  
9 operation provided that the Department determines that  
10 expansion cannot reasonably be accommodated within the  
11 municipality in which the business is located, or in the case  
12 of a business located in an incorporated area of the county,  
13 within the county in which the business is located, after  
14 conferring with the chief elected official of the municipality  
15 or county and taking into consideration any evidence offered  
16 by the municipality or county regarding the ability to  
17 accommodate expansion within the municipality or county.

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

1 Income Tax attributable to New Employees at the Applicant's  
2 project and (ii) 10% of the training costs of New Employees; or  
3 (2) 100% of the Incremental Income Tax attributable to New  
4 Employees at the Applicant's project. If an Applicant agrees  
5 to hire the required number of New Employees, then the maximum  
6 amount of the Credit for that Applicant may be increased by an  
7 amount not to exceed 25% of the Incremental Income Tax  
8 attributable to retained employees at the Applicant's project;  
9 provided that, in order to receive the increase for retained  
10 employees, the Applicant must provide the additional evidence  
11 required under paragraph (3) of subsection (b) of Section  
12 5-25.

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

15 "Director" means the Director of Commerce and Economic  
16 Opportunity.

17 "Full-time Employee" means an individual who is employed  
18 for consideration for at least 35 hours each week or who  
19 renders any other standard of service generally accepted by  
20 industry custom or practice as full-time employment. An  
21 individual for whom a W-2 is issued by a Professional Employer  
22 Organization (PEO) is a full-time employee if employed in the  
23 service of the Applicant for consideration for at least 35  
24 hours each week or who renders any other standard of service  
25 generally accepted by industry custom or practice as full-time  
26 employment to Applicant.

1 "Incremental Income Tax" means the total amount withheld  
2 during the taxable year from the compensation of New Employees  
3 and, if applicable, retained employees under Article 7 of the  
4 Illinois Income Tax Act arising from employment at a project  
5 that is the subject of an Agreement.

6 "New Construction EDGE Agreement" means the Agreement  
7 between a Taxpayer and the Department under the provisions of  
8 Section 5-51 of this Act.

9 "New Construction EDGE Credit" means an amount agreed to  
10 between the Department and the Applicant under this Act as  
11 part of a New Construction EDGE Agreement that does not exceed  
12 50% of the Incremental Income Tax attributable to New  
13 Construction EDGE Employees at the Applicant's project;  
14 however, if the New Construction EDGE Project is located in an  
15 underserved area, then the amount of the New Construction EDGE  
16 Credit may not exceed 75% of the Incremental Income Tax  
17 attributable to New Construction EDGE Employees at the  
18 Applicant's New Construction EDGE Project.

19 "New Construction EDGE Employee" means a laborer or worker  
20 who is employed by an Illinois contractor or subcontractor in  
21 the actual construction work on the site of a New Construction  
22 EDGE Project, pursuant to a New Construction EDGE Agreement.

23 "New Construction EDGE Incremental Income Tax" means the  
24 total amount withheld during the taxable year from the  
25 compensation of New Construction EDGE Employees.

26 "New Construction EDGE Project" means the building of a

1 Taxpayer's structure or building, or making improvements of  
2 any kind to real property. "New Construction EDGE Project"  
3 does not include the routine operation, routine repair, or  
4 routine maintenance of existing structures, buildings, or real  
5 property.

6 "New Employee" means:

7 (a) A Full-time Employee first employed by a Taxpayer  
8 in the project that is the subject of an Agreement and who  
9 is hired after the Taxpayer enters into the tax credit  
10 Agreement.

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

12 (1) an employee of the Taxpayer who performs a job  
13 that was previously performed by another employee, if  
14 that job existed for at least 6 months before hiring  
15 the employee;

16 (2) an employee of the Taxpayer who was previously  
17 employed in Illinois by a Related Member of the  
18 Taxpayer and whose employment was shifted to the  
19 Taxpayer after the Taxpayer entered into the tax  
20 credit Agreement; or

21 (3) a child, grandchild, parent, or spouse, other  
22 than a spouse who is legally separated from the  
23 individual, of any individual who has a direct or an  
24 indirect ownership interest of at least 5% in the  
25 profits, capital, or value of the Taxpayer.

26 (c) Notwithstanding paragraph (1) of subsection (b),

1 an employee may be considered a New Employee under the  
2 Agreement if the employee performs a job that was  
3 previously performed by an employee who was:

4 (1) treated under the Agreement as a New Employee;

5 and

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

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

10 (1) the Applicant is in receipt of a letter from  
11 the Department stating an intent to enter into a  
12 credit Agreement;

13 (2) the letter described in paragraph (1) is  
14 issued by the Department not later than 15 days after  
15 the effective date of this Act; and

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

18 "Noncompliance Date" means, in the case of a Taxpayer that  
19 is not complying with the requirements of the Agreement or the  
20 provisions of this Act, the day following the last date upon  
21 which the Taxpayer was in compliance with the requirements of  
22 the Agreement and the provisions of this Act, as determined by  
23 the Director, pursuant to Section 5-65.

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

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

4 "Related Member" means a person that, with respect to the  
5 Taxpayer during any portion of the taxable year, is any one of  
6 the following:

7 (1) An individual stockholder, if the stockholder and  
8 the members of the stockholder's family (as defined in  
9 Section 318 of the Internal Revenue Code) own directly,  
10 indirectly, beneficially, or constructively, in the  
11 aggregate, at least 50% of the value of the Taxpayer's  
12 outstanding stock.

13 (2) A partnership, estate, or trust and any partner or  
14 beneficiary, if the partnership, estate, or trust, and its  
15 partners or beneficiaries own directly, indirectly,  
16 beneficially, or constructively, in the aggregate, at  
17 least 50% of the profits, capital, stock, or value of the  
18 Taxpayer.

19 (3) A corporation, and any party related to the  
20 corporation in a manner that would require an attribution  
21 of stock from the corporation to the party or from the  
22 party to the corporation under the attribution rules of  
23 Section 318 of the Internal Revenue Code, if the Taxpayer  
24 owns directly, indirectly, beneficially, or constructively  
25 at least 50% of the value of the corporation's outstanding  
26 stock.

1           (4) A corporation and any party related to that  
2 corporation in a manner that would require an attribution  
3 of stock from the corporation to the party or from the  
4 party to the corporation under the attribution rules of  
5 Section 318 of the Internal Revenue Code, if the  
6 corporation and all such related parties own in the  
7 aggregate at least 50% of the profits, capital, stock, or  
8 value of the Taxpayer.

9           (5) A person to or from whom there is attribution of  
10 stock ownership in accordance with Section 1563(e) of the  
11 Internal Revenue Code, except, for purposes of determining  
12 whether a person is a Related Member under this paragraph,  
13 20% shall be substituted for 5% wherever 5% appears in  
14 Section 1563(e) of the Internal Revenue Code.

15           "Startup taxpayer" means a corporation, partnership, or  
16 other entity incorporated or organized no more than 5 years  
17 before the filing of an application for an Agreement that has  
18 never had any Illinois income tax liability, excluding any  
19 Illinois income tax liability of a Related Member which shall  
20 not be attributed to the startup taxpayer.

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

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

25           (1) the area has a poverty rate of at least 20%  
26 according to the latest American Community Survey ~~federal~~

1 ~~decennial census;~~

2 (2) 35% or more of the families with children in the  
3 area are living below 130% of the poverty line, according  
4 to the latest American Community Survey ~~75% or more of the~~  
5 ~~children in the area participate in the federal free lunch~~  
6 ~~program according to reported statistics from the State~~  
7 ~~Board of Education;~~

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

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

17 (Source: P.A. 101-9, eff. 6-5-19; 102-330, eff. 1-1-22.)

18 (35 ILCS 10/5-15)

19 Sec. 5-15. Tax Credit Awards. Subject to the conditions  
20 set forth in this Act, a Taxpayer is entitled to a Credit  
21 against or, as described in subsection (g) of this Section, a  
22 payment towards taxes imposed pursuant to subsections (a) and  
23 (b) of Section 201 of the Illinois Income Tax Act that may be  
24 imposed on the Taxpayer for a taxable year beginning on or  
25 after January 1, 1999, if the Taxpayer is awarded a Credit by



1 the Department under this Act for that taxable year.

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

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

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

9 (d) The Credit shall not exceed the Incremental Income Tax  
10 attributable to the project that is the subject of the  
11 Agreement.

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

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

24 (1) The election under this subsection (f) may be made  
25 only by a Taxpayer that (i) is primarily engaged in one of  
26 the following business activities: water purification and

1 treatment, motor vehicle metal stamping, automobile  
2 manufacturing, automobile and light duty motor vehicle  
3 manufacturing, motor vehicle manufacturing, light truck  
4 and utility vehicle manufacturing, heavy duty truck  
5 manufacturing, motor vehicle body manufacturing, cable  
6 television infrastructure design or manufacturing, or  
7 wireless telecommunication or computing terminal device  
8 design or manufacturing for use on public networks and  
9 (ii) meets the following criteria:

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

19 (B) the Taxpayer (i) had an Illinois net loss or an  
20 Illinois net loss deduction under Section 207 of the  
21 Illinois Income Tax Act for the taxable year in which  
22 the Credit is awarded, (ii) employed a minimum of  
23 1,000 full-time employees in this State during the  
24 taxable year in which the Credit is awarded, and (iii)  
25 has applied for an Agreement within 365 days after  
26 December 14, 2009 (the effective date of Public Act

1 96-834);

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

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

24 (E) the Taxpayer (i) employed at least 2,500  
25 full-time employees in the State during the year in  
26 which the Credit is awarded, (ii) commits to make at

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

8 (1.5) The election under this subsection (f) may also  
9 be made by a Taxpayer for any Credit awarded pursuant to an  
10 agreement that was executed between January 1, 2011 and  
11 June 30, 2011, if the Taxpayer (i) is primarily engaged in  
12 the manufacture of inner tubes or tires, or both, from  
13 natural and synthetic rubber, (ii) employs a minimum of  
14 2,400 full-time employees in Illinois at the time of  
15 application, (iii) creates at least 350 full-time jobs and  
16 retains at least 250 full-time jobs in Illinois that would  
17 have been at risk of being created or retained outside of  
18 Illinois, and (iv) makes a capital investment of at least  
19 \$200,000,000 at the project location.

20 (1.6) The election under this subsection (f) may also  
21 be made by a Taxpayer for any Credit awarded pursuant to an  
22 agreement that was executed within 150 days after the  
23 effective date of this amendatory Act of the 97th General  
24 Assembly, if the Taxpayer (i) is primarily engaged in the  
25 operation of a discount department store, (ii) maintains  
26 its corporate headquarters in Illinois, (iii) employs a

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

8 (1.7) Notwithstanding any other provision of law, the  
9 election under this subsection (f) may also be made by a  
10 Taxpayer for any Credit awarded pursuant to an agreement  
11 that was executed or applied for on or after July 1, 2011  
12 and on or before March 31, 2012, if the Taxpayer is  
13 primarily engaged in the manufacture of original and  
14 aftermarket filtration parts and products for automobiles,  
15 motor vehicles, light duty motor vehicles, light trucks  
16 and utility vehicles, and heavy duty trucks, (ii) employs  
17 a minimum of 1,000 full-time employees in Illinois at the  
18 time of application, (iii) creates at least 250 full-time  
19 jobs in Illinois, (iv) relocates its corporate  
20 headquarters to Illinois from another state, and (v) makes  
21 a capital investment of at least \$4,000,000 at the project  
22 location.

23 (1.8) Notwithstanding any other provision of law, the  
24 election under this subsection (f) may also be made by a  
25 startup taxpayer for any Credit awarded pursuant to an  
26 Agreement that was executed or applied for on or after the

1 effective date of this amendatory Act of the 102nd General  
2 Assembly, if the startup taxpayer, without considering any  
3 Related Member or other investor, (i) has never had any  
4 Illinois income tax liability and (ii) was incorporated or  
5 organized no more than 5 years before the filing of an  
6 application for an Agreement. Any such election under this  
7 paragraph (1.8) shall be effective unless and until such  
8 startup taxpayer has any Illinois income tax liability.  
9 This election under this paragraph (1.8) shall  
10 automatically terminate when the startup taxpayer has any  
11 Illinois income tax liability at the end of any taxable  
12 year during the term of the Agreement. Thereafter, the  
13 startup taxpayer may receive a Credit, taking into account  
14 any benefits previously enjoyed or received by way of the  
15 election under this paragraph (1.8), so long as the  
16 startup taxpayer remains in compliance with the terms and  
17 conditions of the Agreement.

18 (2) An election under this subsection shall allow the  
19 credit to be taken against payments otherwise due under  
20 Section 704A of the Illinois Income Tax Act during the  
21 first calendar year beginning after the end of the taxable  
22 year in which the credit is awarded under this Act.

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

26 (4) If a Taxpayer who meets the requirements of

1           subparagraph (A) of paragraph (1) of this subsection (f)  
2           elects to claim the Credit against its withholdings as  
3           provided in this subsection (f), then, on and after the  
4           date of the election, the terms of the Agreement between  
5           the Taxpayer and the Department may not be further amended  
6           during the term of the Agreement.

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

20          (Source: P.A. 100-511, eff. 9-18-17.)

21           (35 ILCS 10/5-20)

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

24           (a) Any Taxpayer proposing a project located or planned to  
25          be located in Illinois may request consideration for

1 designation of its project, by formal written letter of  
2 request or by formal application to the Department, in which  
3 the Applicant states its intent to make at least a specified  
4 level of investment and intends to hire or retain a specified  
5 number of full-time employees at a designated location in  
6 Illinois. As circumstances require, the Department may require  
7 a formal application from an Applicant and a formal letter of  
8 request for assistance.

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

11 (1) if the Applicant has more than 100 employees,  
12 involve an investment of at least \$2,500,000 in capital  
13 improvements to be placed in service within the State as a  
14 direct result of the project; if the Applicant has 100 or  
15 fewer employees, then there is no capital investment  
16 requirement;

17 (1.5) if the Applicant has more than 100 employees,  
18 employ a number of new employees in the State equal to the  
19 lesser of (A) 10% of the number of full-time employees  
20 employed by the applicant world-wide on the date the  
21 application is filed with the Department or (B) 50 New  
22 Employees; and, if the Applicant has 100 or fewer  
23 employees, employ a number of new employees in the State  
24 equal to the lesser of (A) 5% of the number of full-time  
25 employees employed by the applicant world-wide on the date  
26 the application is filed with the Department or (B) 50 New



1 Employees;

2 (1.6) if the Applicant is a startup taxpayer, the  
3 employees employed by Related Members shall not be  
4 attributed to the Applicant for purposes of determining  
5 the capital investment or job creation requirements under  
6 this subsection (b);

7 (2) (blank);

8 (3) (blank); and

9 (4) include an annual sexual harassment policy report  
10 as provided under Section 5-58.

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

14 (Source: P.A. 100-511, eff. 9-18-17; 100-698, eff. 1-1-19;  
15 101-81, eff. 7-12-19.)

16 ARTICLE 20. EARNED INCOME TAX CREDIT

17 Section 20-5. The Illinois Income Tax Act is amended by  
18 changing Sections 212 and 225 as follows:

19 (35 ILCS 5/212)

20 Sec. 212. Earned income tax credit.

21 (a) With respect to the federal earned income tax credit  
22 allowed for the taxable year under Section 32 of the federal  
23 Internal Revenue Code, 26 U.S.C. 32, each individual taxpayer

1 is entitled to a credit against the tax imposed by subsections  
2 (a) and (b) of Section 201 in an amount equal to (i) 5% of the  
3 federal tax credit for each taxable year beginning on or after  
4 January 1, 2000 and ending prior to December 31, 2012, (ii)  
5 7.5% of the federal tax credit for each taxable year beginning  
6 on or after January 1, 2012 and ending prior to December 31,  
7 2013, (iii) 10% of the federal tax credit for each taxable year  
8 beginning on or after January 1, 2013 and beginning prior to  
9 January 1, 2017, (iv) 14% of the federal tax credit for each  
10 taxable year beginning on or after January 1, 2017 and  
11 beginning prior to January 1, 2018, ~~and~~ (v) 18% of the federal  
12 tax credit for each taxable year beginning on or after January  
13 1, 2018 and beginning prior to January 1, 2023, and (vi) 20% of  
14 the federal tax credit for each taxable year beginning on or  
15 after January 1, 2023.

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

19 (b) For taxable years beginning before January 1, 2003, in  
20 no event shall a credit under this Section reduce the  
21 taxpayer's liability to less than zero. For each taxable year  
22 beginning on or after January 1, 2003, if the amount of the  
23 credit exceeds the income tax liability for the applicable tax  
24 year, then the excess credit shall be refunded to the  
25 taxpayer. The amount of a refund shall not be included in the  
26 taxpayer's income or resources for the purposes of determining

1 eligibility or benefit level in any means-tested benefit  
2 program administered by a governmental entity unless required  
3 by federal law.

4 (b-5) For taxable years beginning on or after January 1,  
5 2023, each individual taxpayer who has attained the age of 18  
6 during the taxable year but has not yet attained the age of 25  
7 is entitled to the credit under paragraph (a) based on the  
8 federal tax credit for which the taxpayer would have been  
9 eligible without regard to any age requirements that would  
10 otherwise apply to individuals without a qualifying child in  
11 Section 32(c)(1)(A)(ii) of the federal Internal Revenue Code.

12 (b-10) For taxable years beginning on or after January  
13 1,2023, each individual taxpayer who has attained the age of  
14 65 or older during the taxable year is entitled to the credit  
15 under paragraph (a) based on the federal tax credit for which  
16 the taxpayer would have been eligible without regard to any  
17 age requirements that would otherwise apply to individuals  
18 without a qualifying child in Section 32(c)(1)(A)(ii) of the  
19 federal Internal Revenue Code.

20 (b-15) For taxable years beginning on or after January  
21 1,2023, each individual taxpayer filing a return using an  
22 individual taxpayer identification number (ITIN) as prescribed  
23 under Section 6109 of the Internal Revenue Code, other than a  
24 Social Security number issued pursuant to Section 205(c)(2)(A)  
25 of the Social Security Act, is entitled to the credit under  
26 paragraph (a) based on the federal tax credit for which they

1 would have been eligible without applying the restrictions  
2 regarding social security numbers in Section 32(m) of the  
3 federal Internal Revenue Code.

4 (c) This Section is exempt from the provisions of Section  
5 250.

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

7 ARTICLE 25. INCOME TAX-INSTRUCTIONAL MATERIALS

8 Section 25-5. The Illinois Income Tax Act is amended by  
9 changing Section 225 as follows:

10 (35 ILCS 5/225)

11 Sec. 225. Credit for instructional materials and supplies.  
12 For taxable years beginning on and after January 1, 2017, a  
13 taxpayer shall be allowed a credit in the amount paid by the  
14 taxpayer during the taxable year for instructional materials  
15 and supplies with respect to classroom based instruction in a  
16 qualified school, or the maximum credit amount ~~\$250~~, whichever  
17 is less, provided that the taxpayer is a teacher, instructor,  
18 counselor, principal, or aide in a qualified school for at  
19 least 900 hours during a school year.

20 The credit may not be carried back and may not reduce the  
21 taxpayer's liability to less than zero. If the amount of the  
22 credit exceeds the tax liability for the year, the excess may  
23 be carried forward and applied to the tax liability of the 5

1 taxable years following the excess credit year. The tax credit  
2 shall be applied to the earliest year for which there is a tax  
3 liability. If there are credits for more than one year that are  
4 available to offset a liability, the earlier credit shall be  
5 applied first.

6 For purposes of this Section, the term "materials and  
7 supplies" means amounts paid for instructional materials or  
8 supplies that are designated for classroom use in any  
9 qualified school. For purposes of this Section, the term  
10 "qualified school" means a public school or non-public school  
11 located in Illinois.

12 For purposes of this Section, the term "maximum credit  
13 amount" means (i) \$250 for taxable years beginning prior to  
14 January 1, 2023 and (ii) \$500 for taxable years beginning on or  
15 after January 1, 2023.

16 This Section is exempt from the provisions of Section 250.  
17 (Source: P.A. 100-22, eff. 7-6-17.)

## 18 ARTICLE 30. ELECTRIC VEHICLES

19 Section 30-5. The Reimagining Electric Vehicles in  
20 Illinois Act is amended by changing Sections 10 and 20 as  
21 follows:

22 (20 ILCS 686/10)

23 Sec. 10. Definitions. As used in this Act:

1       "Advanced battery" means a battery that consists of a  
2 battery cell that can be integrated into a module, pack, or  
3 system to be used in energy storage applications, including a  
4 battery used in an electric vehicle or the electric grid.

5       "Advanced battery component" means a component of an  
6 advanced battery, including materials, enhancements,  
7 enclosures, anodes, cathodes, electrolytes, cells, and other  
8 associated technologies that comprise an advanced battery.

9       "Agreement" means the agreement between a taxpayer and the  
10 Department under the provisions of Section 45 of this Act.

11       "Applicant" means a taxpayer that (i) operates a business  
12 in Illinois or is planning to locate a business within the  
13 State of Illinois and (ii) is engaged in interstate or  
14 intrastate commerce for the purpose of manufacturing electric  
15 vehicles, electric vehicle component parts, or electric  
16 vehicle power supply equipment or is engaged in interstate or  
17 intrastate commerce as a battery raw materials refining  
18 service provider or a battery recycling and reuse  
19 manufacturer. "Applicant" does not include a taxpayer who  
20 closes or substantially reduces by more than 50% operations at  
21 one location in the State and relocates substantially the same  
22 operation to another location in the State. This does not  
23 prohibit a Taxpayer from expanding its operations at another  
24 location in the State. This also does not prohibit a Taxpayer  
25 from moving its operations from one location in the State to  
26 another location in the State for the purpose of expanding the

1 operation, provided that the Department determines that  
2 expansion cannot reasonably be accommodated within the  
3 municipality or county in which the business is located, or,  
4 in the case of a business located in an incorporated area of  
5 the county, within the county in which the business is  
6 located, after conferring with the chief elected official of  
7 the municipality or county and taking into consideration any  
8 evidence offered by the municipality or county regarding the  
9 ability to accommodate expansion within the municipality or  
10 county.

11 "Battery raw materials" means the raw and processed form  
12 of a mineral, metal, chemical, or other material used in an  
13 advanced battery component.

14 "Battery raw materials refining service provider" means a  
15 business that operates a facility that filters, sifts, and  
16 treats battery raw materials for use in an advanced battery.

17 "Battery recycling and reuse manufacturer" means a  
18 manufacturer that is primarily engaged in the recovery,  
19 retrieval, processing, recycling, or recirculating of battery  
20 raw materials for new use in electric vehicle batteries.

21 "Capital improvements" means the purchase, renovation,  
22 rehabilitation, or construction of permanent tangible land,  
23 buildings, structures, equipment, and furnishings in an  
24 approved project sited in Illinois and expenditures for goods  
25 or services that are normally capitalized, including  
26 organizational costs and research and development costs

1 incurred in Illinois. For land, buildings, structures, and  
2 equipment that are leased, the lease must equal or exceed the  
3 term of the agreement, and the cost of the property shall be  
4 determined from the present value, using the corporate  
5 interest rate prevailing at the time of the application, of  
6 the lease payments.

7 "Credit" means either a "REV Illinois Credit" or a "REV  
8 Construction Jobs Credit" agreed to between the Department and  
9 applicant under this Act.

10 "Department" means the Department of Commerce and Economic  
11 Opportunity.

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

14 "Electric vehicle" means a vehicle that is exclusively  
15 powered by and refueled by electricity, including, but not  
16 limited to, electricity generated through a hydrogen fuel cell  
17 or solar technology, ~~must be plugged in to charge or utilize a~~  
18 ~~pre charged battery, and is permitted to operate on public~~  
19 ~~roadways.~~ "Electric vehicle" does not include hybrid electric  
20 vehicles, electric bicycles, and extended-range electric  
21 vehicles that are also equipped with conventional fueled  
22 propulsion or auxiliary engines.

23 "Electric vehicle manufacturer" means a new or existing  
24 manufacturer that is focused on reequipping, expanding, or  
25 establishing a manufacturing facility in Illinois that  
26 produces electric vehicles as defined in this Section.



1 "Electric vehicle component parts manufacturer" means a  
2 new or existing manufacturer that is ~~primarily~~ focused on  
3 reequipping, expanding, or establishing a manufacturing  
4 facility in Illinois that produces advanced battery components  
5 or key components that directly support the electric functions  
6 of electric vehicles, as defined by this Section.

7 "Electric vehicle power supply equipment" means the  
8 equipment used specifically for the purpose of delivering  
9 electricity to an electric vehicle, including, but not limited  
10 to, hydrogen fuel cells or solar refueling infrastructure.

11 "Electric vehicle power supply manufacturer" means a new  
12 or existing manufacturer that is focused on reequipping,  
13 expanding, or establishing a manufacturing facility in  
14 Illinois that produces electric vehicle power supply equipment  
15 used for the purpose of delivering electricity to an electric  
16 vehicle.

17 "Energy Transition Area" means a county with less than  
18 100,000 people or a municipality that contains one or more of  
19 the following:

20 (1) a fossil fuel plant that was retired from service  
21 or has significant reduced service within 6 years before  
22 the time of the application or will be retired or have  
23 service significantly reduced within 6 years following the  
24 time of the application; or

25 (2) a coal mine that was closed or had operations  
26 significantly reduced within 6 years before the time of

1 the application or is anticipated to be closed or have  
2 operations significantly reduced within 6 years following  
3 the time of the application.

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

12 "Incremental income tax" means the total amount withheld  
13 during the taxable year from the compensation of new employees  
14 and, if applicable, retained employees under Article 7 of the  
15 Illinois Income Tax Act arising from employment at a project  
16 that is the subject of an agreement.

17 "Institution of higher education" or "institution" means  
18 any accredited public or private university, college,  
19 community college, business, technical, or vocational school,  
20 or other accredited educational institution offering degrees  
21 and instruction beyond the secondary school level.

22 "Minority person" means a minority person as defined in  
23 the Business Enterprise for Minorities, Women, and Persons  
24 with Disabilities Act.

25 "New employee" means a newly-hired full-time employee  
26 employed to work at the project site and whose work is directly

1 related to the project.

2 "Noncompliance date" means, in the case of a taxpayer that  
3 is not complying with the requirements of the agreement or the  
4 provisions of this Act, the day following the last date upon  
5 which the taxpayer was in compliance with the requirements of  
6 the agreement and the provisions of this Act, as determined by  
7 the Director, pursuant to Section 70.

8 "Pass-through entity" means an entity that is exempt from  
9 the tax under subsection (b) or (c) of Section 205 of the  
10 Illinois Income Tax Act.

11 "Placed in service" means the state or condition of  
12 readiness, availability for a specifically assigned function,  
13 and the facility is constructed and ready to conduct its  
14 facility operations to manufacture goods.

15 "Professional employer organization" (PEO) means an  
16 employee leasing company, as defined in Section 206.1 of the  
17 Illinois Unemployment Insurance Act.

18 "Program" means the Reimagining Electric Vehicles in  
19 Illinois Program (the REV Illinois Program) established in  
20 this Act.

21 "Project" or "REV Illinois Project" means a for-profit  
22 economic development activity for the manufacture of electric  
23 vehicles, electric vehicle component parts, or electric  
24 vehicle power supply equipment which is designated by the  
25 Department as a REV Illinois Project and is the subject of an  
26 agreement.

1 "Recycling facility" means a location at which the  
2 taxpayer disposes of batteries and other component parts in  
3 manufacturing of electric vehicles, electric vehicle component  
4 parts, or electric vehicle power supply equipment.

5 "Related member" means a person that, with respect to the  
6 taxpayer during any portion of the taxable year, is any one of  
7 the following:

8 (1) An individual stockholder, if the stockholder and  
9 the members of the stockholder's family (as defined in  
10 Section 318 of the Internal Revenue Code) own directly,  
11 indirectly, beneficially, or constructively, in the  
12 aggregate, at least 50% of the value of the taxpayer's  
13 outstanding stock.

14 (2) A partnership, estate, trust and any partner or  
15 beneficiary, if the partnership, estate, or trust, and its  
16 partners or beneficiaries own directly, indirectly,  
17 beneficially, or constructively, in the aggregate, at  
18 least 50% of the profits, capital, stock, or value of the  
19 taxpayer.

20 (3) A corporation, and any party related to the  
21 corporation in a manner that would require an attribution  
22 of stock from the corporation under the attribution rules  
23 of Section 318 of the Internal Revenue Code, if the  
24 Taxpayer owns directly, indirectly, beneficially, or  
25 constructively at least 50% of the value of the  
26 corporation's outstanding stock.

1           (4) A corporation and any party related to that  
2 corporation in a manner that would require an attribution  
3 of stock from the corporation to the party or from the  
4 party to the corporation under the attribution rules of  
5 Section 318 of the Internal Revenue Code, if the  
6 corporation and all such related parties own in the  
7 aggregate at least 50% of the profits, capital, stock, or  
8 value of the taxpayer.

9           (5) A person to or from whom there is an attribution of  
10 stock ownership in accordance with Section 1563(e) of the  
11 Internal Revenue Code, except, for purposes of determining  
12 whether a person is a related member under this paragraph,  
13 20% shall be substituted for 5% wherever 5% appears in  
14 Section 1563(e) of the Internal Revenue Code.

15           "Retained employee" means a full-time employee employed by  
16 the taxpayer prior to the term of the Agreement who continues  
17 to be employed during the term of the agreement whose job  
18 duties are directly and substantially related to the project.  
19 For purposes of this definition, "directly and substantially  
20 related to the project" means at least two-thirds of the  
21 employee's job duties must be directly related to the project  
22 and the employee must devote at least two-thirds of his or her  
23 time to the project. The term "retained employee" does not  
24 include any individual who has a direct or an indirect  
25 ownership interest of at least 5% in the profits, equity,  
26 capital, or value of the taxpayer or a child, grandchild,

1 parent, or spouse, other than a spouse who is legally  
2 separated from the individual, of any individual who has a  
3 direct or indirect ownership of at least 5% in the profits,  
4 equity, capital, or value of the taxpayer.

5 "REV Illinois credit" means a credit agreed to between the  
6 Department and the applicant under this Act that is based on  
7 the incremental income tax attributable to new employees and,  
8 if applicable, retained employees, and on training costs for  
9 such employees at the applicant's project.

10 "REV construction jobs credit" means a credit agreed to  
11 between the Department and the applicant under this Act that  
12 is based on the incremental income tax attributable to  
13 construction wages paid in connection with construction of the  
14 project facilities.

15 "Statewide baseline" means the total number of full-time  
16 employees of the applicant and any related member employed by  
17 such entities at the time of application for incentives under  
18 this Act.

19 "Taxpayer" means an individual, corporation, partnership,  
20 or other entity that has a legal obligation to pay Illinois  
21 income taxes and file an Illinois income tax return.

22 "Training costs" means costs incurred to upgrade the  
23 technological skills of full-time employees in Illinois and  
24 includes: curriculum development; training materials  
25 (including scrap product costs); trainee domestic travel  
26 expenses; instructor costs (including wages, fringe benefits,

1 tuition and domestic travel expenses); rent, purchase or lease  
2 of training equipment; and other usual and customary training  
3 costs. "Training costs" do not include costs associated with  
4 travel outside the United States (unless the Taxpayer receives  
5 prior written approval for the travel by the Director based on  
6 a showing of substantial need or other proof the training is  
7 not reasonably available within the United States), wages and  
8 fringe benefits of employees during periods of training, or  
9 administrative cost related to full-time employees of the  
10 taxpayer.

11 "Underserved area" means any geographic areas as defined  
12 in Section 5-5 of the Economic Development for a Growing  
13 Economy Tax Credit Act.

14 (Source: P.A. 102-669, eff. 11-16-21.)

15 (20 ILCS 686/20)

16 Sec. 20. REV Illinois Program; project applications.

17 (a) The Reimagining Electric Vehicles in Illinois (REV  
18 Illinois) Program is hereby established and shall be  
19 administered by the Department. The Program will provide  
20 financial incentives to any one or more of the following: (1)  
21 eligible manufacturers of electric vehicles, electric vehicle  
22 component parts, and electric vehicle power supply equipment;  
23 (2) battery recycling and reuse manufacturers; or (3) battery  
24 raw materials refining service providers.

25 (b) Any taxpayer planning a project to be located in

1 Illinois may request consideration for designation of its  
2 project as a REV Illinois Project, by formal written letter of  
3 request or by formal application to the Department, in which  
4 the applicant states its intent to make at least a specified  
5 level of investment and intends to hire a specified number of  
6 full-time employees at a designated location in Illinois. As  
7 circumstances require, the Department shall require a formal  
8 application from an applicant and a formal letter of request  
9 for assistance.

10 (c) In order to qualify for credits under the REV Illinois  
11 Program, an Applicant must:

12 (1) for an electric vehicle manufacturer:

13 (A) make an investment of at least \$1,500,000,000  
14 in capital improvements at the project site;

15 (B) to be placed in service within the State  
16 within a 60-month period after approval of the  
17 application; and

18 (C) create at least 500 new full-time employee  
19 jobs; or

20 (2) for an electric vehicle component parts  
21 manufacturer:

22 (A) make an investment of at least \$300,000,000 in  
23 capital improvements at the project site;

24 (B) manufacture one or more parts that are  
25 primarily used for electric vehicle manufacturing;

26 (C) to be placed in service within the State



1 within a 60-month period after approval of the  
2 application; and

3 (D) create at least 150 new full-time employee  
4 jobs; or

5 (3) for an electric vehicle manufacturer, an electric  
6 vehicle power supply equipment manufacturer ~~Manufacturer~~,  
7 an ~~or~~ electric vehicle component part manufacturer that  
8 does not qualify ~~quality~~ under paragraph (2) above, a  
9 battery recycling and reuse manufacturer, or a battery raw  
10 materials refining service provider:

11 (A) make an investment of at least \$20,000,000 in  
12 capital improvements at the project site;

13 (B) for electric vehicle component part  
14 manufacturers, manufacture one or more parts that are  
15 primarily used for electric vehicle manufacturing;

16 (C) to be placed in service within the State  
17 within a 48-month period after approval of the  
18 application; and

19 (D) create at least 50 new full-time employee  
20 jobs; or

21 (4) for an electric vehicle manufacturer or electric  
22 vehicle component parts manufacturer with existing  
23 operations within Illinois that intends to convert or  
24 expand, in whole or in part, the existing facility from  
25 traditional manufacturing to electric vehicle  
26 manufacturing, electric vehicle component parts

1 manufacturing, or electric vehicle power supply equipment  
2 manufacturing:

3 (A) make an investment of at least \$100,000,000 in  
4 capital improvements at the project site;

5 (B) to be placed in service within the State  
6 within a 60-month period after approval of the  
7 application; and

8 (C) create the lesser of 75 new full-time employee  
9 jobs or new full-time employee jobs equivalent to 10%  
10 of the Statewide baseline applicable to the taxpayer  
11 and any related member at the time of application.

12 (d) For agreements entered into prior to the effective  
13 date of this amendatory Act of the 102nd General Assembly, for  
14 ~~For~~ any applicant creating the full-time employee jobs noted  
15 in subsection (c), those jobs must have a total compensation  
16 equal to or greater than 120% of the average wage paid to  
17 full-time employees in the county where the project is  
18 located, as determined by the U.S. Bureau of Labor Statistics.  
19 For agreements entered into on or after the effective date of  
20 this amendatory Act of the 102nd General Assembly, for any  
21 applicant creating the full-time employee jobs noted in  
22 subsection (c), those jobs must have a compensation equal to  
23 or greater than 120% of the average wage paid to full-time  
24 employees in a similar position within an occupational group  
25 in the county where the project is located, as determined by  
26 the U.S. Bureau of Labor Statistics.

1 (e) For any applicant, within 24 months after being placed  
2 in service, it must certify to the Department that it is carbon  
3 neutral or has attained certification under one of more of the  
4 following green building standards:

5 (1) BREEAM for New Construction or BREEAM In-Use;

6 (2) ENERGY STAR;

7 (3) Envision;

8 (4) ISO 50001 - energy management;

9 (5) LEED for Building Design and Construction or LEED  
10 for Building Operations and Maintenance;

11 (6) Green Globes for New Construction or Green Globes  
12 for Existing Buildings; or

13 (7) UL 3223.

14 (f) Each applicant must outline its hiring plan and  
15 commitment to recruit and hire full-time employee positions at  
16 the project site. The hiring plan may include a partnership  
17 with an institution of higher education to provide  
18 internships, including, but not limited to, internships  
19 supported by the Clean Jobs Workforce Network Program, or  
20 full-time permanent employment for students at the project  
21 site. Additionally, the applicant may create or utilize  
22 participants from apprenticeship programs that are approved by  
23 and registered with the United States Department of Labor's  
24 Bureau of Apprenticeship and Training. The Applicant may apply  
25 for apprenticeship education expense credits in accordance  
26 with the provisions set forth in 14 Ill. Admin. Code 522. Each

1 applicant is required to report annually, on or before April  
2 15, on the diversity of its workforce in accordance with  
3 Section 50 of this Act. For existing facilities of applicants  
4 under paragraph (3) of subsection (b) above, if the taxpayer  
5 expects a reduction in force due to its transition to  
6 manufacturing electric vehicle, electric vehicle component  
7 parts, or electric vehicle power supply equipment, the plan  
8 submitted under this Section must outline the taxpayer's plan  
9 to assist with retraining its workforce aligned with the  
10 taxpayer's adoption of new technologies and anticipated  
11 efforts to retrain employees through employment opportunities  
12 within the taxpayer's workforce.

13 (g) Each applicant must demonstrate a contractual or other  
14 relationship with a recycling facility, or demonstrate its own  
15 recycling capabilities, at the time of application and report  
16 annually a continuing contractual or other relationship with a  
17 recycling facility and the percentage of batteries used in  
18 electric vehicles recycled throughout the term of the  
19 agreement.

20 (h) A taxpayer may not enter into more than one agreement  
21 under this Act with respect to a single address or location for  
22 the same period of time. Also, a taxpayer may not enter into an  
23 agreement under this Act with respect to a single address or  
24 location for the same period of time for which the taxpayer  
25 currently holds an active agreement under the Economic  
26 Development for a Growing Economy Tax Credit Act. This

1 provision does not preclude the applicant from entering into  
2 an additional agreement after the expiration or voluntary  
3 termination of an earlier agreement under this Act or under  
4 the Economic Development for a Growing Economy Tax Credit Act  
5 to the extent that the taxpayer's application otherwise  
6 satisfies the terms and conditions of this Act and is approved  
7 by the Department. An applicant with an existing agreement  
8 under the Economic Development for a Growing Economy Tax  
9 Credit Act may submit an application for an agreement under  
10 this Act after it terminates any existing agreement under the  
11 Economic Development for a Growing Economy Tax Credit Act with  
12 respect to the same address or location.

13 (Source: P.A. 102-669, eff. 11-16-21.)

14 ARTICLE 35. RIVER EDGE

15 Section 35-5. The River Edge Redevelopment Zone Act is  
16 amended by changing Section 10-3 as follows:

17 (65 ILCS 115/10-3)

18 Sec. 10-3. Definitions. As used in this Act:

19 "Department" means the Department of Commerce and Economic  
20 Opportunity.

21 "River Edge Redevelopment Zone" means an area of the State  
22 certified by the Department as a River Edge Redevelopment Zone  
23 pursuant to this Act.

1 "Designated zone organization" means an association or  
2 entity: (1) the members of which are substantially all  
3 residents of the River Edge Redevelopment Zone or of the  
4 municipality in which the River Edge Redevelopment Zone is  
5 located; (2) the board of directors of which is elected by the  
6 members of the organization; (3) that satisfies the criteria  
7 set forth in Section 501(c) (3) or 501(c) (4) of the Internal  
8 Revenue Code; and (4) that exists primarily for the purpose of  
9 performing within the zone, for the benefit of the residents  
10 and businesses thereof, any of the functions set forth in  
11 Section 8 of this Act.

12 "Incremental income tax" means the total amount withheld  
13 during the taxable year from the compensation of River Edge  
14 Construction Jobs Employees.

15 "Agency" means: each officer, board, commission, and  
16 agency created by the Constitution, in the executive branch of  
17 State government, other than the State Board of Elections;  
18 each officer, department, board, commission, agency,  
19 institution, authority, university, and body politic and  
20 corporate of the State; each administrative unit or corporate  
21 outgrowth of the State government that is created by or  
22 pursuant to statute, other than units of local government and  
23 their officers, school districts, and boards of election  
24 commissioners; and each administrative unit or corporate  
25 outgrowth of the above and as may be created by executive order  
26 of the Governor. No entity is an "agency" for the purposes of

1 this Act unless the entity is authorized by law to make rules  
2 or regulations.

3 "River Edge construction jobs credit" means an amount  
4 equal to 50% of the incremental income tax attributable to  
5 River Edge construction employees employed on a River Edge  
6 construction jobs project. However, the amount may equal 75%  
7 of the incremental income tax attributable to River Edge  
8 construction employees employed on a River Edge construction  
9 jobs project located in an underserved area. The total  
10 aggregate amount of credits awarded under the Blue Collar Jobs  
11 Act (Article 20 of this amendatory Act of the 101st General  
12 Assembly) shall not exceed \$20,000,000 in any State fiscal  
13 year.

14 "River Edge construction jobs employee" means a laborer or  
15 worker who is employed by an Illinois contractor or  
16 subcontractor in the actual construction work on the site of a  
17 River Edge construction jobs project.

18 "River Edge construction jobs project" means building a  
19 structure or building, or making improvements of any kind to  
20 real property, in a River Edge Redevelopment Zone that is  
21 built or improved in the course of completing a qualified  
22 rehabilitation plan. "River Edge construction jobs project"  
23 does not include the routine operation, routine repair, or  
24 routine maintenance of existing structures, buildings, or real  
25 property.

26 "Rule" means each agency statement of general

1 applicability that implements, applies, interprets, or  
2 prescribes law or policy, but does not include (i) statements  
3 concerning only the internal management of an agency and not  
4 affecting private rights or procedures available to persons or  
5 entities outside the agency, (ii) intra-agency memoranda, or  
6 (iii) the prescription of standardized forms.

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

9 (1) the area has a poverty rate of at least 20%,  
10 according to the latest American Community Survey ~~federal~~  
11 ~~decennial census~~;

12 (2) 35% or more of the families with children in the  
13 area are living below 130% of the poverty line, according  
14 to the latest American Community Survey ~~75% or more of the~~  
15 ~~children in the area participate in the federal free lunch~~  
16 ~~program according to reported statistics from the State~~  
17 ~~Board of Education~~;

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

21 (4) the area has an average unemployment rate, as  
22 determined by the Illinois Department of Employment  
23 Security, that is more than 120% of the national  
24 unemployment average, as determined by the U.S. Department  
25 of Labor, for a period of at least 2 consecutive calendar  
26 years preceding the date of the application.



1 (Source: P.A. 101-9, eff. 6-5-19.)

2 ARTICLE 40. FILM PRODUCTION TAX CREDIT

3 Section 40-5. The Illinois Income Tax Act is amended by  
4 changing Section 213 as follows:

5 (35 ILCS 5/213)

6 Sec. 213. Film production services credit. For tax years  
7 beginning on or after January 1, 2004, a taxpayer who has been  
8 awarded a tax credit under the Film Production Services Tax  
9 Credit Act or under the Film Production Services Tax Credit  
10 Act of 2008 is entitled to a credit against the taxes imposed  
11 under subsections (a) and (b) of Section 201 of this Act in an  
12 amount determined by the Department of Commerce and Economic  
13 Opportunity under those Acts. If the taxpayer is a partnership  
14 or Subchapter S corporation, the credit is allowed to the  
15 partners or shareholders in accordance with the determination  
16 of income and distributive share of income under Sections 702  
17 and 704 and Subchapter S of the Internal Revenue Code.

18 A transfer of this credit may be made by the taxpayer  
19 earning the credit within one year after the credit is awarded  
20 in accordance with rules adopted by the Department of Commerce  
21 and Economic Opportunity. Beginning July 1, 2023, if a credit  
22 is transferred under this Section by the taxpayer, then the  
23 transferor taxpayer shall pay to the Department of Commerce

1 and Economic Opportunity, upon notification of a transfer,  
2 2.5% of the transferred credit amount eligible for nonresident  
3 wages, as described in Section 10 of the Film Production  
4 Services Tax Credit Act of 2008, and an additional 0.25% of the  
5 total amount of the transferred credit that is not calculated  
6 on nonresident wages, which shall be deposited into the  
7 Illinois Production Workforce Development Fund.

8 The Department, in cooperation with the Department of  
9 Commerce and Economic Opportunity, must prescribe rules to  
10 enforce and administer the provisions of this Section. This  
11 Section is exempt from the provisions of Section 250 of this  
12 Act.

13 The credit may not be carried back. If the amount of the  
14 credit exceeds the tax liability for the year, the excess may  
15 be carried forward and applied to the tax liability of the 5  
16 taxable years following the excess credit year. The credit  
17 shall be applied to the earliest year for which there is a tax  
18 liability. If there are credits from more than one tax year  
19 that are available to offset a liability, the earlier credit  
20 shall be applied first. In no event shall a credit under this  
21 Section reduce the taxpayer's liability to less than zero.

22 (Source: P.A. 94-171, eff. 7-11-05; 95-720, eff. 5-27-08.)

23 Section 40-10. The Film Production Services Tax Credit Act  
24 of 2008 is amended by changing Sections 10 and 42 and by adding  
25 Section 46 as follows:

1 (35 ILCS 16/10)

2 Sec. 10. Definitions. As used in this Act:

3 "Accredited production" means: (i) for productions  
4 commencing before May 1, 2006, a film, video, or television  
5 production that has been certified by the Department in which  
6 the aggregate Illinois labor expenditures included in the cost  
7 of the production, in the period that ends 12 months after the  
8 time principal filming or taping of the production began,  
9 exceed \$100,000 for productions of 30 minutes or longer, or  
10 \$50,000 for productions of less than 30 minutes; and (ii) for  
11 productions commencing on or after May 1, 2006, a film, video,  
12 or television production that has been certified by the  
13 Department in which the Illinois production spending included  
14 in the cost of production in the period that ends 12 months  
15 after the time principal filming or taping of the production  
16 began exceeds \$100,000 for productions of 30 minutes or longer  
17 or exceeds \$50,000 for productions of less than 30 minutes.

18 "Accredited production" does not include a production that:

19 (1) is news, current events, or public programming, or  
20 a program that includes weather or market reports;

21 (2) is a talk show;

22 (3) is a production in respect of a game,  
23 questionnaire, or contest;

24 (4) is a sports event or activity;

25 (5) is a gala presentation or awards show;

1 (6) is a finished production that solicits funds;

2 (7) is a production produced by a film production  
3 company if records, as required by 18 U.S.C. 2257, are to  
4 be maintained by that film production company with respect  
5 to any performer portrayed in that single media or  
6 multimedia program; or

7 (8) is a production produced primarily for industrial,  
8 corporate, or institutional purposes.

9 "Accredited animated production" means an accredited  
10 production in which movement and characters' performances are  
11 created using a frame-by-frame technique and a significant  
12 number of major characters are animated. Motion capture by  
13 itself is not an animation technique.

14 "Accredited production certificate" means a certificate  
15 issued by the Department certifying that the production is an  
16 accredited production that meets the guidelines of this Act.

17 "Applicant" means a taxpayer that is a film production  
18 company that is operating or has operated an accredited  
19 production located within the State of Illinois and that (i)  
20 owns the copyright in the accredited production throughout the  
21 Illinois production period or (ii) has contracted directly  
22 with the owner of the copyright in the accredited production  
23 or a person acting on behalf of the owner to provide services  
24 for the production, where the owner of the copyright is not an  
25 eligible production corporation.

26 "Credit" means:

1           (1) for an accredited production approved by the  
2 Department on or before January 1, 2005 and commencing  
3 before May 1, 2006, the amount equal to 25% of the Illinois  
4 labor expenditure approved by the Department. The  
5 applicant is deemed to have paid, on its balance due day  
6 for the year, an amount equal to 25% of its qualified  
7 Illinois labor expenditure for the tax year. For Illinois  
8 labor expenditures generated by the employment of  
9 residents of geographic areas of high poverty or high  
10 unemployment, as determined by the Department, in an  
11 accredited production commencing before May 1, 2006 and  
12 approved by the Department after January 1, 2005, the  
13 applicant shall receive an enhanced credit of 10% in  
14 addition to the 25% credit; and

15           (2) for an accredited production commencing on or  
16 after May 1, 2006, the amount equal to:

17                 (i) 20% of the Illinois production spending for  
18 the taxable year; plus

19                 (ii) 15% of the Illinois labor expenditures  
20 generated by the employment of residents of geographic  
21 areas of high poverty or high unemployment, as  
22 determined by the Department; and

23           (3) for an accredited production commencing on or  
24 after January 1, 2009, the amount equal to:

25                 (i) 30% of the Illinois production spending for  
26 the taxable year; plus

1           (ii) 15% of the Illinois labor expenditures  
2           generated by the employment of residents of geographic  
3           areas of high poverty or high unemployment, as  
4           determined by the Department.

5           "Department" means the Department of Commerce and Economic  
6           Opportunity.

7           "Director" means the Director of Commerce and Economic  
8           Opportunity.

9           "Illinois labor expenditure" means salary or wages paid to  
10          employees of the applicant for services on the accredited  
11          production.

12          To qualify as an Illinois labor expenditure, the  
13          expenditure must be:

14               (1) Reasonable in the circumstances.

15               (2) Included in the federal income tax basis of the  
16               property.

17               (3) Incurred by the applicant for services on or after  
18               January 1, 2004.

19               (4) Incurred for the production stages of the  
20               accredited production, from the final script stage to the  
21               end of the post-production stage.

22               (5) Limited to the first \$25,000 of wages paid or  
23               incurred to each employee of a production commencing  
24               before May 1, 2006 and the first \$100,000 of wages paid or  
25               incurred to each employee of a production commencing on or  
26               after May 1, 2006 and prior to July 1, 2022. For

1 productions commencing on or after July 1, 2022, limited  
2 to the first \$200,000 of wages paid or incurred to each  
3 nonresident or resident employee of a production company  
4 or loan out company that provides in-State services to a  
5 production, whether those wages are paid or incurred by  
6 the production company, loan out company, or both, subject  
7 to withholding payments provided for in Article 7 of the  
8 Illinois Income Tax Act. For purposes of calculating  
9 Illinois labor expenditures for a television series, the  
10 nonresident wage limitations provided under this  
11 subparagraph are applied to the entire season.

12 (6) For a production commencing before May 1, 2006,  
13 exclusive of the salary or wages paid to or incurred for  
14 the 2 highest paid employees of the production.

15 (7) Directly attributable to the accredited  
16 production.

17 (8) (Blank).

18 (9) Prior to July 1, 2022, paid ~~Paid~~ to persons  
19 resident in Illinois at the time the payments were made.  
20 For a production commencing on or after July 1, 2022, paid  
21 to persons resident in Illinois and nonresidents at the  
22 time the payments were made. For purposes of this  
23 subparagraph, only wages paid to nonresidents working in  
24 the following positions shall be considered Illinois labor  
25 expenditures: Writer, Director, Director of Photography,  
26 Production Designer, Costume Designer, Production

1 Accountant, VFX Supervisor, Editor, Composer, and Actor,  
2 subject to the limitations set forth under this  
3 subparagraph. For an accredited Illinois production  
4 spending of \$25,000,000 or less, no more than 2  
5 nonresident actors' wages shall qualify as an Illinois  
6 labor expenditure. For an accredited production with  
7 Illinois production spending of more than \$25,000,000, no  
8 more than 4 nonresident actor's wages shall qualify as  
9 Illinois labor expenditures. The Department may not award  
10 more than \$20,000,000 in credits under this Act based on  
11 the labor expenditures for nonresident employees in any  
12 State fiscal year.

13 (10) Paid for services rendered in Illinois.

14 "Illinois production spending" means the expenses incurred  
15 by the applicant for an accredited production, including,  
16 without limitation, all of the following:

17 (1) expenses to purchase, from vendors within  
18 Illinois, tangible personal property that is used in the  
19 accredited production;

20 (2) expenses to acquire services, from vendors in  
21 Illinois, for film production, editing, or processing; and

22 (3) for a production commencing before July 1, 2022,  
23 the compensation, not to exceed \$100,000 for any one  
24 employee, for contractual or salaried employees who are  
25 Illinois residents performing services with respect to the  
26 accredited production. For a production commencing on or



1       after July 1, 2022, the compensation, not to exceed  
2       \$200,000 for any one employee, for contractual or salaried  
3       employees who are Illinois residents or nonresident  
4       employees, subject to the limitations set forth under  
5       Section 10 of this Act.

6       "Loan out company" means a personal service corporation or  
7       other entity that is under contract with the taxpayer to  
8       provide specified individual personnel, such as artists, crew,  
9       actors, producers, or directors for the performance of  
10      services used directly in a production. "Loan out company"  
11      does not include entities contracted with by the taxpayer to  
12      provide goods or ancillary contractor services such as  
13      catering, construction, trailers, equipment, or  
14      transportation.

15       "Qualified production facility" means stage facilities in  
16       the State in which television shows and films are or are  
17       intended to be regularly produced and that contain at least  
18       one sound stage of at least 15,000 square feet.

19       Rulemaking authority to implement Public Act 95-1006, if  
20       any, is conditioned on the rules being adopted in accordance  
21       with all provisions of the Illinois Administrative Procedure  
22       Act and all rules and procedures of the Joint Committee on  
23       Administrative Rules; any purported rule not so adopted, for  
24       whatever reason, is unauthorized.

25       (Source: P.A. 102-558, eff. 8-20-21.)

1 (35 ILCS 16/42)

2 Sec. 42. Sunset of credits. The application of credits  
3 awarded pursuant to this Act shall be limited by a reasonable  
4 and appropriate sunset date. A taxpayer shall not be entitled  
5 to take a credit awarded pursuant to this Act for tax years  
6 beginning on or after January 1, 2027; provided that a  
7 taxpayer that has been awarded a credit pursuant to this Act  
8 for a tax year beginning prior to January 1, 2027 may continue  
9 to take a credit under this Act for the same accredited  
10 production for tax years beginning on or after January 1, 2027  
11 if the accredited production remains eligible for credits  
12 under this Act.

13 (Source: P.A. 101-178, eff. 8-1-19.)

14 (35 ILCS 16/46 new)

15 Sec. 46. Illinois Production Workforce Development Fund.

16 (a) The Illinois Production Workforce Development Fund is  
17 created as a special fund in the State Treasury. Beginning  
18 July 1, 2022, amounts paid to the Department of Commerce and  
19 Economic Opportunity pursuant to Section 213 of the Illinois  
20 Income Tax Act shall be deposited into the Fund. The Fund shall  
21 be used exclusively to provide grants to community-based  
22 organizations, labor organizations, private and public  
23 universities, community colleges, and other organizations and  
24 institutions that may be deemed appropriate by the Department  
25 to administer workforce training programs that support efforts

1 to recruit, hire, promote, retain, develop, and train a  
2 diverse and inclusive workforce in the film industry.

3 (b) Pursuant to Section 213 of the Illinois Income Tax  
4 Act, the Fund shall receive deposits in amounts not to exceed  
5 0.25% of the amount of each credit certificate issued that is  
6 not calculated on out-of-state wages and transferred or  
7 claimed on an Illinois tax return in the quarter such credit  
8 was transferred or claimed. In addition, such amount shall  
9 also include 2.5% of the credit amount calculated on wages  
10 paid to nonresidents that is transferred or claimed on an  
11 Illinois tax return in the quarter such credit was transferred  
12 or claimed.

13 (c) At the request of the Department, the State  
14 Comptroller and the State Treasurer may advance amounts to the  
15 Fund on an annual basis not to exceed \$1,000,000 in any fiscal  
16 year. The fund from which the moneys are advanced shall be  
17 reimbursed in the same fiscal year for any such advance  
18 payments as described in this Section. The method of  
19 reimbursement shall be set forth in rules.

20 (d) Of the appropriated funds in a given fiscal year, 50%  
21 of the appropriated funds shall be reserved for organizations  
22 that meet one of the following criteria. The organization is:  
23 (1) a minority-owned business, as defined by the Business  
24 Enterprise for Minorities, Women, and Persons with  
25 Disabilities Act; (2) located in an underserved area, as  
26 defined by the Economic Development for a Growing Economy Tax

1 Credit Act; or (3) on an annual basis, training a cohort of  
2 program participants where at least 50% of the program  
3 participants are either a minority person, as defined by the  
4 Business Enterprise for Minorities, Women, and Persons with  
5 Disabilities Act, or reside in an underserved area, as defined  
6 by the Economic Development for a Growing Economy Tax Credit  
7 Act.

8 (e) The Illinois Production Workforce Development Fund  
9 shall be administered by the Department. The Department may  
10 adopt rules necessary to administer the provisions of this  
11 Section.

12 (f) Notwithstanding any other law to the contrary, the  
13 Illinois Production Workforce Development Fund is not subject  
14 to sweeps, administrative charge-backs, or any other fiscal or  
15 budgetary maneuver that would in any way transfer any amounts  
16 from the Illinois Production Workforce Development Fund.

17 (g) By June 30 of each fiscal year, the Department must  
18 submit to the General Assembly a report that includes the  
19 following information: (1) an identification of the  
20 organizations and institutions that received funding to  
21 administer workforce training programs during the fiscal year;  
22 (2) the number of total persons trained and the number of  
23 persons trained per workforce training program in the fiscal  
24 year; and (3) in the aggregate, per organization, the number  
25 of persons identified as a minority person or that reside in an  
26 underserved area that received training in the fiscal year.

1 Section 40-90. The State Finance Act is amended by adding  
2 Section 5.970 as follows:

3 (30 ILCS 105/5.970 new)

4 Sec. 5.970. The Illinois Production Workforce Development  
5 Fund.

6 ARTICLE 45. PROPERTY TAX REBATE

7 Section 45-5. The Illinois Administrative Procedure Act is  
8 amended by adding Section 5-45.21 as follows:

9 (5 ILCS 100/5-45.21 new)

10 Sec. 5-45.21. Emergency rulemaking; residential real  
11 estate tax rebate. To provide for the expeditious and timely  
12 implementation of Section 208.5 of the Illinois Income Tax  
13 Act, emergency rules implementing the residential real estate  
14 tax rebate described in that Section may be adopted in  
15 accordance with Section 5-45 by the Department of Revenue. The  
16 adoption of emergency rules authorized by Section 5-45 and  
17 this Section is deemed to be necessary for the public  
18 interest, safety, and welfare.

19 This Section is repealed one year after the effective date  
20 of this amendatory Act of the 102nd General Assembly.

1 Section 45-10. The State Finance Act is amended by adding  
2 Section 5.971 as follows:

3 (30 ILCS 105/5.971 new)

4 Sec. 5.971. The Property Tax Rebate Fund. This Section is  
5 repealed on January 1, 2024.

6 Section 45-15. The Illinois Income Tax Act is amended by  
7 adding Section 208.5 as follows:

8 (35 ILCS 5/208.5 new)

9 Sec. 208.5. Residential real estate tax rebate.

10 (a) The Department shall pay a one-time rebate to every  
11 individual taxpayer who files with the Department, on or  
12 before October 17, 2022, an Illinois income tax return for tax  
13 year 2021 and who qualifies, in that tax year, under rules  
14 adopted by the Department, for the income tax credit provided  
15 under Section 208 of this Act. The amount of the one-time  
16 rebate provided under this Section shall be the lesser of: (1)  
17 the amount of the credit allowed to the taxpayer under Section  
18 208 for tax year 2021, including any amounts that would  
19 otherwise reduce a taxpayer's liability to less than zero, or  
20 (2) \$300 per principal residence. The Department shall develop  
21 a process to claim a rebate for taxpayers who otherwise would  
22 be eligible for the rebate under this Section but who did not  
23 have an obligation to file a 2021 Illinois income tax return

1 because their exemption allowance exceeded their Illinois base  
2 income.

3 (b) On the effective date of this amendatory Act of the  
4 102nd General Assembly, or as soon thereafter as practical,  
5 but no later than June 30, 2022, the State Comptroller shall  
6 direct and the State Treasurer shall transfer the sum of  
7 \$470,000,000 from the General Revenue Fund to the Property Tax  
8 Rebate Fund.

9 (c) On July 1, 2022, or as soon thereafter as practical,  
10 the State Comptroller shall direct and the State Treasurer  
11 shall transfer the sum of \$50,000,000 from the General Revenue  
12 Fund to the Property Tax Rebate Fund.

13 (d) In addition to any other transfers that may be  
14 provided for by law, beginning on the effective date of this  
15 amendatory Act of the 102nd General Assembly and until June  
16 30, 2023, the Director may certify additional transfer amounts  
17 needed beyond the amounts specified in subsections (b) and  
18 (c). The State Comptroller shall direct and the State  
19 Treasurer shall transfer the amounts certified by the Director  
20 from the General Revenue Fund to the Property Tax Rebate Fund.

21 (e) The Property Tax Rebate Fund is hereby created as a  
22 special fund in the State Treasury. The one-time rebate  
23 payments provided under this Section shall be paid from the  
24 Property Tax Rebate Fund. This subsection shall constitute an  
25 irrevocable and continuing appropriation of all amounts  
26 necessary to provide the one-time rebate payments described in

1 this Section.

2 (f) Beginning on July 5, 2022, the Department shall  
3 certify to the Comptroller the names of the taxpayers who are  
4 eligible for a one-time rebate under this Section, the amounts  
5 of those rebates, and any other information that the  
6 Comptroller requires to direct the payment of the rebates  
7 provided under this Section to taxpayers.

8 (g) Notwithstanding any other law to the contrary, the  
9 one-time rebates provided under this Section shall not be  
10 subject to offset by the Comptroller against any liability  
11 owed either to the State or to any unit of local government.

12 (h) On July 1, 2023, or as soon thereafter as practical,  
13 the State Comptroller shall direct and the State Treasurer  
14 shall transfer the remaining balance in the Property Tax  
15 Rebate Fund to the General Revenue Fund. Upon completion of  
16 the transfer, the Property Tax Rebate Fund is dissolved.

17 (i) This Section is repealed on January 1, 2024.

18 ARTICLE 50. GROCERIES

19 Section 50-5. The State Finance Act is amended by adding  
20 Section 5.972 as follows:

21 (30 ILCS 105/5.972 new)

22 Sec. 5.972. The Grocery Tax Replacement Fund. This Section  
23 is repealed January 1, 2024.



1           Section 50-10. The State Finance Act is amended by  
2 changing Sections 6z-17 and 6z-18 and by adding Section 6z-130  
3 as follows:

4           (30 ILCS 105/6z-17) (from Ch. 127, par. 142z-17)

5           Sec. 6z-17. State and Local Sales Tax Reform Fund.

6           (a) After deducting the amount transferred to the Tax  
7 Compliance and Administration Fund under subsection (b), of  
8 the money paid into the State and Local Sales Tax Reform Fund:  
9           (i) subject to appropriation to the Department of Revenue,  
10 Municipalities having 1,000,000 or more inhabitants shall  
11 receive 20% and may expend such amount to fund and establish a  
12 program for developing and coordinating public and private  
13 resources targeted to meet the affordable housing needs of  
14 low-income and very low-income households within such  
15 municipality, (ii) 10% shall be transferred into the Regional  
16 Transportation Authority Occupation and Use Tax Replacement  
17 Fund, a special fund in the State treasury which is hereby  
18 created, (iii) until July 1, 2013, subject to appropriation to  
19 the Department of Transportation, the Madison County Mass  
20 Transit District shall receive .6%, and beginning on July 1,  
21 2013, subject to appropriation to the Department of Revenue,  
22 0.6% shall be distributed each month out of the Fund to the  
23 Madison County Mass Transit District, (iv) the following  
24 amounts, plus any cumulative deficiency in such transfers for

1 prior months, shall be transferred monthly into the Build  
2 Illinois Fund and credited to the Build Illinois Bond Account  
3 therein:

4 Fiscal Year	Amount
5 1990	\$2,700,000
6 1991	1,850,000
7 1992	2,750,000
8 1993	2,950,000

9 From Fiscal Year 1994 through Fiscal Year 2025 the  
10 transfer shall total \$3,150,000 monthly, plus any cumulative  
11 deficiency in such transfers for prior months, and (v) the  
12 remainder of the money paid into the State and Local Sales Tax  
13 Reform Fund shall be transferred into the Local Government  
14 Distributive Fund and, except for municipalities with  
15 1,000,000 or more inhabitants which shall receive no portion  
16 of such remainder, shall be distributed, subject to  
17 appropriation, in the manner provided by Section 2 of "An Act  
18 in relation to State revenue sharing with local government  
19 entities", approved July 31, 1969, as now or hereafter  
20 amended. Municipalities with more than 50,000 inhabitants  
21 according to the 1980 U.S. Census and located within the Metro  
22 East Mass Transit District receiving funds pursuant to  
23 provision (v) of this paragraph may expend such amounts to  
24 fund and establish a program for developing and coordinating  
25 public and private resources targeted to meet the affordable  
26 housing needs of low-income and very low-income households

1 within such municipality.

2 Moneys transferred from the Grocery Tax Replacement Fund  
3 to the State and Local Sales Tax Reform Fund under Section  
4 6z-130 shall be treated under this Section in the same manner  
5 as if they had been remitted with the return on which they were  
6 reported.

7 (b) Beginning on the first day of the first calendar month  
8 to occur on or after the effective date of this amendatory Act  
9 of the 98th General Assembly, each month the Department of  
10 Revenue shall certify to the State Comptroller and the State  
11 Treasurer, and the State Comptroller shall order transferred  
12 and the State Treasurer shall transfer from the State and  
13 Local Sales Tax Reform Fund to the Tax Compliance and  
14 Administration Fund, an amount equal to 1/12 of 5% of 20% of  
15 the cash receipts collected during the preceding fiscal year  
16 by the Audit Bureau of the Department of Revenue under the Use  
17 Tax Act, the Service Use Tax Act, the Service Occupation Tax  
18 Act, the Retailers' Occupation Tax Act, and associated local  
19 occupation and use taxes administered by the Department. The  
20 amount distributed under subsection (a) each month shall first  
21 be reduced by the amount transferred to the Tax Compliance and  
22 Administration Fund under this subsection (b). Moneys  
23 transferred to the Tax Compliance and Administration Fund  
24 under this subsection (b) shall be used, subject to  
25 appropriation, to fund additional auditors and compliance  
26 personnel at the Department of Revenue.

1 (Source: P.A. 98-44, eff. 6-28-13; 98-1098, eff. 8-26-14.)

2 (30 ILCS 105/6z-18) (from Ch. 127, par. 142z-18)

3 Sec. 6z-18. Local Government Tax Fund. A portion of the  
4 money paid into the Local Government Tax Fund from sales of  
5 tangible personal property taxed at the 1% rate under the  
6 Retailers' Occupation Tax Act and the Service Occupation Tax  
7 Act, which occurred in municipalities, shall be distributed to  
8 each municipality based upon the sales which occurred in that  
9 municipality. The remainder shall be distributed to each  
10 county based upon the sales which occurred in the  
11 unincorporated area of that county.

12 Moneys transferred from the Grocery Tax Replacement Fund  
13 to the Local Government Tax Fund under Section 6z-130 shall be  
14 treated under this Section in the same manner as if they had  
15 been remitted with the return on which they were reported.

16 A portion of the money paid into the Local Government Tax  
17 Fund from the 6.25% general use tax rate on the selling price  
18 of tangible personal property which is purchased outside  
19 Illinois at retail from a retailer and which is titled or  
20 registered by any agency of this State's government shall be  
21 distributed to municipalities as provided in this paragraph.  
22 Each municipality shall receive the amount attributable to  
23 sales for which Illinois addresses for titling or registration  
24 purposes are given as being in such municipality. The  
25 remainder of the money paid into the Local Government Tax Fund

1 from such sales shall be distributed to counties. Each county  
2 shall receive the amount attributable to sales for which  
3 Illinois addresses for titling or registration purposes are  
4 given as being located in the unincorporated area of such  
5 county.

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

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

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

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

22           After the monthly transfer to the STAR Bonds Revenue Fund,  
23 on or before the 25th day of each calendar month, the  
24 Department shall prepare and certify to the Comptroller the  
25 disbursement of stated sums of money to named municipalities  
26 and counties, the municipalities and counties to be those

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

22 When certifying the amount of monthly disbursement to a  
23 municipality or county under this Section, the Department  
24 shall increase or decrease that amount by an amount necessary  
25 to offset any misallocation of previous disbursements. The  
26 offset amount shall be the amount erroneously disbursed within

1 the 6 months preceding the time a misallocation is discovered.

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

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

16 As soon as possible after the effective date of this  
17 amendatory Act of the 98th General Assembly, the State  
18 Comptroller shall order and the State Treasurer shall transfer  
19 \$6,600,000 from the Local Government Tax Fund to the Illinois  
20 State Medical Disciplinary Fund.

21 (Source: P.A. 100-1171, eff. 1-4-19.)

22 (30 ILCS 105/6z-130 new)

23 Sec. 6z-130. Grocery Tax Replacement Fund.

24 (a) The Grocery Tax Replacement Fund is hereby created as  
25 a special fund in the State Treasury.



1       (b) On the effective date of this amendatory Act of the  
2       102nd General Assembly, or as soon thereafter as practical,  
3       but no later than June 30, 2022, the State Comptroller shall  
4       direct and the State Treasurer shall transfer the sum of  
5       \$225,000,000 from the General Revenue Fund to the Grocery Tax  
6       Replacement Fund.

7       (c) On July 1, 2022, or as soon thereafter as practical,  
8       the State Comptroller shall direct and the State Treasurer  
9       shall transfer the sum of \$175,000,000 from the General  
10       Revenue Fund to the Grocery Tax Replacement Fund.

11       (d) In addition to any other transfers that may be  
12       provided for by law, beginning on the effective date of this  
13       amendatory Act of the 102nd General Assembly and until  
14       November 30, 2023, the Director may certify additional  
15       transfer amounts needed beyond the amounts specified in  
16       subsections (b) and (c) to cover any additional amounts needed  
17       to equal the net revenue that, but for the reduction of the  
18       rate to 0% in the Use Tax Act, the Service Use Tax Act, the  
19       Service Occupation Tax Act, and the Retailers' Occupation Tax  
20       Act under this amendatory Act of the 102nd General Assembly,  
21       would have been realized if the items that are subject to the  
22       rate reduction had been taxed at the 1% rate during the period  
23       of the reduction. The State Comptroller shall direct and the  
24       State Treasurer shall transfer the amounts certified by the  
25       Director from the General Revenue Fund to the Grocery Tax  
26       Replacement Fund.

1       (e) In addition to any other transfers that may be  
2 provided for by law, beginning on July 1, 2022 and until  
3 December 1, 2023, at the direction of the Department of  
4 Revenue, the State Comptroller shall direct and the State  
5 Treasurer shall transfer from the Grocery Tax Replacement Fund  
6 to the State and Local Sales Tax Reform Fund any amounts needed  
7 to equal the net revenue that, but for the reduction of the  
8 rate to 0% in the Use Tax Act and Service Use Tax Act under  
9 this amendatory Act of the 102nd General Assembly, would have  
10 been deposited into the State and Local Sales Tax Reform Fund  
11 if the items that are subject to the rate reduction had been  
12 taxed at the 1% rate during the period of the reduction.

13       (f) In addition to any other transfers that may be  
14 provided for by law, beginning on July 1, 2022 and until  
15 December 1, 2023, at the direction of the Department of  
16 Revenue, the State Comptroller shall direct and the State  
17 Treasurer shall transfer from the Grocery Tax Replacement Fund  
18 to the Local Government Tax Fund any amounts needed to equal  
19 the net revenue that, but for the reduction of the rate to 0%  
20 in the Service Occupation Tax Act and the Retailers'  
21 Occupation Tax Act under this amendatory Act of the 102nd  
22 General Assembly, would have been deposited into the Local  
23 Government Tax Fund if the items that are subject to the rate  
24 reduction had been taxed at the 1% rate during the period of  
25 the reduction.

26       (g) The State Comptroller shall direct and the State

1 Treasurer shall transfer the remaining balance in the Grocery  
2 Tax Replacement Fund to the General Revenue Fund on December  
3 1, 2023, or as soon thereafter as practical. Upon completion  
4 of the transfer, the Grocery Tax Replacement Fund is  
5 dissolved.

6 (h) This Section is repealed on January 1, 2024.

7 Section 50-15. The Use Tax Act is amended by changing  
8 Sections 3-10 and 9 as follows:

9 (35 ILCS 105/3-10)

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

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

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

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

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

23 With respect to majority blended ethanol fuel, the tax  
24 imposed by this Act does not apply to the proceeds of sales  
25 made on or after July 1, 2003 and on or before December 31,  
26 2023 but applies to 100% of the proceeds of sales made

1 thereafter.

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

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

17 Until July 1, 2022 and beginning again on July 1, 2023,  
18 with ~~With~~ respect to food for human consumption that is to be  
19 consumed off the premises where it is sold (other than  
20 alcoholic beverages, food consisting of or infused with adult  
21 use cannabis, soft drinks, and food that has been prepared for  
22 immediate consumption), the tax is imposed at the rate of 1%.  
23 Beginning on July 1, 2022 and until July 1, 2023, with respect  
24 to food for human consumption that is to be consumed off the  
25 premises where it is sold (other than alcoholic beverages,  
26 food consisting of or infused with adult use cannabis, soft

1 drinks, and food that has been prepared for immediate  
2 consumption), the tax is imposed at the rate of 0%.

3 With respect to ~~and~~ prescription and nonprescription  
4 medicines, drugs, medical appliances, products classified as  
5 Class III medical devices by the United States Food and Drug  
6 Administration that are used for cancer treatment pursuant to  
7 a prescription, as well as any accessories and components  
8 related to those devices, modifications to a motor vehicle for  
9 the purpose of rendering it usable by a person with a  
10 disability, and insulin, blood sugar testing materials,  
11 syringes, and needles used by human diabetics, the tax is  
12 imposed at the rate of 1%. For the purposes of this Section,  
13 until September 1, 2009: the term "soft drinks" means any  
14 complete, finished, ready-to-use, non-alcoholic drink, whether  
15 carbonated or not, including but not limited to soda water,  
16 cola, fruit juice, vegetable juice, carbonated water, and all  
17 other preparations commonly known as soft drinks of whatever  
18 kind or description that are contained in any closed or sealed  
19 bottle, can, carton, or container, regardless of size; but  
20 "soft drinks" does not include coffee, tea, non-carbonated  
21 water, infant formula, milk or milk products as defined in the  
22 Grade A Pasteurized Milk and Milk Products Act, or drinks  
23 containing 50% or more natural fruit or vegetable juice.

24 Notwithstanding any other provisions of this Act,  
25 beginning September 1, 2009, "soft drinks" means non-alcoholic  
26 beverages that contain natural or artificial sweeteners. "Soft

1 drinks" do not include beverages that contain milk or milk  
2 products, soy, rice or similar milk substitutes, or greater  
3 than 50% of vegetable or fruit juice by volume.

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

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

25 Notwithstanding any other provisions of this Act,  
26 beginning September 1, 2009, "nonprescription medicines and

1 drugs" does not include grooming and hygiene products. For  
2 purposes of this Section, "grooming and hygiene products"  
3 includes, but is not limited to, soaps and cleaning solutions,  
4 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan  
5 lotions and screens, unless those products are available by  
6 prescription only, regardless of whether the products meet the  
7 definition of "over-the-counter-drugs". For the purposes of  
8 this paragraph, "over-the-counter-drug" means a drug for human  
9 use that contains a label that identifies the product as a drug  
10 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"  
11 label includes:

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

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

16 Beginning on the effective date of this amendatory Act of  
17 the 98th General Assembly, "prescription and nonprescription  
18 medicines and drugs" includes medical cannabis purchased from  
19 a registered dispensing organization under the Compassionate  
20 Use of Medical Cannabis Program Act.

21 As used in this Section, "adult use cannabis" means  
22 cannabis subject to tax under the Cannabis Cultivation  
23 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law  
24 and does not include cannabis subject to tax under the  
25 Compassionate Use of Medical Cannabis Program Act.

26 If the property that is purchased at retail from a



1 retailer is acquired outside Illinois and used outside  
2 Illinois before being brought to Illinois for use here and is  
3 taxable under this Act, the "selling price" on which the tax is  
4 computed shall be reduced by an amount that represents a  
5 reasonable allowance for depreciation for the period of prior  
6 out-of-state use.

7 (Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;  
8 102-4, eff. 4-27-21.)

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

10 Sec. 9. Except as to motor vehicles, watercraft, aircraft,  
11 and trailers that are required to be registered with an agency  
12 of this State, each retailer required or authorized to collect  
13 the tax imposed by this Act shall pay to the Department the  
14 amount of such tax (except as otherwise provided) at the time  
15 when he is required to file his return for the period during  
16 which such tax was collected, less a discount of 2.1% prior to  
17 January 1, 1990, and 1.75% on and after January 1, 1990, or \$5  
18 per calendar year, whichever is greater, which is allowed to  
19 reimburse the retailer for expenses incurred in collecting the  
20 tax, keeping records, preparing and filing returns, remitting  
21 the tax and supplying data to the Department on request. The  
22 discount under this Section is not allowed for the 1.25%  
23 portion of taxes paid on aviation fuel that is subject to the  
24 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.  
25 47133. When determining the discount allowed under this

1 Section, retailers shall include the amount of tax that would  
2 have been due at the 1% rate but for the 0% rate imposed under  
3 this amendatory Act of the 102nd General Assembly. In the case  
4 of retailers who report and pay the tax on a transaction by  
5 transaction basis, as provided in this Section, such discount  
6 shall be taken with each such tax remittance instead of when  
7 such retailer files his periodic return. The discount allowed  
8 under this Section is allowed only for returns that are filed  
9 in the manner required by this Act. The Department may  
10 disallow the discount for retailers whose certificate of  
11 registration is revoked at the time the return is filed, but  
12 only if the Department's decision to revoke the certificate of  
13 registration has become final. A retailer need not remit that  
14 part of any tax collected by him to the extent that he is  
15 required to remit and does remit the tax imposed by the  
16 Retailers' Occupation Tax Act, with respect to the sale of the  
17 same property.

18 Where such tangible personal property is sold under a  
19 conditional sales contract, or under any other form of sale  
20 wherein the payment of the principal sum, or a part thereof, is  
21 extended beyond the close of the period for which the return is  
22 filed, the retailer, in collecting the tax (except as to motor  
23 vehicles, watercraft, aircraft, and trailers that are required  
24 to be registered with an agency of this State), may collect for  
25 each tax return period, only the tax applicable to that part of  
26 the selling price actually received during such tax return

1 period.

2 Except as provided in this Section, on or before the  
3 twentieth day of each calendar month, such retailer shall file  
4 a return for the preceding calendar month. Such return shall  
5 be filed on forms prescribed by the Department and shall  
6 furnish such information as the Department may reasonably  
7 require. The return shall include the gross receipts on food  
8 for human consumption that is to be consumed off the premises  
9 where it is sold (other than alcoholic beverages, food  
10 consisting of or infused with adult use cannabis, soft drinks,  
11 and food that has been prepared for immediate consumption)  
12 which were received during the preceding calendar month,  
13 quarter, or year, as appropriate, and upon which tax would  
14 have been due but for the 0% rate imposed under this amendatory  
15 Act of the 102nd General Assembly. The return shall also  
16 include the amount of tax that would have been due on food for  
17 human consumption that is to be consumed off the premises  
18 where it is sold (other than alcoholic beverages, food  
19 consisting of or infused with adult use cannabis, soft drinks,  
20 and food that has been prepared for immediate consumption) but  
21 for the 0% rate imposed under this amendatory Act of the 102nd  
22 General Assembly.

23 On and after January 1, 2018, except for returns for motor  
24 vehicles, watercraft, aircraft, and trailers that are required  
25 to be registered with an agency of this State, with respect to  
26 retailers whose annual gross receipts average \$20,000 or more,

1 all returns required to be filed pursuant to this Act shall be  
2 filed electronically. Retailers who demonstrate that they do  
3 not have access to the Internet or demonstrate hardship in  
4 filing electronically may petition the Department to waive the  
5 electronic filing requirement.

6 The Department may require returns to be filed on a  
7 quarterly basis. If so required, a return for each calendar  
8 quarter shall be filed on or before the twentieth day of the  
9 calendar month following the end of such calendar quarter. The  
10 taxpayer shall also file a return with the Department for each  
11 of the first two months of each calendar quarter, on or before  
12 the twentieth day of the following calendar month, stating:

13 1. The name of the seller;

14 2. The address of the principal place of business from  
15 which he engages in the business of selling tangible  
16 personal property at retail in this State;

17 3. The total amount of taxable receipts received by  
18 him during the preceding calendar month from sales of  
19 tangible personal property by him during such preceding  
20 calendar month, including receipts from charge and time  
21 sales, but less all deductions allowed by law;

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

24 5. The amount of tax due;

25 5-5. The signature of the taxpayer; and

26 6. Such other reasonable information as the Department

1           may require.

2           Each retailer required or authorized to collect the tax  
3 imposed by this Act on aviation fuel sold at retail in this  
4 State during the preceding calendar month shall, instead of  
5 reporting and paying tax on aviation fuel as otherwise  
6 required by this Section, report and pay such tax on a separate  
7 aviation fuel tax return. The requirements related to the  
8 return shall be as otherwise provided in this Section.  
9 Notwithstanding any other provisions of this Act to the  
10 contrary, retailers collecting tax on aviation fuel shall file  
11 all aviation fuel tax returns and shall make all aviation fuel  
12 tax payments by electronic means in the manner and form  
13 required by the Department. For purposes of this Section,  
14 "aviation fuel" means jet fuel and aviation gasoline.

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

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

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

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

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

1 payments for a minimum of one year beginning on October 1.

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

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

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

12 Before October 1, 2000, if the taxpayer's average monthly  
13 tax liability to the Department under this Act, the Retailers'  
14 Occupation Tax Act, the Service Occupation Tax Act, the  
15 Service Use Tax Act was \$10,000 or more during the preceding 4  
16 complete calendar quarters, he shall file a return with the  
17 Department each month by the 20th day of the month next  
18 following the month during which such tax liability is  
19 incurred and shall make payments to the Department on or  
20 before the 7th, 15th, 22nd and last day of the month during  
21 which such liability is incurred. On and after October 1,  
22 2000, if the taxpayer's average monthly tax liability to the  
23 Department under this Act, the Retailers' Occupation Tax Act,  
24 the Service Occupation Tax Act, and the Service Use Tax Act was  
25 \$20,000 or more during the preceding 4 complete calendar  
26 quarters, he shall file a return with the Department each

1 month by the 20th day of the month next following the month  
2 during which such tax liability is incurred and shall make  
3 payment to the Department on or before the 7th, 15th, 22nd and  
4 last day of the month during which such liability is incurred.  
5 If the month during which such tax liability is incurred began  
6 prior to January 1, 1985, each payment shall be in an amount  
7 equal to 1/4 of the taxpayer's actual liability for the month  
8 or an amount set by the Department not to exceed 1/4 of the  
9 average monthly liability of the taxpayer to the Department  
10 for the preceding 4 complete calendar quarters (excluding the  
11 month of highest liability and the month of lowest liability  
12 in such 4 quarter period). If the month during which such tax  
13 liability is incurred begins on or after January 1, 1985, and  
14 prior to January 1, 1987, each payment shall be in an amount  
15 equal to 22.5% of the taxpayer's actual liability for the  
16 month or 27.5% of the taxpayer's liability for the same  
17 calendar month of the preceding year. If the month during  
18 which such tax liability is incurred begins on or after  
19 January 1, 1987, and prior to January 1, 1988, each payment  
20 shall be in an amount equal to 22.5% of the taxpayer's actual  
21 liability for the month or 26.25% of the taxpayer's liability  
22 for the same calendar month of the preceding year. If the month  
23 during which such tax liability is incurred begins on or after  
24 January 1, 1988, and prior to January 1, 1989, or begins on or  
25 after January 1, 1996, each payment shall be in an amount equal  
26 to 22.5% of the taxpayer's actual liability for the month or



1 25% of the taxpayer's liability for the same calendar month of  
2 the preceding year. If the month during which such tax  
3 liability is incurred begins on or after January 1, 1989, and  
4 prior to January 1, 1996, each payment shall be in an amount  
5 equal to 22.5% of the taxpayer's actual liability for the  
6 month or 25% of the taxpayer's liability for the same calendar  
7 month of the preceding year or 100% of the taxpayer's actual  
8 liability for the quarter monthly reporting period. The amount  
9 of such quarter monthly payments shall be credited against the  
10 final tax liability of the taxpayer's return for that month.  
11 Before October 1, 2000, once applicable, the requirement of  
12 the making of quarter monthly payments to the Department shall  
13 continue until such taxpayer's average monthly liability to  
14 the Department during the preceding 4 complete calendar  
15 quarters (excluding the month of highest liability and the  
16 month of lowest liability) is less than \$9,000, or until such  
17 taxpayer's average monthly liability to the Department as  
18 computed for each calendar quarter of the 4 preceding complete  
19 calendar quarter period is less than \$10,000. However, if a  
20 taxpayer can show the Department that a substantial change in  
21 the taxpayer's business has occurred which causes the taxpayer  
22 to anticipate that his average monthly tax liability for the  
23 reasonably foreseeable future will fall below the \$10,000  
24 threshold stated above, then such taxpayer may petition the  
25 Department for change in such taxpayer's reporting status. On  
26 and after October 1, 2000, once applicable, the requirement of

1 the making of quarter monthly payments to the Department shall  
2 continue until such taxpayer's average monthly liability to  
3 the Department during the preceding 4 complete calendar  
4 quarters (excluding the month of highest liability and the  
5 month of lowest liability) is less than \$19,000 or until such  
6 taxpayer's average monthly liability to the Department as  
7 computed for each calendar quarter of the 4 preceding complete  
8 calendar quarter period is less than \$20,000. However, if a  
9 taxpayer can show the Department that a substantial change in  
10 the taxpayer's business has occurred which causes the taxpayer  
11 to anticipate that his average monthly tax liability for the  
12 reasonably foreseeable future will fall below the \$20,000  
13 threshold stated above, then such taxpayer may petition the  
14 Department for a change in such taxpayer's reporting status.  
15 The Department shall change such taxpayer's reporting status  
16 unless it finds that such change is seasonal in nature and not  
17 likely to be long term. Quarter monthly payment status shall  
18 be determined under this paragraph as if the rate reduction to  
19 0% in this amendatory Act of the 102nd General Assembly on food  
20 for human consumption that is to be consumed off the premises  
21 where it is sold (other than alcoholic beverages, food  
22 consisting of or infused with adult use cannabis, soft drinks,  
23 and food that has been prepared for immediate consumption) had  
24 not occurred. For quarter monthly payments due under this  
25 paragraph on or after July 1, 2023 and through June 30, 2024,  
26 "25% of the taxpayer's liability for the same calendar month

1 of the preceding year" shall be determined as if the rate  
2 reduction to 0% in this amendatory Act of the 102nd General  
3 Assembly had not occurred. If any such quarter monthly payment  
4 is not paid at the time or in the amount required by this  
5 Section, then the taxpayer shall be liable for penalties and  
6 interest on the difference between the minimum amount due and  
7 the amount of such quarter monthly payment actually and timely  
8 paid, except insofar as the taxpayer has previously made  
9 payments for that month to the Department in excess of the  
10 minimum payments previously due as provided in this Section.  
11 The Department shall make reasonable rules and regulations to  
12 govern the quarter monthly payment amount and quarter monthly  
13 payment dates for taxpayers who file on other than a calendar  
14 monthly basis.

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

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

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

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

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

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

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

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

14 In addition, with respect to motor vehicles, watercraft,  
15 aircraft, and trailers that are required to be registered with  
16 an agency of this State, every person who is engaged in the  
17 business of leasing or renting such items and who, in  
18 connection with such business, sells any such item to a  
19 retailer for the purpose of resale is, notwithstanding any  
20 other provision of this Section to the contrary, authorized to  
21 meet the return-filing requirement of this Act by reporting  
22 the transfer of all the aircraft, watercraft, motor vehicles,  
23 or trailers transferred for resale during a month to the  
24 Department on the same uniform invoice-transaction reporting  
25 return form on or before the 20th of the month following the  
26 month in which the transfer takes place. Notwithstanding any

1 other provision of this Act to the contrary, all returns filed  
2 under this paragraph must be filed by electronic means in the  
3 manner and form as required by the Department.

4 The transaction reporting return in the case of motor  
5 vehicles or trailers that are required to be registered with  
6 an agency of this State, shall be the same document as the  
7 Uniform Invoice referred to in Section 5-402 of the Illinois  
8 Vehicle Code and must show the name and address of the seller;  
9 the name and address of the purchaser; the amount of the  
10 selling price including the amount allowed by the retailer for  
11 traded-in property, if any; the amount allowed by the retailer  
12 for the traded-in tangible personal property, if any, to the  
13 extent to which Section 2 of this Act allows an exemption for  
14 the value of traded-in property; the balance payable after  
15 deducting such trade-in allowance from the total selling  
16 price; the amount of tax due from the retailer with respect to  
17 such transaction; the amount of tax collected from the  
18 purchaser by the retailer on such transaction (or satisfactory  
19 evidence that such tax is not due in that particular instance,  
20 if that is claimed to be the fact); the place and date of the  
21 sale; a sufficient identification of the property sold; such  
22 other information as is required in Section 5-402 of the  
23 Illinois Vehicle Code, and such other information as the  
24 Department may reasonably require.

25 The transaction reporting return in the case of watercraft  
26 and aircraft must show the name and address of the seller; the

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

16 Such transaction reporting return shall be filed not later  
17 than 20 days after the date of delivery of the item that is  
18 being sold, but may be filed by the retailer at any time sooner  
19 than that if he chooses to do so. The transaction reporting  
20 return and tax remittance or proof of exemption from the tax  
21 that is imposed by this Act may be transmitted to the  
22 Department by way of the State agency with which, or State  
23 officer with whom, the tangible personal property must be  
24 titled or registered (if titling or registration is required)  
25 if the Department and such agency or State officer determine  
26 that this procedure will expedite the processing of



1 applications for title or registration.

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

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

23 If the user who would otherwise pay tax to the retailer  
24 wants the transaction reporting return filed and the payment  
25 of tax or proof of exemption made to the Department before the  
26 retailer is willing to take these actions and such user has not

1 paid the tax to the retailer, such user may certify to the fact  
2 of such delay by the retailer, and may (upon the Department  
3 being satisfied of the truth of such certification) transmit  
4 the information required by the transaction reporting return  
5 and the remittance for tax or proof of exemption directly to  
6 the Department and obtain his tax receipt or exemption  
7 determination, in which event the transaction reporting return  
8 and tax remittance (if a tax payment was required) shall be  
9 credited by the Department to the proper retailer's account  
10 with the Department, but without the 2.1% or 1.75% discount  
11 provided for in this Section being allowed. When the user pays  
12 the tax directly to the Department, he shall pay the tax in the  
13 same amount and in the same form in which it would be remitted  
14 if the tax had been remitted to the Department by the retailer.

15 Where a retailer collects the tax with respect to the  
16 selling price of tangible personal property which he sells and  
17 the purchaser thereafter returns such tangible personal  
18 property and the retailer refunds the selling price thereof to  
19 the purchaser, such retailer shall also refund, to the  
20 purchaser, the tax so collected from the purchaser. When  
21 filing his return for the period in which he refunds such tax  
22 to the purchaser, the retailer may deduct the amount of the tax  
23 so refunded by him to the purchaser from any other use tax  
24 which such retailer may be required to pay or remit to the  
25 Department, as shown by such return, if the amount of the tax  
26 to be deducted was previously remitted to the Department by

1 such retailer. If the retailer has not previously remitted the  
2 amount of such tax to the Department, he is entitled to no  
3 deduction under this Act upon refunding such tax to the  
4 purchaser.

5 Any retailer filing a return under this Section shall also  
6 include (for the purpose of paying tax thereon) the total tax  
7 covered by such return upon the selling price of tangible  
8 personal property purchased by him at retail from a retailer,  
9 but as to which the tax imposed by this Act was not collected  
10 from the retailer filing such return, and such retailer shall  
11 remit the amount of such tax to the Department when filing such  
12 return.

13 If experience indicates such action to be practicable, the  
14 Department may prescribe and furnish a combination or joint  
15 return which will enable retailers, who are required to file  
16 returns hereunder and also under the Retailers' Occupation Tax  
17 Act, to furnish all the return information required by both  
18 Acts on the one form.

19 Where the retailer has more than one business registered  
20 with the Department under separate registration under this  
21 Act, such retailer 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 Beginning January 1, 1990, each month the Department shall  
25 pay into the State and Local Sales Tax Reform Fund, a special  
26 fund in the State Treasury which is hereby created, the net

1 revenue realized for the preceding month from the 1% tax  
2 imposed under this Act.

3 Beginning January 1, 1990, each month the Department shall  
4 pay into the County and Mass Transit District Fund 4% of the  
5 net revenue realized for the preceding month from the 6.25%  
6 general rate on the selling price of tangible personal  
7 property which is purchased outside Illinois at retail from a  
8 retailer and which is titled or registered by an agency of this  
9 State's government.

10 Beginning January 1, 1990, each month the Department shall  
11 pay into the State and Local Sales Tax Reform Fund, a special  
12 fund in the State Treasury, 20% of the net revenue realized for  
13 the preceding month from the 6.25% general rate on the selling  
14 price of tangible personal property, other than (i) tangible  
15 personal property which is purchased outside Illinois at  
16 retail from a retailer and which is titled or registered by an  
17 agency of this State's government and (ii) aviation fuel sold  
18 on or after December 1, 2019. This exception for aviation fuel  
19 only applies for so long as the revenue use requirements of 49  
20 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

21 For aviation fuel sold on or after December 1, 2019, each  
22 month the Department shall pay into the State Aviation Program  
23 Fund 20% of the net revenue realized for the preceding month  
24 from the 6.25% general rate on the selling price of aviation  
25 fuel, less an amount estimated by the Department to be  
26 required for refunds of the 20% portion of the tax on aviation

1 fuel under this Act, which amount shall be deposited into the  
2 Aviation Fuel Sales Tax Refund Fund. The Department shall only  
3 pay moneys into the State Aviation Program Fund and the  
4 Aviation Fuels Sales Tax Refund Fund under this Act for so long  
5 as the revenue use requirements of 49 U.S.C. 47107(b) and 49  
6 U.S.C. 47133 are binding on the State.

7 Beginning August 1, 2000, each month the Department shall  
8 pay into the State and Local Sales Tax Reform Fund 100% of the  
9 net revenue realized for the preceding month from the 1.25%  
10 rate on the selling price of motor fuel and gasohol. Beginning  
11 September 1, 2010, each month the Department shall pay into  
12 the State and Local Sales Tax Reform Fund 100% of the net  
13 revenue realized for the preceding month from the 1.25% rate  
14 on the selling price of sales tax holiday items.

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

22 Beginning October 1, 2009, each month the Department shall  
23 pay into the Capital Projects Fund an amount that is equal to  
24 an amount estimated by the Department to represent 80% of the  
25 net revenue realized for the preceding month from the sale of  
26 candy, grooming and hygiene products, and soft drinks that had

1 been taxed at a rate of 1% prior to September 1, 2009 but that  
2 are now taxed at 6.25%.

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

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

1           Beginning July 1, 2015, of the remainder of the moneys  
2 received by the Department under this Act, the Service Use Tax  
3 Act, the Service Occupation Tax Act, and the Retailers'  
4 Occupation Tax Act, each month the Department shall deposit  
5 \$500,000 into the State Crime Laboratory Fund.

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

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



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

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

1 deposited in the aggregate from collections under Section 9 of  
2 the Use Tax Act, Section 9 of the Service Use Tax Act, Section  
3 9 of the Service Occupation Tax Act, and Section 3 of the  
4 Retailers' Occupation Tax Act into the McCormick Place  
5 Expansion Project Fund in the specified fiscal years.

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

1	2013	161,000,000
2	2014	170,000,000
3	2015	179,000,000
4	2016	189,000,000
5	2017	199,000,000
6	2018	210,000,000
7	2019	221,000,000
8	2020	233,000,000
9	2021	300,000,000
10	2022	300,000,000
11	2023	300,000,000
12	2024	300,000,000
13	2025	300,000,000
14	2026	300,000,000
15	2027	375,000,000
16	2028	375,000,000
17	2029	375,000,000
18	2030	375,000,000
19	2031	375,000,000
20	2032	375,000,000
21	2033	375,000,000
22	2034	375,000,000
23	2035	375,000,000
24	2036	450,000,000
25	and	
26	each fiscal year	

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

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

20           Subject to payment of amounts into the Capital Projects  
21      Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,  
22      and the McCormick Place Expansion Project Fund pursuant to the  
23      preceding paragraphs or in any amendments thereto hereafter  
24      enacted, for aviation fuel sold on or after December 1, 2019,  
25      the Department shall each month deposit into the Aviation Fuel  
26      Sales Tax Refund Fund an amount estimated by the Department to

1 be required for refunds of the 80% portion of the tax on  
2 aviation fuel under this Act. The Department shall only  
3 deposit moneys into the Aviation Fuel Sales Tax Refund Fund  
4 under this paragraph for so long as the revenue use  
5 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are  
6 binding on the State.

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

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

1 Opportunity Law of the Civil Administrative Code of Illinois.

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

21 Subject to payments of amounts into the Build Illinois  
22 Fund, the McCormick Place Expansion Project Fund, the Illinois  
23 Tax Increment Fund, the Energy Infrastructure Fund, and the  
24 Tax Compliance and Administration Fund as provided in this  
25 Section, beginning on July 1, 2018 the Department shall pay  
26 each month into the Downstate Public Transportation Fund the

1 moneys required to be so paid under Section 2-3 of the  
2 Downstate Public Transportation Act.

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

24	Fiscal Year.....	Total Deposit
25	2024 .....	\$200,000,000
26	2025 .....	\$206,000,000

1	2026	.....	\$212,200,000
2	2027	.....	\$218,500,000
3	2028	.....	\$225,100,000
4	2029	.....	\$288,700,000
5	2030	.....	\$298,900,000
6	2031	.....	\$309,300,000
7	2032	.....	\$320,100,000
8	2033	.....	\$331,200,000
9	2034	.....	\$341,200,000
10	2035	.....	\$351,400,000
11	2036	.....	\$361,900,000
12	2037	.....	\$372,800,000
13	2038	.....	\$384,000,000
14	2039	.....	\$395,500,000
15	2040	.....	\$407,400,000
16	2041	.....	\$419,600,000
17	2042	.....	\$432,200,000
18	2043	.....	\$445,100,000

19           Beginning July 1, 2021 and until July 1, 2022, subject to  
20 the payment of amounts into the State and Local Sales Tax  
21 Reform Fund, the Build Illinois Fund, the McCormick Place  
22 Expansion Project Fund, the Illinois Tax Increment Fund, the  
23 Energy Infrastructure Fund, and the Tax Compliance and  
24 Administration Fund as provided in this Section, the  
25 Department shall pay each month into the Road Fund the amount  
26 estimated to represent 16% of the net revenue realized from



1 the taxes imposed on motor fuel and gasohol. Beginning July 1,  
2 2022 and until July 1, 2023, subject to the payment of amounts  
3 into the State and Local Sales Tax Reform Fund, the Build  
4 Illinois Fund, the McCormick Place Expansion Project Fund, the  
5 Illinois Tax Increment Fund, the Energy Infrastructure Fund,  
6 and the Tax Compliance and Administration Fund as provided in  
7 this Section, the Department shall pay each month into the  
8 Road Fund the amount estimated to represent 32% of the net  
9 revenue realized from the taxes imposed on motor fuel and  
10 gasohol. Beginning July 1, 2023 and until July 1, 2024,  
11 subject to the payment of amounts into the State and Local  
12 Sales Tax Reform Fund, the Build Illinois Fund, the McCormick  
13 Place Expansion Project Fund, the Illinois Tax Increment Fund,  
14 the Energy Infrastructure Fund, and the Tax Compliance and  
15 Administration Fund as provided in this Section, the  
16 Department shall pay each month into the Road Fund the amount  
17 estimated to represent 48% of the net revenue realized from  
18 the taxes imposed on motor fuel and gasohol. Beginning July 1,  
19 2024 and until July 1, 2025, subject to the payment of amounts  
20 into the State and Local Sales Tax Reform Fund, the Build  
21 Illinois Fund, the McCormick Place Expansion Project Fund, the  
22 Illinois Tax Increment Fund, the Energy Infrastructure Fund,  
23 and the Tax Compliance and Administration Fund as provided in  
24 this Section, the Department shall pay each month into the  
25 Road Fund the amount estimated to represent 64% of the net  
26 revenue realized from the taxes imposed on motor fuel and

1 gasohol. Beginning on July 1, 2025, subject to the payment of  
2 amounts into the State and Local Sales Tax Reform Fund, the  
3 Build Illinois Fund, the McCormick Place Expansion Project  
4 Fund, the Illinois Tax Increment Fund, the Energy  
5 Infrastructure Fund, and the Tax Compliance and Administration  
6 Fund as provided in this Section, the Department shall pay  
7 each month into the Road Fund the amount estimated to  
8 represent 80% of the net revenue realized from the taxes  
9 imposed on motor fuel and gasohol. As used in this paragraph  
10 "motor fuel" has the meaning given to that term in Section 1.1  
11 of the Motor Fuel Tax ~~Law Act~~, and "gasohol" has the meaning  
12 given to that term in Section 3-40 of this Act.

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

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

26 Net revenue realized for a month shall be the revenue

1 collected by the State pursuant to this Act, less the amount  
2 paid out during that month as refunds to taxpayers for  
3 overpayment of liability.

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

11 (Source: P.A. 100-303, eff. 8-24-17; 100-363, eff. 7-1-18;  
12 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; 101-10, Article  
13 15, Section 15-10, eff. 6-5-19; 101-10, Article 25, Section  
14 25-105, eff. 6-5-19; 101-27, eff. 6-25-19; 101-32, eff.  
15 6-28-19; 101-604, eff. 12-13-19; 101-636, eff. 6-10-20.)

16 Section 50-20. The Service Use Tax Act is amended by  
17 changing Sections 3-10 and 9 as follows:

18 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

19 Sec. 3-10. Rate of tax. Unless otherwise provided in this  
20 Section, the tax imposed by this Act is at the rate of 6.25% of  
21 the selling price of tangible personal property transferred as  
22 an incident to the sale of service, but, for the purpose of  
23 computing this tax, in no event shall the selling price be less  
24 than the cost price of the property to the serviceman.

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

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

16           With respect to majority blended ethanol fuel, as defined  
17 in the Use Tax Act, the tax imposed by this Act does not apply  
18 to the selling price of property transferred as an incident to  
19 the sale of service on or after July 1, 2003 and on or before  
20 December 31, 2023 but applies to 100% of the selling price  
21 thereafter.

22           With respect to biodiesel blends, as defined in the Use  
23 Tax Act, with no less than 1% and no more than 10% biodiesel,  
24 the tax imposed by this Act applies to (i) 80% of the selling  
25 price of property transferred as an incident to the sale of  
26 service on or after July 1, 2003 and on or before December 31,

1 2018 and (ii) 100% of the proceeds of the selling price  
2 thereafter. If, at any time, however, the tax under this Act on  
3 sales of biodiesel blends, as defined in the Use Tax Act, with  
4 no less than 1% and no more than 10% biodiesel is imposed at  
5 the rate of 1.25%, then the tax imposed by this Act applies to  
6 100% of the proceeds of sales of biodiesel blends with no less  
7 than 1% and no more than 10% biodiesel made during that time.

8 With respect to 100% biodiesel, as defined in the Use Tax  
9 Act, and biodiesel blends, as defined in the Use Tax Act, with  
10 more than 10% but no more than 99% biodiesel, the tax imposed  
11 by this Act does not apply to the proceeds of the selling price  
12 of property transferred as an incident to the sale of service  
13 on or after July 1, 2003 and on or before December 31, 2023 but  
14 applies to 100% of the selling price thereafter.

15 At the election of any registered serviceman made for each  
16 fiscal year, sales of service in which the aggregate annual  
17 cost price of tangible personal property transferred as an  
18 incident to the sales of service is less than 35%, or 75% in  
19 the case of servicemen transferring prescription drugs or  
20 servicemen engaged in graphic arts production, of the  
21 aggregate annual total gross receipts from all sales of  
22 service, the tax imposed by this Act shall be based on the  
23 serviceman's cost price of the tangible personal property  
24 transferred as an incident to the sale of those services.

25 Until July 1, 2022 and beginning again on July 1, 2023, the  
26 ~~The~~ tax shall be imposed at the rate of 1% on food prepared for

1 immediate consumption and transferred incident to a sale of  
2 service subject to this Act or the Service Occupation Tax Act  
3 by an entity licensed under the Hospital Licensing Act, the  
4 Nursing Home Care Act, the Assisted Living and Shared Housing  
5 Act, the ID/DD Community Care Act, the MC/DD Act, the  
6 Specialized Mental Health Rehabilitation Act of 2013, or the  
7 Child Care Act of 1969, or an entity that holds a permit issued  
8 pursuant to the Life Care Facilities Act. Until July 1, 2022  
9 and beginning again on July 1, 2023, the ~~The~~ tax shall also be  
10 imposed at the rate of 1% on food for human consumption that is  
11 to be consumed off the premises where it is sold (other than  
12 alcoholic beverages, food consisting of or infused with adult  
13 use cannabis, soft drinks, and food that has been prepared for  
14 immediate consumption and is not otherwise included in this  
15 paragraph).

16 Beginning on July 1, 2022 and until July 1, 2023, the tax  
17 shall be imposed at the rate of 0% on food prepared for  
18 immediate consumption and transferred incident to a sale of  
19 service subject to this Act or the Service Occupation Tax Act  
20 by an entity licensed under the Hospital Licensing Act, the  
21 Nursing Home Care Act, the Assisted Living and Shared Housing  
22 Act, the ID/DD Community Care Act, the MC/DD Act, the  
23 Specialized Mental Health Rehabilitation Act of 2013, or the  
24 Child Care Act of 1969, or an entity that holds a permit issued  
25 pursuant to the Life Care Facilities Act. Beginning on July 1,  
26 2022 and until July 1, 2023, the tax shall also be imposed at

1 the rate of 0% on food for human consumption that is to be  
2 consumed off the premises where it is sold (other than  
3 alcoholic beverages, food consisting of or infused with adult  
4 use cannabis, soft drinks, and food that has been prepared for  
5 immediate consumption and is not otherwise included in this  
6 paragraph).

7 The tax shall also be imposed at the rate of 1% on ~~and~~  
8 prescription and nonprescription medicines, drugs, medical  
9 appliances, products classified as Class III medical devices  
10 by the United States Food and Drug Administration that are  
11 used for cancer treatment pursuant to a prescription, as well  
12 as any accessories and components related to those devices,  
13 modifications to a motor vehicle for the purpose of rendering  
14 it usable by a person with a disability, and insulin, blood  
15 sugar testing materials, syringes, and needles used by human  
16 diabetics. For the purposes of this Section, until September  
17 1, 2009: the term "soft drinks" means any complete, finished,  
18 ready-to-use, non-alcoholic drink, whether carbonated or not,  
19 including but not limited to soda water, cola, fruit juice,  
20 vegetable juice, carbonated water, and all other preparations  
21 commonly known as soft drinks of whatever kind or description  
22 that are contained in any closed or sealed bottle, can,  
23 carton, or container, regardless of size; but "soft drinks"  
24 does not include coffee, tea, non-carbonated water, infant  
25 formula, milk or milk products as defined in the Grade A  
26 Pasteurized Milk and Milk Products Act, or drinks containing

1 50% or more natural fruit or vegetable juice.

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

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

20 Notwithstanding any other provisions of this Act,  
21 beginning September 1, 2009, "food for human consumption that  
22 is to be consumed off the premises where it is sold" does not  
23 include candy. For purposes of this Section, "candy" means a  
24 preparation of sugar, honey, or other natural or artificial  
25 sweeteners in combination with chocolate, fruits, nuts or  
26 other ingredients or flavorings in the form of bars, drops, or



1 pieces. "Candy" does not include any preparation that contains  
2 flour or requires refrigeration.

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

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

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

20 Beginning on January 1, 2014 (the effective date of Public  
21 Act 98-122), "prescription and nonprescription medicines and  
22 drugs" includes medical cannabis purchased from a registered  
23 dispensing organization under the Compassionate Use of Medical  
24 Cannabis Program Act.

25 As used in this Section, "adult use cannabis" means  
26 cannabis subject to tax under the Cannabis Cultivation

1 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law  
2 and does not include cannabis subject to tax under the  
3 Compassionate Use of Medical Cannabis Program Act.

4 If the property that is acquired from a serviceman is  
5 acquired outside Illinois and used outside Illinois before  
6 being brought to Illinois for use here and is taxable under  
7 this Act, the "selling price" on which the tax is computed  
8 shall be reduced by an amount that represents a reasonable  
9 allowance for depreciation for the period of prior  
10 out-of-state use.

11 (Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;  
12 102-4, eff. 4-27-21; 102-16, eff. 6-17-21.)

13 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

14 Sec. 9. Each serviceman required or authorized to collect  
15 the tax herein imposed shall pay to the Department the amount  
16 of such tax (except as otherwise provided) at the time when he  
17 is required to file his return for the period during which such  
18 tax was collected, less a discount of 2.1% prior to January 1,  
19 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar  
20 year, whichever is greater, which is allowed to reimburse the  
21 serviceman for expenses incurred in collecting the tax,  
22 keeping records, preparing and filing returns, remitting the  
23 tax and supplying data to the Department on request. When  
24 determining the discount allowed under this Section,  
25 servicemen shall include the amount of tax that would have

1 been due at the 1% rate but for the 0% rate imposed under this  
2 amendatory Act of the 102nd General Assembly. The discount  
3 under this Section is not allowed for the 1.25% portion of  
4 taxes paid on aviation fuel that is subject to the revenue use  
5 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133. The  
6 discount allowed under this Section is allowed only for  
7 returns that are filed in the manner required by this Act. The  
8 Department may disallow the discount for servicemen whose  
9 certificate of registration is revoked at the time the return  
10 is filed, but only if the Department's decision to revoke the  
11 certificate of registration has become final. A serviceman  
12 need not remit that part of any tax collected by him to the  
13 extent that he is required to pay and does pay the tax imposed  
14 by the Service Occupation Tax Act with respect to his sale of  
15 service involving the incidental transfer by him of the same  
16 property.

17 Except as provided hereinafter in this Section, on or  
18 before the twentieth day of each calendar month, such  
19 serviceman shall file a return for the preceding calendar  
20 month in accordance with reasonable Rules and Regulations to  
21 be promulgated by the Department. Such return shall be filed  
22 on a form prescribed by the Department and shall contain such  
23 information as the Department may reasonably require. The  
24 return shall include the gross receipts which were received  
25 during the preceding calendar month or quarter on the  
26 following items upon which tax would have been due but for the

1 0% rate imposed under this amendatory Act of the 102nd General  
2 Assembly: (i) food for human consumption that is to be  
3 consumed off the premises where it is sold (other than  
4 alcoholic beverages, food consisting of or infused with adult  
5 use cannabis, soft drinks, and food that has been prepared for  
6 immediate consumption); and (ii) food prepared for immediate  
7 consumption and transferred incident to a sale of service  
8 subject to this Act or the Service Occupation Tax Act by an  
9 entity licensed under the Hospital Licensing Act, the Nursing  
10 Home Care Act, the Assisted Living and Shared Housing Act, the  
11 ID/DD Community Care Act, the MC/DD Act, the Specialized  
12 Mental Health Rehabilitation Act of 2013, or the Child Care  
13 Act of 1969, or an entity that holds a permit issued pursuant  
14 to the Life Care Facilities Act. The return shall also include  
15 the amount of tax that would have been due on the items listed  
16 in the previous sentence but for the 0% rate imposed under this  
17 amendatory Act of the 102nd General Assembly.

18 On and after January 1, 2018, with respect to servicemen  
19 whose annual gross receipts average \$20,000 or more, all  
20 returns required to be filed pursuant to this Act shall be  
21 filed electronically. Servicemen who demonstrate that they do  
22 not have access to the Internet or demonstrate hardship in  
23 filing electronically may petition the Department to waive the  
24 electronic filing requirement.

25 The Department may require returns to be filed on a  
26 quarterly basis. If so required, a return for each calendar

1 quarter shall be filed on or before the twentieth day of the  
2 calendar month following the end of such calendar quarter. The  
3 taxpayer shall also file a return with the Department for each  
4 of the first two months of each calendar quarter, on or before  
5 the twentieth day of the following calendar month, stating:

6 1. The name of the seller;

7 2. The address of the principal place of business from  
8 which he engages in business as a serviceman in this  
9 State;

10 3. The total amount of taxable receipts received by  
11 him during the preceding calendar month, including  
12 receipts from charge and time sales, but less all  
13 deductions allowed by law;

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

16 5. The amount of tax due;

17 5-5. The signature of the taxpayer; and

18 6. Such other reasonable information as the Department  
19 may require.

20 Each serviceman required or authorized to collect the tax  
21 imposed by this Act on aviation fuel transferred as an  
22 incident of a sale of service in this State during the  
23 preceding calendar month shall, instead of reporting and  
24 paying tax on aviation fuel as otherwise required by this  
25 Section, report and pay such tax on a separate aviation fuel  
26 tax return. The requirements related to the return shall be as

1 otherwise provided in this Section. Notwithstanding any other  
2 provisions of this Act to the contrary, servicemen collecting  
3 tax on aviation fuel shall file all aviation fuel tax returns  
4 and shall make all aviation fuel tax payments by electronic  
5 means in the manner and form required by the Department. For  
6 purposes of this Section, "aviation fuel" means jet fuel and  
7 aviation gasoline.

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

12 Notwithstanding any other provision of this Act to the  
13 contrary, servicemen subject to tax on cannabis shall file all  
14 cannabis tax returns and shall make all cannabis tax payments  
15 by electronic means in the manner and form required by the  
16 Department.

17 Beginning October 1, 1993, a taxpayer who has an average  
18 monthly tax liability of \$150,000 or more shall make all  
19 payments required by rules of the Department by electronic  
20 funds transfer. Beginning October 1, 1994, a taxpayer who has  
21 an average monthly tax liability of \$100,000 or more shall  
22 make all payments required by rules of the Department by  
23 electronic funds transfer. Beginning October 1, 1995, a  
24 taxpayer who has an average monthly tax liability of \$50,000  
25 or more shall make all payments required by rules of the  
26 Department by electronic funds transfer. Beginning October 1,

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

16 Before August 1 of each year beginning in 1993, the  
17 Department shall notify all taxpayers required to make  
18 payments by electronic funds transfer. All taxpayers required  
19 to make payments by electronic funds transfer shall make those  
20 payments for a minimum of one year beginning on October 1.

21 Any taxpayer not required to make payments by electronic  
22 funds transfer may make payments by electronic funds transfer  
23 with the permission of the Department.

24 All taxpayers required to make payment by electronic funds  
25 transfer and any taxpayers authorized to voluntarily make  
26 payments by electronic funds transfer shall make those

1 payments in the manner authorized by the Department.

2 The Department shall adopt such rules as are necessary to  
3 effectuate a program of electronic funds transfer and the  
4 requirements of this Section.

5 If the serviceman is otherwise required to file a monthly  
6 return and if the serviceman's average monthly tax liability  
7 to the Department does not exceed \$200, the Department may  
8 authorize his returns to be filed on a quarter annual basis,  
9 with the return for January, February and March of a given year  
10 being due by April 20 of such year; with the return for April,  
11 May and June of a given year being due by July 20 of such year;  
12 with the return for July, August and September of a given year  
13 being due by October 20 of such year, and with the return for  
14 October, November and December of a given year being due by  
15 January 20 of the following year.

16 If the serviceman is otherwise required to file a monthly  
17 or quarterly return and if the serviceman's average monthly  
18 tax liability to the Department does not exceed \$50, the  
19 Department may authorize his returns to be filed on an annual  
20 basis, with the return for a given year being due by January 20  
21 of the following year.

22 Such quarter annual and annual returns, as to form and  
23 substance, shall be subject to the same requirements as  
24 monthly returns.

25 Notwithstanding any other provision in this Act concerning  
26 the time within which a serviceman may file his return, in the



1 case of any serviceman who ceases to engage in a kind of  
2 business which makes him responsible for filing returns under  
3 this Act, such serviceman shall file a final return under this  
4 Act with the Department not more than 1 month after  
5 discontinuing such business.

6 Where a serviceman collects the tax with respect to the  
7 selling price of property which he sells and the purchaser  
8 thereafter returns such property and the serviceman refunds  
9 the selling price thereof to the purchaser, such serviceman  
10 shall also refund, to the purchaser, the tax so collected from  
11 the purchaser. When filing his return for the period in which  
12 he refunds such tax to the purchaser, the serviceman may  
13 deduct the amount of the tax so refunded by him to the  
14 purchaser from any other Service Use Tax, Service Occupation  
15 Tax, retailers' occupation tax or use tax which such  
16 serviceman may be required to pay or remit to the Department,  
17 as shown by such return, provided that the amount of the tax to  
18 be deducted shall previously have been remitted to the  
19 Department by such serviceman. If the serviceman shall not  
20 previously have remitted the amount of such tax to the  
21 Department, he shall be entitled to no deduction hereunder  
22 upon refunding such tax to the purchaser.

23 Any serviceman filing a return hereunder shall also  
24 include the total tax upon the selling price of tangible  
25 personal property purchased for use by him as an incident to a  
26 sale of service, and such serviceman shall remit the amount of

1 such tax to the Department when filing such return.

2 If experience indicates such action to be practicable, the  
3 Department may prescribe and furnish a combination or joint  
4 return which will enable servicemen, who are required to file  
5 returns hereunder and also under the Service Occupation Tax  
6 Act, to furnish all the return information required by both  
7 Acts on the one form.

8 Where the serviceman has more than one business registered  
9 with the Department under separate registration hereunder,  
10 such serviceman shall not file each return that is due as a  
11 single return covering all such registered businesses, but  
12 shall file separate returns for each such registered business.

13 Beginning January 1, 1990, each month the Department shall  
14 pay into the State and Local Tax Reform Fund, a special fund in  
15 the State Treasury, the net revenue realized for the preceding  
16 month from the 1% tax imposed under this Act.

17 Beginning January 1, 1990, each month the Department shall  
18 pay into the State and Local Sales Tax Reform Fund 20% of the  
19 net revenue realized for the preceding month from the 6.25%  
20 general rate on transfers of tangible personal property, other  
21 than (i) tangible personal property which is purchased outside  
22 Illinois at retail from a retailer and which is titled or  
23 registered by an agency of this State's government and (ii)  
24 aviation fuel sold on or after December 1, 2019. This  
25 exception for aviation fuel only applies for so long as the  
26 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.

1 47133 are binding on the State.

2 For aviation fuel sold on or after December 1, 2019, each  
3 month the Department shall pay into the State Aviation Program  
4 Fund 20% of the net revenue realized for the preceding month  
5 from the 6.25% general rate on the selling price of aviation  
6 fuel, less an amount estimated by the Department to be  
7 required for refunds of the 20% portion of the tax on aviation  
8 fuel under this Act, which amount shall be deposited into the  
9 Aviation Fuel Sales Tax Refund Fund. The Department shall only  
10 pay moneys into the State Aviation Program Fund and the  
11 Aviation Fuel Sales Tax Refund Fund under this Act for so long  
12 as the revenue use requirements of 49 U.S.C. 47107(b) and 49  
13 U.S.C. 47133 are binding on the State.

14 Beginning August 1, 2000, each month the Department shall  
15 pay into the State and Local Sales Tax Reform Fund 100% of the  
16 net revenue realized for the preceding month from the 1.25%  
17 rate on the selling price of motor fuel and gasohol.

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

25 Beginning July 1, 2013, each month the Department shall  
26 pay into the Underground Storage Tank Fund from the proceeds

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

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

19 Of the remainder of the moneys received by the Department  
20 pursuant to this Act, (a) 1.75% thereof shall be paid into the  
21 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on  
22 and after July 1, 1989, 3.8% thereof shall be paid into the  
23 Build Illinois Fund; provided, however, that if in any fiscal  
24 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case  
25 may be, of the moneys received by the Department and required  
26 to be paid into the Build Illinois Fund pursuant to Section 3

1 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax  
2 Act, Section 9 of the Service Use Tax Act, and Section 9 of the  
3 Service Occupation Tax Act, such Acts being hereinafter called  
4 the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case  
5 may be, of moneys being hereinafter called the "Tax Act  
6 Amount", and (2) the amount transferred to the Build Illinois  
7 Fund from the State and Local Sales Tax Reform Fund shall be  
8 less than the Annual Specified Amount (as defined in Section 3  
9 of the Retailers' Occupation Tax Act), an amount equal to the  
10 difference shall be immediately paid into the Build Illinois  
11 Fund from other moneys received by the Department pursuant to  
12 the Tax Acts; and further provided, that if on the last  
13 business day of any month the sum of (1) the Tax Act Amount  
14 required to be deposited into the Build Illinois Bond Account  
15 in the Build Illinois Fund during such month and (2) the amount  
16 transferred during such month to the Build Illinois Fund from  
17 the State and Local Sales Tax Reform Fund shall have been less  
18 than 1/12 of the Annual Specified Amount, an amount equal to  
19 the difference shall be immediately paid into the Build  
20 Illinois Fund from other moneys received by the Department  
21 pursuant to the Tax Acts; and, further provided, that in no  
22 event shall the payments required under the preceding proviso  
23 result in aggregate payments into the Build Illinois Fund  
24 pursuant to this clause (b) for any fiscal year in excess of  
25 the greater of (i) the Tax Act Amount or (ii) the Annual  
26 Specified Amount for such fiscal year; and, further provided,

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

1 otherwise payable for such fiscal year pursuant to clause (b)  
2 of the preceding sentence. The moneys received by the  
3 Department pursuant to this Act and required to be deposited  
4 into the Build Illinois Fund are subject to the pledge, claim  
5 and charge set forth in Section 12 of the Build Illinois Bond  
6 Act.

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

19	Fiscal Year	Total Deposit
20	1993	\$0
21	1994	53,000,000
22	1995	58,000,000
23	1996	61,000,000
24	1997	64,000,000
25	1998	68,000,000

1	1999	71,000,000
2	2000	75,000,000
3	2001	80,000,000
4	2002	93,000,000
5	2003	99,000,000
6	2004	103,000,000
7	2005	108,000,000
8	2006	113,000,000
9	2007	119,000,000
10	2008	126,000,000
11	2009	132,000,000
12	2010	139,000,000
13	2011	146,000,000
14	2012	153,000,000
15	2013	161,000,000
16	2014	170,000,000
17	2015	179,000,000
18	2016	189,000,000
19	2017	199,000,000
20	2018	210,000,000
21	2019	221,000,000
22	2020	233,000,000
23	2021	300,000,000
24	2022	300,000,000
25	2023	300,000,000
26	2024	300,000,000



1	2025	300,000,000
2	2026	300,000,000
3	2027	375,000,000
4	2028	375,000,000
5	2029	375,000,000
6	2030	375,000,000
7	2031	375,000,000
8	2032	375,000,000
9	2033	375,000,000
10	2034	375,000,000
11	2035	375,000,000
12	2036	450,000,000

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

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

1 (g) of Section 13 of the Metropolitan Pier and Exposition  
2 Authority Act, plus cumulative deficiencies in the deposits  
3 required under this Section for previous months and years,  
4 shall be deposited into the McCormick Place Expansion Project  
5 Fund, until the full amount requested for the fiscal year, but  
6 not in excess of the amount specified above as "Total  
7 Deposit", has been deposited.

8 Subject to payment of amounts into the Capital Projects  
9 Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,  
10 and the McCormick Place Expansion Project Fund pursuant to the  
11 preceding paragraphs or in any amendments thereto hereafter  
12 enacted, for aviation fuel sold on or after December 1, 2019,  
13 the Department shall each month deposit into the Aviation Fuel  
14 Sales Tax Refund Fund an amount estimated by the Department to  
15 be required for refunds of the 80% portion of the tax on  
16 aviation fuel under this Act. The Department shall only  
17 deposit moneys into the Aviation Fuel Sales Tax Refund Fund  
18 under this paragraph for so long as the revenue use  
19 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are  
20 binding on the State.

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

1 the preceding month from the 6.25% general rate on the selling  
2 price of tangible personal property.

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 with the receipt of the first report of  
7 taxes paid by an eligible business and continuing for a  
8 25-year period, the Department shall each month pay into the  
9 Energy Infrastructure Fund 80% of the net revenue realized  
10 from the 6.25% general rate on the selling price of  
11 Illinois-mined coal that was sold to an eligible business. For  
12 purposes of this paragraph, the term "eligible business" means  
13 a new electric generating facility certified pursuant to  
14 Section 605-332 of the Department of Commerce and Economic  
15 Opportunity Law of the Civil Administrative Code of Illinois.

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

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

9 Subject to payments of amounts into the Build Illinois  
10 Fund, the McCormick Place Expansion Project Fund, the Illinois  
11 Tax Increment Fund, the Energy Infrastructure Fund, and the  
12 Tax Compliance and Administration Fund as provided in this  
13 Section, beginning on July 1, 2018 the Department shall pay  
14 each month into the Downstate Public Transportation Fund the  
15 moneys required to be so paid under Section 2-3 of the  
16 Downstate Public Transportation Act.

17 Subject to successful execution and delivery of a  
18 public-private agreement between the public agency and private  
19 entity and completion of the civic build, beginning on July 1,  
20 2023, of the remainder of the moneys received by the  
21 Department under the Use Tax Act, the Service Use Tax Act, the  
22 Service Occupation Tax Act, and this Act, the Department shall  
23 deposit the following specified deposits in the aggregate from  
24 collections under the Use Tax Act, the Service Use Tax Act, the  
25 Service Occupation Tax Act, and the Retailers' Occupation Tax  
26 Act, as required under Section 8.25g of the State Finance Act

1 for distribution consistent with the Public-Private  
 2 Partnership for Civic and Transit Infrastructure Project Act.  
 3 The moneys received by the Department pursuant to this Act and  
 4 required to be deposited into the Civic and Transit  
 5 Infrastructure Fund are subject to the pledge, claim, and  
 6 charge set forth in Section 25-55 of the Public-Private  
 7 Partnership for Civic and Transit Infrastructure Project Act.  
 8 As used in this paragraph, "civic build", "private entity",  
 9 "public-private agreement", and "public agency" have the  
 10 meanings provided in Section 25-10 of the Public-Private  
 11 Partnership for Civic and Transit Infrastructure Project Act.

12	Fiscal Year.....	Total Deposit
13	2024 .....	\$200,000,000
14	2025 .....	\$206,000,000
15	2026 .....	\$212,200,000
16	2027 .....	\$218,500,000
17	2028 .....	\$225,100,000
18	2029 .....	\$288,700,000
19	2030 .....	\$298,900,000
20	2031 .....	\$309,300,000
21	2032 .....	\$320,100,000
22	2033 .....	\$331,200,000
23	2034 .....	\$341,200,000
24	2035 .....	\$351,400,000
25	2036 .....	\$361,900,000
26	2037 .....	\$372,800,000

1	2038	.....	\$384,000,000
2	2039	.....	\$395,500,000
3	2040	.....	\$407,400,000
4	2041	.....	\$419,600,000
5	2042	.....	\$432,200,000
6	2043	.....	\$445,100,000

7           Beginning July 1, 2021 and until July 1, 2022, subject to  
8 the payment of amounts into the State and Local Sales Tax  
9 Reform Fund, the Build Illinois Fund, the McCormick Place  
10 Expansion Project Fund, the Illinois Tax Increment Fund, the  
11 Energy Infrastructure Fund, and the Tax Compliance and  
12 Administration Fund as provided in this Section, the  
13 Department shall pay each month into the Road Fund the amount  
14 estimated to represent 16% of the net revenue realized from  
15 the taxes imposed on motor fuel and gasohol. Beginning July 1,  
16 2022 and until July 1, 2023, subject to the payment of amounts  
17 into the State and Local Sales Tax Reform 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  
22 Road Fund the amount estimated to represent 32% of the net  
23 revenue realized from the taxes imposed on motor fuel and  
24 gasohol. Beginning July 1, 2023 and until July 1, 2024,  
25 subject to the payment of amounts into the State and Local  
26 Sales Tax Reform Fund, the Build Illinois Fund, the McCormick

1 Place Expansion Project Fund, the Illinois Tax Increment Fund,  
2 the Energy Infrastructure Fund, and the Tax Compliance and  
3 Administration Fund as provided in this Section, the  
4 Department shall pay each month into the Road Fund the amount  
5 estimated to represent 48% of the net revenue realized from  
6 the taxes imposed on motor fuel and gasohol. Beginning July 1,  
7 2024 and until July 1, 2025, subject to the payment of amounts  
8 into the State and Local Sales Tax Reform Fund, the Build  
9 Illinois Fund, the McCormick Place Expansion Project Fund, the  
10 Illinois Tax Increment Fund, the Energy Infrastructure Fund,  
11 and the Tax Compliance and Administration Fund as provided in  
12 this Section, the Department shall pay each month into the  
13 Road Fund the amount estimated to represent 64% of the net  
14 revenue realized from the taxes imposed on motor fuel and  
15 gasohol. Beginning on July 1, 2025, subject to the payment of  
16 amounts into the State and Local Sales Tax Reform Fund, the  
17 Build Illinois Fund, the McCormick Place Expansion Project  
18 Fund, the Illinois Tax Increment Fund, the Energy  
19 Infrastructure Fund, and the Tax Compliance and Administration  
20 Fund as provided in this Section, the Department shall pay  
21 each month into the Road Fund the amount estimated to  
22 represent 80% of the net revenue realized from the taxes  
23 imposed on motor fuel and gasohol. As used in this paragraph  
24 "motor fuel" has the meaning given to that term in Section 1.1  
25 of the Motor Fuel Tax ~~Law Act~~, and "gasohol" has the meaning  
26 given to that term in Section 3-40 of the Use Tax Act.

1           Of the remainder of the moneys received by the Department  
2 pursuant to this Act, 75% thereof shall be paid into the  
3 General Revenue Fund of the State Treasury and 25% shall be  
4 reserved in a special account and used only for the transfer to  
5 the Common School Fund as part of the monthly transfer from the  
6 General Revenue Fund in accordance with Section 8a of the  
7 State Finance Act.

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

15           Net revenue realized for a month shall be the revenue  
16 collected by the State pursuant to this Act, less the amount  
17 paid out during that month as refunds to taxpayers for  
18 overpayment of liability.

19           (Source: P.A. 100-303, eff. 8-24-17; 100-363, eff. 7-1-18;  
20 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; 101-10, Article  
21 15, Section 15-15, eff. 6-5-19; 101-10, Article 25, Section  
22 25-110, eff. 6-5-19; 101-27, eff. 6-25-19; 101-32, eff.  
23 6-28-19; 101-604, eff. 12-13-19; 101-636, eff. 6-10-20.)

24           Section 50-25. The Service Occupation Tax Act is amended  
25 by changing Sections 3-10 and 9 as follows:



1 (35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

2 Sec. 3-10. Rate of tax. Unless otherwise provided in this  
3 Section, the tax imposed by this Act is at the rate of 6.25% of  
4 the "selling price", as defined in Section 2 of the Service Use  
5 Tax Act, of the tangible personal property. For the purpose of  
6 computing this tax, in no event shall the "selling price" be  
7 less than the cost price to the serviceman of the tangible  
8 personal property transferred. The selling price of each item  
9 of tangible personal property transferred as an incident of a  
10 sale of service may be shown as a distinct and separate item on  
11 the serviceman's billing to the service customer. If the  
12 selling price is not so shown, the selling price of the  
13 tangible personal property is deemed to be 50% of the  
14 serviceman's entire billing to the service customer. When,  
15 however, a serviceman contracts to design, develop, and  
16 produce special order machinery or equipment, the tax imposed  
17 by this Act shall be based on the serviceman's cost price of  
18 the tangible personal property transferred incident to the  
19 completion of the contract.

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

24 With respect to gasohol, as defined in the Use Tax Act, the  
25 tax imposed by this Act shall apply to (i) 70% of the cost

1 price of property transferred as an incident to the sale of  
2 service on or after January 1, 1990, and before July 1, 2003,  
3 (ii) 80% of the selling price of property transferred as an  
4 incident to the sale of service on or after July 1, 2003 and on  
5 or before July 1, 2017, and (iii) 100% of the cost price  
6 thereafter. If, at any time, however, the tax under this Act on  
7 sales of gasohol, as defined in the Use Tax Act, is imposed at  
8 the rate of 1.25%, then the tax imposed by this Act applies to  
9 100% of the proceeds of sales of gasohol made during that time.

10 With respect to majority blended ethanol fuel, as defined  
11 in the Use Tax Act, the tax imposed by this Act does not apply  
12 to the selling price of property transferred as an incident to  
13 the sale of service on or after July 1, 2003 and on or before  
14 December 31, 2023 but applies to 100% of the selling price  
15 thereafter.

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

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

2 With respect to 100% biodiesel, as defined in the Use Tax  
3 Act, and biodiesel blends, as defined in the Use Tax Act, with  
4 more than 10% but no more than 99% biodiesel material, the tax  
5 imposed by this Act does not apply to the proceeds of the  
6 selling price of property transferred as an incident to the  
7 sale of service on or after July 1, 2003 and on or before  
8 December 31, 2023 but applies to 100% of the selling price  
9 thereafter.

10 At the election of any registered serviceman made for each  
11 fiscal year, sales of service in which the aggregate annual  
12 cost price of tangible personal property transferred as an  
13 incident to the sales of service is less than 35%, or 75% in  
14 the case of servicemen transferring prescription drugs or  
15 servicemen engaged in graphic arts production, of the  
16 aggregate annual total gross receipts from all sales of  
17 service, the tax imposed by this Act shall be based on the  
18 serviceman's cost price of the tangible personal property  
19 transferred incident to the sale of those services.

20 Until July 1, 2022 and beginning again on July 1, 2023, the  
21 ~~The~~ tax shall be imposed at the rate of 1% on food prepared for  
22 immediate consumption and transferred incident to a sale of  
23 service subject to this Act or the Service Use ~~Occupation~~ Tax  
24 Act by an entity licensed under the Hospital Licensing Act,  
25 the Nursing Home Care Act, the Assisted Living and Shared  
26 Housing Act, the ID/DD Community Care Act, the MC/DD Act, the

1 Specialized Mental Health Rehabilitation Act of 2013, or the  
2 Child Care Act of 1969, or an entity that holds a permit issued  
3 pursuant to the Life Care Facilities Act. Until July 1, 2022  
4 and beginning again on July 1, 2023, the ~~The~~ tax shall also be  
5 imposed at the rate of 1% on food for human consumption that is  
6 to be consumed off the premises where it is sold (other than  
7 alcoholic beverages, food consisting of or infused with adult  
8 use cannabis, soft drinks, and food that has been prepared for  
9 immediate consumption and is not otherwise included in this  
10 paragraph).

11 Beginning on July 1, 2022 and until July 1, 2023, the tax  
12 shall be imposed at the rate of 0% on food prepared for  
13 immediate consumption and transferred incident to a sale of  
14 service subject to this Act or the Service Use Tax Act by an  
15 entity licensed under the Hospital Licensing Act, the Nursing  
16 Home Care Act, the Assisted Living and Shared Housing Act, the  
17 ID/DD Community Care Act, the MC/DD Act, the Specialized  
18 Mental Health Rehabilitation Act of 2013, or the Child Care  
19 Act of 1969, or an entity that holds a permit issued pursuant  
20 to the Life Care Facilities Act. Beginning July 1, 2022 and  
21 until July 1, 2023, the tax shall also be imposed at the rate  
22 of 0% on food for human consumption that is to be consumed off  
23 the premises where it is sold (other than alcoholic beverages,  
24 food consisting of or infused with adult use cannabis, soft  
25 drinks, and food that has been prepared for immediate  
26 consumption and is not otherwise included in this paragraph).

1       The tax shall also be imposed at the rate of 1% on ~~and~~  
2 prescription and nonprescription medicines, drugs, medical  
3 appliances, products classified as Class III medical devices  
4 by the United States Food and Drug Administration that are  
5 used for cancer treatment pursuant to a prescription, as well  
6 as any accessories and components related to those devices,  
7 modifications to a motor vehicle for the purpose of rendering  
8 it usable by a person with a disability, and insulin, blood  
9 sugar testing materials, syringes, and needles used by human  
10 diabetics. For the purposes of this Section, until September  
11 1, 2009: the term "soft drinks" means any complete, finished,  
12 ready-to-use, non-alcoholic drink, whether carbonated or not,  
13 including but not limited to soda water, cola, fruit juice,  
14 vegetable juice, carbonated water, and all other preparations  
15 commonly known as soft drinks of whatever kind or description  
16 that are contained in any closed or sealed can, carton, or  
17 container, regardless of size; but "soft drinks" does not  
18 include coffee, tea, non-carbonated water, infant formula,  
19 milk or milk products as defined in the Grade A Pasteurized  
20 Milk and Milk Products Act, or drinks containing 50% or more  
21 natural fruit or vegetable juice.

22       Notwithstanding any other provisions of this Act,  
23 beginning September 1, 2009, "soft drinks" means non-alcoholic  
24 beverages that contain natural or artificial sweeteners. "Soft  
25 drinks" do not include beverages that contain milk or milk  
26 products, soy, rice or similar milk substitutes, or greater

1 than 50% of vegetable or fruit juice by volume.

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

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

23       Notwithstanding any other provisions of this Act,  
24 beginning September 1, 2009, "nonprescription medicines and  
25 drugs" does not include grooming and hygiene products. For  
26 purposes of this Section, "grooming and hygiene products"

1 includes, but is not limited to, soaps and cleaning solutions,  
2 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan  
3 lotions and screens, unless those products are available by  
4 prescription only, regardless of whether the products meet the  
5 definition of "over-the-counter-drugs". For the purposes of  
6 this paragraph, "over-the-counter-drug" means a drug for human  
7 use that contains a label that identifies the product as a drug  
8 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"  
9 label includes:

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

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

14 Beginning on January 1, 2014 (the effective date of Public  
15 Act 98-122), "prescription and nonprescription medicines and  
16 drugs" includes medical cannabis purchased from a registered  
17 dispensing organization under the Compassionate Use of Medical  
18 Cannabis Program Act.

19 As used in this Section, "adult use cannabis" means  
20 cannabis subject to tax under the Cannabis Cultivation  
21 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law  
22 and does not include cannabis subject to tax under the  
23 Compassionate Use of Medical Cannabis Program Act.

24 (Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;  
25 102-4, eff. 4-27-21; 102-16, eff. 6-17-21.)

1 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

2 Sec. 9. Each serviceman required or authorized to collect  
3 the tax herein imposed shall pay to the Department the amount  
4 of such tax at the time when he is required to file his return  
5 for the period during which such tax was collectible, less a  
6 discount of 2.1% prior to January 1, 1990, and 1.75% on and  
7 after January 1, 1990, or \$5 per calendar year, whichever is  
8 greater, which is allowed to reimburse the serviceman for  
9 expenses incurred in collecting the tax, keeping records,  
10 preparing and filing returns, remitting the tax and supplying  
11 data to the Department on request. When determining the  
12 discount allowed under this Section, servicemen shall include  
13 the amount of tax that would have been due at the 1% rate but  
14 for the 0% rate imposed under this amendatory Act of the 102nd  
15 General Assembly. The discount under this Section is not  
16 allowed for the 1.25% portion of taxes paid on aviation fuel  
17 that is subject to the revenue use requirements of 49 U.S.C.  
18 47107(b) and 49 U.S.C. 47133. The discount allowed under this  
19 Section is allowed only for returns that are filed in the  
20 manner required by this Act. The Department may disallow the  
21 discount for servicemen whose certificate of registration is  
22 revoked at the time the return is filed, but only if the  
23 Department's decision to revoke the certificate of  
24 registration has become final.

25 Where such tangible personal property is sold under a  
26 conditional sales contract, or under any other form of sale



1 wherein the payment of the principal sum, or a part thereof, is  
2 extended beyond the close of the period for which the return is  
3 filed, the serviceman, in collecting the tax may collect, for  
4 each tax return period, only the tax applicable to the part of  
5 the selling price actually received during such tax return  
6 period.

7 Except as provided hereinafter in this Section, on or  
8 before the twentieth day of each calendar month, such  
9 serviceman shall file a return for the preceding calendar  
10 month in accordance with reasonable rules and regulations to  
11 be promulgated by the Department of Revenue. Such return shall  
12 be filed on a form prescribed by the Department and shall  
13 contain such information as the Department may reasonably  
14 require. The return shall include the gross receipts which  
15 were received during the preceding calendar month or quarter  
16 on the following items upon which tax would have been due but  
17 for the 0% rate imposed under this amendatory Act of the 102nd  
18 General Assembly: (i) food for human consumption that is to be  
19 consumed off the premises where it is sold (other than  
20 alcoholic beverages, food consisting of or infused with adult  
21 use cannabis, soft drinks, and food that has been prepared for  
22 immediate consumption); and (ii) food prepared for immediate  
23 consumption and transferred incident to a sale of service  
24 subject to this Act or the Service Use Tax Act by an entity  
25 licensed under the Hospital Licensing Act, the Nursing Home  
26 Care Act, the Assisted Living and Shared Housing Act, the

1 ID/DD Community Care Act, the MC/DD Act, the Specialized  
2 Mental Health Rehabilitation Act of 2013, or the Child Care  
3 Act of 1969, or an entity that holds a permit issued pursuant  
4 to the Life Care Facilities Act. The return shall also include  
5 the amount of tax that would have been due on the items listed  
6 in the previous sentence but for the 0% rate imposed under this  
7 amendatory Act of the 102nd General Assembly.

8 On and after January 1, 2018, with respect to servicemen  
9 whose annual gross receipts average \$20,000 or more, all  
10 returns required to be filed pursuant to this Act shall be  
11 filed electronically. Servicemen who demonstrate that they do  
12 not have access to the Internet or demonstrate hardship in  
13 filing electronically may petition the Department to waive the  
14 electronic filing requirement.

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

22 1. The name of the seller;

23 2. The address of the principal place of business from  
24 which he engages in business as a serviceman in this  
25 State;

26 3. The total amount of taxable receipts received by

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

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

6 5. The amount of tax due;

7 5-5. The signature of the taxpayer; and

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

10 Each serviceman required or authorized to collect the tax  
11 herein imposed on aviation fuel acquired as an incident to the  
12 purchase of a service in this State during the preceding  
13 calendar month shall, instead of reporting and paying tax as  
14 otherwise required by this Section, report and pay such tax on  
15 a separate aviation fuel tax return. The requirements related  
16 to the return shall be as otherwise provided in this Section.  
17 Notwithstanding any other provisions of this Act to the  
18 contrary, servicemen transferring aviation fuel incident to  
19 sales of service shall file all aviation fuel tax returns and  
20 shall make all aviation fuel tax payments by electronic means  
21 in the manner and form required by the Department. For  
22 purposes of this Section, "aviation fuel" means jet fuel and  
23 aviation gasoline.

24 If a taxpayer fails to sign a return within 30 days after  
25 the proper notice and demand for signature by the Department,  
26 the return shall be considered valid and any amount shown to be

1 due on the return shall be deemed assessed.

2 Notwithstanding any other provision of this Act to the  
3 contrary, servicemen subject to tax on cannabis shall file all  
4 cannabis tax returns and shall make all cannabis tax payments  
5 by electronic means in the manner and form required by the  
6 Department.

7 Prior to October 1, 2003, and on and after September 1,  
8 2004 a serviceman may accept a Manufacturer's Purchase Credit  
9 certification from a purchaser in satisfaction of Service Use  
10 Tax as provided in Section 3-70 of the Service Use Tax Act if  
11 the purchaser provides the appropriate documentation as  
12 required by Section 3-70 of the Service Use Tax Act. A  
13 Manufacturer's Purchase Credit certification, accepted prior  
14 to October 1, 2003 or on or after September 1, 2004 by a  
15 serviceman as provided in Section 3-70 of the Service Use Tax  
16 Act, may be used by that serviceman to satisfy Service  
17 Occupation Tax liability in the amount claimed in the  
18 certification, not to exceed 6.25% of the receipts subject to  
19 tax from a qualifying purchase. A Manufacturer's Purchase  
20 Credit reported on any original or amended return filed under  
21 this Act after October 20, 2003 for reporting periods prior to  
22 September 1, 2004 shall be disallowed. Manufacturer's Purchase  
23 Credit reported on annual returns due on or after January 1,  
24 2005 will be disallowed for periods prior to September 1,  
25 2004. No Manufacturer's Purchase Credit may be used after  
26 September 30, 2003 through August 31, 2004 to satisfy any tax

1 liability imposed under this Act, including any audit  
2 liability.

3 If the serviceman's average monthly tax liability to the  
4 Department does not exceed \$200, the Department may authorize  
5 his returns to be filed on a quarter annual basis, with the  
6 return for January, February and March of a given year being  
7 due by April 20 of such year; with the return for April, May  
8 and June of a given year being due by July 20 of such year;  
9 with the return for July, August and September of a given year  
10 being due by October 20 of such year, and with the return for  
11 October, November and December of a given year being due by  
12 January 20 of the following year.

13 If the serviceman's average monthly tax liability to the  
14 Department does not exceed \$50, the Department may authorize  
15 his returns to be filed on an annual basis, with the return for  
16 a given year being due by January 20 of the following year.

17 Such quarter annual and annual returns, as to form and  
18 substance, shall be subject to the same requirements as  
19 monthly returns.

20 Notwithstanding any other provision in this Act concerning  
21 the time within which a serviceman may file his return, in the  
22 case of any serviceman who ceases to engage in a kind of  
23 business which makes him responsible for filing returns under  
24 this Act, such serviceman shall file a final return under this  
25 Act with the Department not more than 1 month after  
26 discontinuing such business.

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

26           Before August 1 of each year beginning in 1993, the

1 Department shall notify all taxpayers required to make  
2 payments by electronic funds transfer. All taxpayers required  
3 to make payments by electronic funds transfer shall make those  
4 payments for a minimum of one year beginning on October 1.

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

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

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

15 Where a serviceman collects the tax with respect to the  
16 selling price of tangible personal property which he sells and  
17 the purchaser thereafter returns such tangible personal  
18 property and the serviceman refunds the selling price thereof  
19 to the purchaser, such serviceman shall also refund, to the  
20 purchaser, the tax so collected from the purchaser. When  
21 filing his return for the period in which he refunds such tax  
22 to the purchaser, the serviceman may deduct the amount of the  
23 tax so refunded by him to the purchaser from any other Service  
24 Occupation Tax, Service Use Tax, Retailers' Occupation Tax or  
25 Use Tax which such serviceman may be required to pay or remit  
26 to the Department, as shown by such return, provided that the

1 amount of the tax to be deducted shall previously have been  
2 remitted to the Department by such serviceman. If the  
3 serviceman shall not previously have remitted the amount of  
4 such tax to the Department, he shall be entitled to no  
5 deduction hereunder upon refunding such tax to the purchaser.

6 If experience indicates such action to be practicable, the  
7 Department may prescribe and furnish a combination or joint  
8 return which will enable servicemen, who are required to file  
9 returns hereunder and also under the Retailers' Occupation Tax  
10 Act, the Use Tax Act or the Service Use Tax Act, to furnish all  
11 the return information required by all said Acts on the one  
12 form.

13 Where the serviceman has more than one business registered  
14 with the Department under separate registrations hereunder,  
15 such serviceman shall file separate returns for each  
16 registered business.

17 Beginning January 1, 1990, each month the Department shall  
18 pay into the Local Government Tax Fund the revenue realized  
19 for the preceding month from the 1% tax imposed under this Act.

20 Beginning January 1, 1990, each month the Department shall  
21 pay into the County and Mass Transit District Fund 4% of the  
22 revenue realized for the preceding month from the 6.25%  
23 general rate on sales of tangible personal property other than  
24 aviation fuel sold on or after December 1, 2019. This  
25 exception for aviation fuel only applies for so long as the  
26 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.



1 47133 are binding on the State.

2 Beginning August 1, 2000, each month the Department shall  
3 pay into the County and Mass Transit District Fund 20% of the  
4 net revenue realized for the preceding month from the 1.25%  
5 rate on the selling price of motor fuel and gasohol.

6 Beginning January 1, 1990, each month the Department shall  
7 pay into the Local Government Tax Fund 16% of the revenue  
8 realized for the preceding month from the 6.25% general rate  
9 on transfers of tangible personal property other than aviation  
10 fuel sold on or after December 1, 2019. This exception for  
11 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  
19 required for refunds of the 20% portion of the tax on aviation  
20 fuel 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.

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

11 Beginning July 1, 2013, each month the Department shall  
12 pay into the Underground Storage Tank Fund from the proceeds  
13 collected under this Act, the Use Tax Act, the Service Use Tax  
14 Act, and the Retailers' Occupation Tax Act an amount equal to  
15 the average monthly deficit in the Underground Storage Tank  
16 Fund during the prior year, as certified annually by the  
17 Illinois Environmental Protection Agency, but the total  
18 payment into the Underground Storage Tank Fund under this Act,  
19 the Use Tax Act, the Service Use Tax Act, and the Retailers'  
20 Occupation Tax Act shall not exceed \$18,000,000 in any State  
21 fiscal year. As used in this paragraph, the "average monthly  
22 deficit" shall be equal to the difference between the average  
23 monthly claims for payment by the fund and the average monthly  
24 revenues deposited into the fund, excluding payments made  
25 pursuant to this paragraph.

26 Beginning July 1, 2015, of the remainder of the moneys

1 received by the Department under the Use Tax Act, the Service  
2 Use Tax Act, this Act, and the Retailers' Occupation Tax Act,  
3 each month the Department shall deposit \$500,000 into the  
4 State Crime Laboratory Fund.

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

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

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

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

1 the Use Tax Act, Section 9 of the Service Use Tax Act, Section  
2 9 of the Service Occupation Tax Act, and Section 3 of the  
3 Retailers' Occupation Tax Act into the McCormick Place  
4 Expansion Project Fund in the specified fiscal years.

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

1	2013	161,000,000
2	2014	170,000,000
3	2015	179,000,000
4	2016	189,000,000
5	2017	199,000,000
6	2018	210,000,000
7	2019	221,000,000
8	2020	233,000,000
9	2021	300,000,000
10	2022	300,000,000
11	2023	300,000,000
12	2024	300,000,000
13	2025	300,000,000
14	2026	300,000,000
15	2027	375,000,000
16	2028	375,000,000
17	2029	375,000,000
18	2030	375,000,000
19	2031	375,000,000
20	2032	375,000,000
21	2033	375,000,000
22	2034	375,000,000
23	2035	375,000,000
24	2036	450,000,000
25	and	
26	each fiscal year	

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

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

20           Subject to payment of amounts into the Capital Projects  
21      Fund, the Build Illinois Fund, and the McCormick Place  
22      Expansion Project Fund pursuant to the preceding paragraphs or  
23      in any amendments thereto hereafter enacted, for aviation fuel  
24      sold on or after December 1, 2019, the Department shall each  
25      month deposit into the Aviation Fuel Sales Tax Refund Fund an  
26      amount estimated by the Department to be required for refunds



1 of the 80% portion of the tax on aviation fuel under this Act.  
2 The Department shall only deposit moneys into the Aviation  
3 Fuel Sales Tax Refund Fund under this paragraph for so long as  
4 the revenue use requirements of 49 U.S.C. 47107(b) and 49  
5 U.S.C. 47133 are binding on the State.

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

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

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

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

1 Downstate Public Transportation Act.

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

	Fiscal Year.....	Total Deposit
24	2024 .....	\$200,000,000
25	2025 .....	\$206,000,000
26	2026 .....	\$212,200,000

1	2027	.....	\$218,500,000
2	2028	.....	\$225,100,000
3	2029	.....	\$288,700,000
4	2030	.....	\$298,900,000
5	2031	.....	\$309,300,000
6	2032	.....	\$320,100,000
7	2033	.....	\$331,200,000
8	2034	.....	\$341,200,000
9	2035	.....	\$351,400,000
10	2036	.....	\$361,900,000
11	2037	.....	\$372,800,000
12	2038	.....	\$384,000,000
13	2039	.....	\$395,500,000
14	2040	.....	\$407,400,000
15	2041	.....	\$419,600,000
16	2042	.....	\$432,200,000
17	2043	.....	\$445,100,000

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

1 gasohol. Beginning July 1, 2022 and until July 1, 2023,  
2 subject to the payment of amounts into the County and Mass  
3 Transit District Fund, the Local Government Tax Fund, the  
4 Build Illinois Fund, the McCormick Place Expansion Project  
5 Fund, the Illinois Tax Increment Fund, the Energy  
6 Infrastructure Fund, and the Tax Compliance and Administration  
7 Fund as provided in this Section, the Department shall pay  
8 each month into the Road Fund the amount estimated to  
9 represent 32% of the net revenue realized from the taxes  
10 imposed on motor fuel and gasohol. Beginning July 1, 2023 and  
11 until July 1, 2024, subject to the payment of amounts into the  
12 County and Mass Transit District Fund, the Local Government  
13 Tax Fund, the Build Illinois Fund, the McCormick Place  
14 Expansion Project Fund, the Illinois Tax Increment Fund, the  
15 Energy Infrastructure Fund, and the Tax Compliance and  
16 Administration Fund as provided in this Section, the  
17 Department shall pay each month into the Road Fund the amount  
18 estimated to represent 48% of the net revenue realized from  
19 the taxes imposed on motor fuel and gasohol. Beginning July 1,  
20 2024 and until July 1, 2025, subject to the payment of amounts  
21 into the County and Mass Transit District Fund, the Local  
22 Government Tax Fund, the Build Illinois Fund, the McCormick  
23 Place Expansion Project Fund, the Illinois Tax Increment Fund,  
24 the Energy Infrastructure Fund, and the Tax Compliance and  
25 Administration Fund as provided in this Section, the  
26 Department shall pay each month into the Road Fund the amount

1 estimated to represent 64% of the net revenue realized from  
2 the taxes imposed on motor fuel and gasohol. Beginning on July  
3 1, 2025, subject to the payment of amounts into the County and  
4 Mass Transit District Fund, the Local Government Tax Fund, the  
5 Build Illinois Fund, the McCormick Place Expansion Project  
6 Fund, the Illinois Tax Increment Fund, the Energy  
7 Infrastructure Fund, and the Tax Compliance and Administration  
8 Fund as provided in this Section, the Department shall pay  
9 each month into the Road Fund the amount estimated to  
10 represent 80% of the net revenue realized from the taxes  
11 imposed on motor fuel and gasohol. As used in this paragraph  
12 "motor fuel" has the meaning given to that term in Section 1.1  
13 of the Motor Fuel Tax Law Act, and "gasohol" has the meaning  
14 given to that term in Section 3-40 of the Use Tax Act.

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

22 The Department may, upon separate written notice to a  
23 taxpayer, require the taxpayer to prepare and file with the  
24 Department on a form prescribed by the Department within not  
25 less than 60 days after receipt of the notice an annual  
26 information return for the tax year specified in the notice.

1 Such annual return to the Department shall include a statement  
2 of gross receipts as shown by the taxpayer's last Federal  
3 income tax return. If the total receipts of the business as  
4 reported in the Federal income tax return do not agree with the  
5 gross receipts reported to the Department of Revenue for the  
6 same period, the taxpayer shall attach to his annual return a  
7 schedule showing a reconciliation of the 2 amounts and the  
8 reasons for the difference. The taxpayer's annual return to  
9 the Department shall also disclose the cost of goods sold by  
10 the taxpayer during the year covered by such return, opening  
11 and closing inventories of such goods for such year, cost of  
12 goods used from stock or taken from stock and given away by the  
13 taxpayer during such year, pay roll information of the  
14 taxpayer's business during such year and any additional  
15 reasonable information which the Department deems would be  
16 helpful in determining the accuracy of the monthly, quarterly  
17 or annual returns filed by such taxpayer as hereinbefore  
18 provided for in this Section.

19 If the annual information return required by this Section  
20 is not filed when and as required, the taxpayer shall be liable  
21 as follows:

22 (i) Until January 1, 1994, the taxpayer shall be  
23 liable for a penalty equal to 1/6 of 1% of the tax due from  
24 such taxpayer under this Act during the period to be  
25 covered by the annual return for each month or fraction of  
26 a month until such return is filed as required, the

1 penalty to be assessed and collected in the same manner as  
2 any other penalty provided for in this Act.

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

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

14 The foregoing portion of this Section concerning the  
15 filing of an annual information return shall not apply to a  
16 serviceman who is not required to file an income tax return  
17 with the United States Government.

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

25 Net revenue realized for a month shall be the revenue  
26 collected by the State pursuant to this Act, less the amount



1 paid out during that month as refunds to taxpayers for  
2 overpayment of liability.

3 For greater simplicity of administration, it shall be  
4 permissible for manufacturers, importers and wholesalers whose  
5 products are sold by numerous servicemen in Illinois, and who  
6 wish to do so, to assume the responsibility for accounting and  
7 paying to the Department all tax accruing under this Act with  
8 respect to such sales, if the servicemen who are affected do  
9 not make written objection to the Department to this  
10 arrangement.

11 (Source: P.A. 100-303, eff. 8-24-17; 100-363, eff. 7-1-18;  
12 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; 101-10, Article  
13 15, Section 15-20, eff. 6-5-19; 101-10, Article 25, Section  
14 25-115, eff. 6-5-19; 101-27, eff. 6-25-19; 101-32, eff.  
15 6-28-19; 101-604, eff. 12-13-19; 101-636, eff. 6-10-20.)

16 Section 50-30. The Retailers' Occupation Tax Act is  
17 amended by changing Sections 2-10 and 3 as follows:

18 (35 ILCS 120/2-10)

19 Sec. 2-10. Rate of tax. Unless otherwise provided in this  
20 Section, the tax imposed by this Act is at the rate of 6.25% of  
21 gross receipts from sales of tangible personal property made  
22 in the course of business.

23 Beginning on July 1, 2000 and through December 31, 2000,  
24 with respect to motor fuel, as defined in Section 1.1 of the

1 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of  
2 the Use Tax Act, the tax is imposed at the rate of 1.25%.

3 Beginning on August 6, 2010 through August 15, 2010, with  
4 respect to sales tax holiday items as defined in Section 2-8 of  
5 this Act, the tax is imposed at the rate of 1.25%.

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

21 With respect to gasohol, as defined in the Use Tax Act, the  
22 tax imposed by this Act applies to (i) 70% of the proceeds of  
23 sales made on or after January 1, 1990, and before July 1,  
24 2003, (ii) 80% of the proceeds of sales made on or after July  
25 1, 2003 and on or before July 1, 2017, and (iii) 100% of the  
26 proceeds of sales made thereafter. If, at any time, however,

1 the tax under this Act on sales of gasohol, as defined in the  
2 Use Tax Act, is imposed at the rate of 1.25%, then the tax  
3 imposed by this Act applies to 100% of the proceeds of sales of  
4 gasohol made during that time.

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

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

21 With respect to 100% biodiesel, as defined in the Use Tax  
22 Act, and biodiesel blends, as defined in the Use Tax Act, with  
23 more than 10% but no more than 99% biodiesel, the tax imposed  
24 by this Act does not apply to the proceeds of sales made on or  
25 after July 1, 2003 and on or before December 31, 2023 but  
26 applies to 100% of the proceeds of sales made thereafter.

1        Until July 1, 2022 and beginning again on July 1, 2023,  
2 with ~~With~~ respect to food for human consumption that is to be  
3 consumed off the premises where it is sold (other than  
4 alcoholic beverages, food consisting of or infused with adult  
5 use cannabis, soft drinks, and food that has been prepared for  
6 immediate consumption), the tax is imposed at the rate of 1%.  
7 Beginning July 1, 2022 and until July 1, 2023, with respect to  
8 food for human consumption that is to be consumed off the  
9 premises where it is sold (other than alcoholic beverages,  
10 food consisting of or infused with adult use cannabis, soft  
11 drinks, and food that has been prepared for immediate  
12 consumption), the tax is imposed at the rate of 0%.

13        With respect to ~~and~~ prescription and nonprescription  
14 medicines, drugs, medical appliances, products classified as  
15 Class III medical devices by the United States Food and Drug  
16 Administration that are used for cancer treatment pursuant to  
17 a prescription, as well as any accessories and components  
18 related to those devices, modifications to a motor vehicle for  
19 the purpose of rendering it usable by a person with a  
20 disability, and insulin, blood sugar testing materials,  
21 syringes, and needles used by human diabetics, the tax is  
22 imposed at the rate of 1%. For the purposes of this Section,  
23 until September 1, 2009: the term "soft drinks" means any  
24 complete, finished, ready-to-use, non-alcoholic drink, whether  
25 carbonated or not, including but not limited to soda water,  
26 cola, fruit juice, vegetable juice, carbonated water, and all

1 other preparations commonly known as soft drinks of whatever  
2 kind or description that are contained in any closed or sealed  
3 bottle, can, carton, or container, regardless of size; but  
4 "soft drinks" does not include coffee, tea, non-carbonated  
5 water, infant formula, milk or milk products as defined in the  
6 Grade A Pasteurized Milk and Milk Products Act, or drinks  
7 containing 50% or more natural fruit or vegetable juice.

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

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

26 Notwithstanding any other provisions of this Act,

1 beginning September 1, 2009, "food for human consumption that  
2 is to be consumed off the premises where it is sold" does not  
3 include candy. For purposes of this Section, "candy" means a  
4 preparation of sugar, honey, or other natural or artificial  
5 sweeteners in combination with chocolate, fruits, nuts or  
6 other ingredients or flavorings in the form of bars, drops, or  
7 pieces. "Candy" does not include any preparation that contains  
8 flour or requires refrigeration.

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

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

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

26 Beginning on the effective date of this amendatory Act of

1 the 98th General Assembly, "prescription and nonprescription  
2 medicines and drugs" includes medical cannabis purchased from  
3 a registered dispensing organization under the Compassionate  
4 Use of Medical Cannabis Program Act.

5 As used in this Section, "adult use cannabis" means  
6 cannabis subject to tax under the Cannabis Cultivation  
7 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law  
8 and does not include cannabis subject to tax under the  
9 Compassionate Use of Medical Cannabis Program Act.

10 (Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;  
11 102-4, eff. 4-27-21.)

12 (35 ILCS 120/3) (from Ch. 120, par. 442)

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

18 1. The name of the seller;

19 2. His residence address and the address of his  
20 principal place of business and the address of the  
21 principal place of business (if that is a different  
22 address) from which he engages in the business of selling  
23 tangible personal property at retail in this State;

24 3. Total amount of receipts received by him during the  
25 preceding calendar month or quarter, as the case may be,

1 from sales of tangible personal property, and from  
2 services furnished, by him during such preceding calendar  
3 month or quarter;

4 4. Total amount received by him during the preceding  
5 calendar month or quarter on charge and time sales of  
6 tangible personal property, and from services furnished,  
7 by him prior to the month or quarter for which the return  
8 is filed;

9 5. Deductions allowed by law;

10 6. Gross receipts which were received by him during  
11 the preceding calendar month or quarter and upon the basis  
12 of which the tax is imposed, including gross receipts on  
13 food for human consumption that is to be consumed off the  
14 premises where it is sold (other than alcoholic beverages,  
15 food consisting of or infused with adult use cannabis,  
16 soft drinks, and food that has been prepared for immediate  
17 consumption) which were received during the preceding  
18 calendar month or quarter and upon which tax would have  
19 been due but for the 0% rate imposed under this amendatory  
20 Act of the 102nd General Assembly;

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

23 8. The amount of tax due, including the amount of tax  
24 that would have been due on food for human consumption  
25 that is to be consumed off the premises where it is sold  
26 (other than alcoholic beverages, food consisting of or



1       infused with adult use cannabis, soft drinks, and food  
2       that has been prepared for immediate consumption) but for  
3       the 0% rate imposed under this amendatory Act of the 102nd  
4       General Assembly;

5             9. The signature of the taxpayer; and

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

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

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

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

24       Prior to October 1, 2003, and on and after September 1,  
25      2004 a retailer may accept a Manufacturer's Purchase Credit  
26      certification from a purchaser in satisfaction of Use Tax as

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

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

- 26 1. The name of the seller;

1           2. The address of the principal place of business from  
2           which he engages in the business of selling tangible  
3           personal property at retail in this State;

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

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

11          5. The amount of tax due; and

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

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

26          Beginning on October 1, 2003, any person who is not a

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

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

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

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

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

25 Beginning October 1, 1993, a taxpayer who has an average  
26 monthly tax liability of \$150,000 or more shall make all

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

24 Before August 1 of each year beginning in 1993, the  
25 Department shall notify all taxpayers required to make  
26 payments by electronic funds transfer. All taxpayers required

1 to make payments by electronic funds transfer shall make those  
2 payments for a minimum of one year beginning on October 1.

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

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

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

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

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

1 with the return for July, August and September of a given year  
2 being due by October 20 of such year, and with the return for  
3 October, November and December of a given year being due by  
4 January 20 of the following year.

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

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

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

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



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

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, every person who is engaged in the

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

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

22 The transaction reporting return, in the case of motor  
23 vehicles or trailers that are required to be registered with  
24 an agency of this State, shall be the same document as the  
25 Uniform Invoice referred to in Section 5-402 of the Illinois  
26 Vehicle Code and must show the name and address of the seller;

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

17 The transaction reporting return in the case of watercraft  
18 or aircraft must show the name and address of the seller; the  
19 name and address of the purchaser; the amount of the selling  
20 price including the amount allowed by the retailer for  
21 traded-in property, if any; the amount allowed by the retailer  
22 for the traded-in tangible personal property, if any, to the  
23 extent to which Section 1 of this Act allows an exemption for  
24 the value of traded-in property; the balance payable after  
25 deducting such trade-in allowance from the total selling  
26 price; the amount of tax due from the retailer with respect to

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

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

20 With each such transaction reporting return, the retailer  
21 shall remit the proper amount of tax due (or shall submit  
22 satisfactory evidence that the sale is not taxable if that is  
23 the case), to the Department or its agents, whereupon the  
24 Department shall issue, in the purchaser's name, a use tax  
25 receipt (or a certificate of exemption if the Department is  
26 satisfied that the particular sale is tax exempt) which such

1 purchaser may submit to the agency with which, or State  
2 officer with whom, he must title or register the tangible  
3 personal property that is involved (if titling or registration  
4 is required) in support of such purchaser's application for an  
5 Illinois certificate or other evidence of title or  
6 registration to such tangible personal property.

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

15 If the user who would otherwise pay tax to the retailer  
16 wants the transaction reporting return filed and the payment  
17 of the tax or proof of exemption made to the Department before  
18 the retailer is willing to take these actions and such user has  
19 not paid the tax to the retailer, such user may certify to the  
20 fact of such delay by the retailer and may (upon the Department  
21 being satisfied of the truth of such certification) transmit  
22 the information required by the transaction reporting return  
23 and the remittance for tax or proof of exemption directly to  
24 the Department and obtain his tax receipt or exemption  
25 determination, in which event the transaction reporting return  
26 and tax remittance (if a tax payment was required) shall be

1 credited by the Department to the proper retailer's account  
2 with the Department, but without the 2.1% or 1.75% discount  
3 provided for in this Section being allowed. When the user pays  
4 the tax directly to the Department, he shall pay the tax in the  
5 same amount and in the same form in which it would be remitted  
6 if the tax had been remitted to the Department by the retailer.

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

15 Where the seller is a corporation, the return filed on  
16 behalf of such corporation shall be signed by the president,  
17 vice-president, secretary or treasurer or by the properly  
18 accredited agent of such corporation.

19 Where the seller is a limited liability company, the  
20 return filed on behalf of the limited liability company shall  
21 be signed by a manager, member, or properly accredited agent  
22 of the limited liability company.

23 Except as provided in this Section, the retailer filing  
24 the return under this Section shall, at the time of filing such  
25 return, pay to the Department the amount of tax imposed by this  
26 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%

1 on and after January 1, 1990, or \$5 per calendar year,  
2 whichever is greater, which is allowed to reimburse the  
3 retailer for the expenses incurred in keeping records,  
4 preparing and filing returns, remitting the tax and supplying  
5 data to the Department on request. On and after January 1,  
6 2021, a certified service provider, as defined in the Leveling  
7 the Playing Field for Illinois Retail Act, filing the return  
8 under this Section on behalf of a remote retailer shall, at the  
9 time of such return, pay to the Department the amount of tax  
10 imposed by this Act less a discount of 1.75%. A remote retailer  
11 using a certified service provider to file a return on its  
12 behalf, as provided in the Leveling the Playing Field for  
13 Illinois Retail Act, is not eligible for the discount. When  
14 determining the discount allowed under this Section, retailers  
15 shall include the amount of tax that would have been due at the  
16 1% rate but for the 0% rate imposed under this amendatory Act  
17 of the 102nd General Assembly. The discount under this Section  
18 is not allowed for the 1.25% portion of taxes paid on aviation  
19 fuel that is subject to the revenue use requirements of 49  
20 U.S.C. 47107(b) and 49 U.S.C. 47133. Any prepayment made  
21 pursuant to Section 2d of this Act shall be included in the  
22 amount on which such 2.1% or 1.75% discount is computed. In the  
23 case of retailers who report and pay the tax on a transaction  
24 by transaction basis, as provided in this Section, such  
25 discount shall be taken with each such tax remittance instead  
26 of when such retailer files his periodic return. The discount

1 allowed under this Section is allowed only for returns that  
2 are filed in the manner required by this Act. The Department  
3 may disallow the discount for retailers whose certificate of  
4 registration is revoked at the time the return is filed, but  
5 only if the Department's decision to revoke the certificate of  
6 registration has become final.

7 Before October 1, 2000, if the taxpayer's average monthly  
8 tax liability to the Department under this Act, the Use Tax  
9 Act, the Service Occupation Tax Act, and the Service Use Tax  
10 Act, excluding any liability for prepaid sales tax to be  
11 remitted in accordance with Section 2d of this Act, was  
12 \$10,000 or more during the preceding 4 complete calendar  
13 quarters, he shall file a return with the Department each  
14 month by the 20th day of the month next following the month  
15 during which such tax liability is incurred and shall make  
16 payments to the Department on or before the 7th, 15th, 22nd and  
17 last day of the month during which such liability is incurred.

18 On and after October 1, 2000, if the taxpayer's average  
19 monthly tax liability to the Department under this Act, the  
20 Use Tax Act, the Service Occupation Tax Act, and the Service  
21 Use Tax Act, excluding any liability for prepaid sales tax to  
22 be remitted in accordance with Section 2d of this Act, was  
23 \$20,000 or more during the preceding 4 complete calendar  
24 quarters, he shall file a return with the Department each  
25 month by the 20th day of the month next following the month  
26 during which such tax liability is incurred and shall make



1 payment to the Department on or before the 7th, 15th, 22nd and  
2 last day of the month during which such liability is incurred.  
3 If the month during which such tax liability is incurred began  
4 prior to January 1, 1985, each payment shall be in an amount  
5 equal to 1/4 of the taxpayer's actual liability for the month  
6 or an amount set by the Department not to exceed 1/4 of the  
7 average monthly liability of the taxpayer to the Department  
8 for the preceding 4 complete calendar quarters (excluding the  
9 month of highest liability and the month of lowest liability  
10 in such 4 quarter period). If the month during which such tax  
11 liability is incurred begins on or after January 1, 1985 and  
12 prior to January 1, 1987, each payment shall be in an amount  
13 equal to 22.5% of the taxpayer's actual liability for the  
14 month or 27.5% of the taxpayer's liability for the same  
15 calendar month of the preceding year. If the month during  
16 which such tax liability is incurred begins on or after  
17 January 1, 1987 and prior to January 1, 1988, each payment  
18 shall be in an amount equal to 22.5% of the taxpayer's actual  
19 liability for the month or 26.25% of the taxpayer's liability  
20 for the same calendar month of the preceding year. If the month  
21 during which such tax liability is incurred begins on or after  
22 January 1, 1988, and prior to January 1, 1989, or begins on or  
23 after January 1, 1996, each payment shall be in an amount equal  
24 to 22.5% of the taxpayer's actual liability for the month or  
25 25% of the taxpayer's liability for the same calendar month of  
26 the preceding year. If the month during which such tax

1 liability is incurred begins on or after January 1, 1989, and  
2 prior to January 1, 1996, each payment shall be in an amount  
3 equal to 22.5% of the taxpayer's actual liability for the  
4 month or 25% of the taxpayer's liability for the same calendar  
5 month of the preceding year or 100% of the taxpayer's actual  
6 liability for the quarter monthly reporting period. The amount  
7 of such quarter monthly payments shall be credited against the  
8 final tax liability of the taxpayer's return for that month.  
9 Before October 1, 2000, once applicable, the requirement of  
10 the making of quarter monthly payments to the Department by  
11 taxpayers having an average monthly tax liability of \$10,000  
12 or more as determined in the manner provided above shall  
13 continue until such taxpayer's average monthly liability to  
14 the Department during the preceding 4 complete calendar  
15 quarters (excluding the month of highest liability and the  
16 month of lowest liability) is less than \$9,000, or until such  
17 taxpayer's average monthly liability to the Department as  
18 computed for each calendar quarter of the 4 preceding complete  
19 calendar quarter period is less than \$10,000. However, if a  
20 taxpayer can show the Department that a substantial change in  
21 the taxpayer's business has occurred which causes the taxpayer  
22 to anticipate that his average monthly tax liability for the  
23 reasonably foreseeable future will fall below the \$10,000  
24 threshold stated above, then such taxpayer may petition the  
25 Department for a change in such taxpayer's reporting status.  
26 On and after October 1, 2000, once applicable, the requirement

1 of the making of quarter monthly payments to the Department by  
2 taxpayers having an average monthly tax liability of \$20,000  
3 or more as determined in the manner provided above shall  
4 continue until such taxpayer's average monthly liability to  
5 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 \$19,000 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 \$20,000. 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 \$20,000  
15 threshold stated above, then such taxpayer may petition the  
16 Department for a change in such taxpayer's reporting status.  
17 The Department shall change such taxpayer's reporting status  
18 unless it finds that such change is seasonal in nature and not  
19 likely to be long term. Quarter monthly payment status shall  
20 be determined under this paragraph as if the rate reduction to  
21 0% in this amendatory Act of the 102nd General Assembly on food  
22 for human consumption that is to be consumed off the premises  
23 where it is sold (other than alcoholic beverages, food  
24 consisting of or infused with adult use cannabis, soft drinks,  
25 and food that has been prepared for immediate consumption) had  
26 not occurred. For quarter monthly payments due under this

1 paragraph on or after July 1, 2023 and through June 30, 2024,  
2 "25% of the taxpayer's liability for the same calendar month  
3 of the preceding year" shall be determined as if the rate  
4 reduction to 0% in this amendatory Act of the 102nd General  
5 Assembly had not occurred. If any such quarter monthly payment  
6 is not paid at the time or in the amount required by this  
7 Section, then the taxpayer shall be liable for penalties and  
8 interest on the difference between the minimum amount due as a  
9 payment and the amount of such quarter monthly payment  
10 actually and timely paid, except insofar as the taxpayer has  
11 previously made payments for that month to the Department in  
12 excess of the minimum payments previously due as provided in  
13 this Section. The Department shall make reasonable rules and  
14 regulations to govern the quarter monthly payment amount and  
15 quarter monthly payment dates for taxpayers who file on other  
16 than a calendar monthly basis.

17 The provisions of this paragraph apply before October 1,  
18 2001. Without regard to whether a taxpayer is required to make  
19 quarter monthly payments as specified above, any taxpayer who  
20 is required by Section 2d of this Act to collect and remit  
21 prepaid taxes and has collected prepaid taxes which average in  
22 excess of \$25,000 per month during the preceding 2 complete  
23 calendar quarters, shall file a return with the Department as  
24 required by Section 2f and shall make payments to the  
25 Department on or before the 7th, 15th, 22nd and last day of the  
26 month during which such liability is incurred. If the month

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

1           The provisions of this paragraph apply on and after  
2           October 1, 2001. Without regard to whether a taxpayer is  
3           required to make quarter monthly payments as specified above,  
4           any taxpayer who is required by Section 2d of this Act to  
5           collect and remit prepaid taxes and has collected prepaid  
6           taxes that average in excess of \$20,000 per month during the  
7           preceding 4 complete calendar quarters shall file a return  
8           with the Department as required by Section 2f and shall make  
9           payments to the Department on or before the 7th, 15th, 22nd and  
10          last day of the month during which the liability is incurred.  
11          Each payment shall be in an amount equal to 22.5% of the  
12          taxpayer's actual liability for the month or 25% of the  
13          taxpayer's liability for the same calendar month of the  
14          preceding year. The amount of the quarter monthly payments  
15          shall be credited against the final tax liability of the  
16          taxpayer's return for that month filed under this Section or  
17          Section 2f, as the case may be. Once applicable, the  
18          requirement of the making of quarter monthly payments to the  
19          Department pursuant to this paragraph shall continue until the  
20          taxpayer's average monthly prepaid tax collections during the  
21          preceding 4 complete calendar quarters (excluding the month of  
22          highest liability and the month of lowest liability) is less  
23          than \$19,000 or until such taxpayer's average monthly  
24          liability to the Department as computed for each calendar  
25          quarter of the 4 preceding complete calendar quarters is less  
26          than \$20,000. If any such quarter monthly payment is not paid

1 at the time or in the amount required, the taxpayer shall be  
2 liable for penalties and interest on such difference, except  
3 insofar as the taxpayer has previously made payments for that  
4 month in excess of the minimum payments previously due.

5 If any payment provided for in this Section exceeds the  
6 taxpayer's liabilities under this Act, the Use Tax Act, the  
7 Service Occupation Tax Act and the Service Use Tax Act, as  
8 shown on an original monthly return, the Department shall, if  
9 requested by the taxpayer, issue to the taxpayer a credit  
10 memorandum no later than 30 days after the date of payment. The  
11 credit evidenced by such credit memorandum may be assigned by  
12 the taxpayer to a similar taxpayer under this Act, the Use Tax  
13 Act, the Service Occupation Tax Act or the Service Use Tax Act,  
14 in accordance with reasonable rules and regulations to be  
15 prescribed by the Department. If no such request is made, the  
16 taxpayer may credit such excess payment against tax liability  
17 subsequently to be remitted to the Department under this Act,  
18 the Use Tax Act, the Service Occupation Tax Act or the Service  
19 Use Tax Act, in accordance with reasonable rules and  
20 regulations prescribed by the Department. If the Department  
21 subsequently determined that all or any part of the credit  
22 taken was not actually due to the taxpayer, the taxpayer's  
23 2.1% and 1.75% vendor's discount shall be reduced by 2.1% or  
24 1.75% of the difference between the credit taken and that  
25 actually due, and that taxpayer shall be liable for penalties  
26 and interest on such difference.

1           If a retailer of motor fuel is entitled to a credit under  
2 Section 2d of this Act which exceeds the taxpayer's liability  
3 to the Department under this Act for the month for which the  
4 taxpayer is filing a return, the Department shall issue the  
5 taxpayer a credit memorandum for the excess.

6           Beginning January 1, 1990, each month the Department shall  
7 pay into the Local Government Tax Fund, a special fund in the  
8 State treasury which is hereby created, the net revenue  
9 realized for the preceding month from the 1% tax imposed under  
10 this Act.

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

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



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

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

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

1 preceding month from the 1.25% rate on the selling price of  
2 sales tax holiday items.

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

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

19 Beginning July 1, 2013, each month the Department shall  
20 pay into the Underground Storage Tank Fund from the proceeds  
21 collected under this Act, the Use Tax Act, the Service Use Tax  
22 Act, and the Service Occupation Tax Act an amount equal to the  
23 average monthly deficit in the Underground Storage Tank Fund  
24 during the prior year, as certified annually by the Illinois  
25 Environmental Protection Agency, but the total payment into  
26 the Underground Storage Tank Fund under this Act, the Use Tax

1 Act, the Service Use Tax Act, and the Service Occupation Tax  
2 Act shall not exceed \$18,000,000 in any State fiscal year. As  
3 used in this paragraph, the "average monthly deficit" shall be  
4 equal to the difference between the average monthly claims for  
5 payment by the fund and the average monthly revenues deposited  
6 into the fund, excluding payments made pursuant to this  
7 paragraph.

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

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

1 Reform Fund shall be less than the Annual Specified Amount (as  
2 hereinafter defined), an amount equal to the difference shall  
3 be immediately paid into the Build Illinois Fund from other  
4 moneys received by the Department pursuant to the Tax Acts;  
5 the "Annual Specified Amount" means the amounts specified  
6 below for fiscal years 1986 through 1993:

7	Fiscal Year	Annual Specified Amount
8	1986	\$54,800,000
9	1987	\$76,650,000
10	1988	\$80,480,000
11	1989	\$88,510,000
12	1990	\$115,330,000
13	1991	\$145,470,000
14	1992	\$182,730,000
15	1993	\$206,520,000;

16 and means the Certified Annual Debt Service Requirement (as  
17 defined in Section 13 of the Build Illinois Bond Act) or the  
18 Tax Act Amount, whichever is greater, for fiscal year 1994 and  
19 each fiscal year thereafter; and further provided, that if on  
20 the last business day of any month the sum of (1) the Tax Act  
21 Amount required to be deposited into the Build Illinois Bond  
22 Account in the Build Illinois Fund during such month and (2)  
23 the amount transferred to the Build Illinois Fund from the  
24 State and Local Sales Tax Reform Fund shall have been less than  
25 1/12 of the Annual Specified Amount, an amount equal to the  
26 difference shall be immediately paid into the Build Illinois

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

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

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

25 Fiscal Year

Total Deposit

26 1993

\$0

1	1994	53,000,000
2	1995	58,000,000
3	1996	61,000,000
4	1997	64,000,000
5	1998	68,000,000
6	1999	71,000,000
7	2000	75,000,000
8	2001	80,000,000
9	2002	93,000,000
10	2003	99,000,000
11	2004	103,000,000
12	2005	108,000,000
13	2006	113,000,000
14	2007	119,000,000
15	2008	126,000,000
16	2009	132,000,000
17	2010	139,000,000
18	2011	146,000,000
19	2012	153,000,000
20	2013	161,000,000
21	2014	170,000,000
22	2015	179,000,000
23	2016	189,000,000
24	2017	199,000,000
25	2018	210,000,000
26	2019	221,000,000

1	2020	233,000,000
2	2021	300,000,000
3	2022	300,000,000
4	2023	300,000,000
5	2024	300,000,000
6	2025	300,000,000
7	2026	300,000,000
8	2027	375,000,000
9	2028	375,000,000
10	2029	375,000,000
11	2030	375,000,000
12	2031	375,000,000
13	2032	375,000,000
14	2033	375,000,000
15	2034	375,000,000
16	2035	375,000,000
17	2036	450,000,000

18                   and  
19                    each fiscal year  
20                   thereafter that bonds  
21                   are outstanding under  
22                   Section 13.2 of the  
23                   Metropolitan Pier and  
24                   Exposition Authority Act,  
25                   but not after fiscal year 2060.

26                   Beginning July 20, 1993 and in each month of each fiscal



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

13 Subject to payment of amounts into the Capital Projects  
14 Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,  
15 and the McCormick Place Expansion Project Fund pursuant to the  
16 preceding paragraphs or in any amendments thereto hereafter  
17 enacted, for aviation fuel sold on or after December 1, 2019,  
18 the Department shall each month deposit into the Aviation Fuel  
19 Sales Tax Refund Fund an amount estimated by the Department to  
20 be required for refunds of the 80% portion of the tax on  
21 aviation fuel under this Act. The Department shall only  
22 deposit moneys into the Aviation Fuel Sales Tax Refund Fund  
23 under this paragraph for so long as the revenue use  
24 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are  
25 binding on the State.

26 Subject to payment of amounts into the Build Illinois Fund

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

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

21 Subject to payment of amounts into the Build Illinois  
22 Fund, the McCormick Place Expansion Project Fund, the Illinois  
23 Tax Increment Fund, and the Energy Infrastructure Fund  
24 pursuant to the preceding paragraphs or in any amendments to  
25 this Section hereafter enacted, beginning on the first day of  
26 the first calendar month to occur on or after August 26, 2014

1 (the effective date of Public Act 98-1098), each month, from  
2 the collections made under Section 9 of the Use Tax Act,  
3 Section 9 of the Service Use Tax Act, Section 9 of the Service  
4 Occupation Tax Act, and Section 3 of the Retailers' Occupation  
5 Tax Act, the Department shall pay into the Tax Compliance and  
6 Administration Fund, to be used, subject to appropriation, to  
7 fund additional auditors and compliance personnel at the  
8 Department of Revenue, an amount equal to 1/12 of 5% of 80% of  
9 the cash receipts collected during the preceding fiscal year  
10 by the Audit Bureau of the Department under the Use Tax Act,  
11 the Service Use Tax Act, the Service Occupation Tax Act, the  
12 Retailers' Occupation Tax Act, and associated local occupation  
13 and use taxes administered by the Department.

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

22 Subject to successful execution and delivery of a  
23 public-private agreement between the public agency and private  
24 entity and completion of the civic build, beginning on July 1,  
25 2023, of the remainder of the moneys received by the  
26 Department under the Use Tax Act, the Service Use Tax Act, the

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

17	Fiscal Year.....	Total Deposit
18	2024 .....	\$200,000,000
19	2025 .....	\$206,000,000
20	2026 .....	\$212,200,000
21	2027 .....	\$218,500,000
22	2028 .....	\$225,100,000
23	2029 .....	\$288,700,000
24	2030 .....	\$298,900,000
25	2031 .....	\$309,300,000
26	2032 .....	\$320,100,000

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

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

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

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

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

15 The Department may, upon separate written notice to a  
16 taxpayer, require the taxpayer to prepare and file with the  
17 Department on a form prescribed by the Department within not  
18 less than 60 days after receipt of the notice an annual  
19 information return for the tax year specified in the notice.  
20 Such annual return to the Department shall include a statement  
21 of gross receipts as shown by the retailer's last Federal  
22 income tax return. If the total receipts of the business as  
23 reported in the Federal income tax return do not agree with the  
24 gross receipts reported to the Department of Revenue for the  
25 same period, the retailer shall attach to his annual return a  
26 schedule showing a reconciliation of the 2 amounts and the

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

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

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

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

25 The chief executive officer, proprietor, owner or highest  
26 ranking manager shall sign the annual return to certify the



1 accuracy of the information contained therein. Any person who  
2 willfully signs the annual return containing false or  
3 inaccurate information shall be guilty of perjury and punished  
4 accordingly. The annual return form prescribed by the  
5 Department shall include a warning that the person signing the  
6 return may be liable for perjury.

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

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

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

22 For greater simplicity of administration, manufacturers,  
23 importers and wholesalers whose products are sold at retail in  
24 Illinois by numerous retailers, and who wish to do so, may  
25 assume the responsibility for accounting and paying to the  
26 Department all tax accruing under this Act with respect to

1 such sales, if the retailers who are affected do not make  
2 written objection to the Department to this arrangement.

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

20 Any person engaged in the business of selling tangible  
21 personal property at retail as a concessionaire or other type  
22 of seller at the Illinois State Fair, county fairs, art shows,  
23 flea markets and similar exhibitions or events, or any  
24 transient merchants, as defined by Section 2 of the Transient  
25 Merchant Act of 1987, may be required to make a daily report of  
26 the amount of such sales to the Department and to make a daily

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

14 (Source: P.A. 101-10, Article 15, Section 15-25, eff. 6-5-19;  
15 101-10, Article 25, Section 25-120, eff. 6-5-19; 101-27, eff.  
16 6-25-19; 101-32, eff. 6-28-19; 101-604, eff. 12-13-19;  
17 101-636, eff. 6-10-20; 102-634, eff. 8-27-21; revised  
18 12-7-21.)

19 Section 50-35. The Innovation Development and Economy Act  
20 is amended by changing Sections 10 and 31 as follows:

21 (50 ILCS 470/10)

22 Sec. 10. Definitions. As used in this Act, the following  
23 words and phrases shall have the following meanings unless a  
24 different meaning clearly appears from the context:

1 "Base year" means the calendar year immediately prior to  
2 the calendar year in which the STAR bond district is  
3 established.

4 "Commence work" means the manifest commencement of actual  
5 operations on the development site, such as, erecting a  
6 building, general on-site and off-site grading and utility  
7 installations, commencing design and construction  
8 documentation, ordering lead-time materials, excavating the  
9 ground to lay a foundation or a basement, or work of like  
10 description which a reasonable person would recognize as being  
11 done with the intention and purpose to continue work until the  
12 project is completed.

13 "County" means the county in which a proposed STAR bond  
14 district is located.

15 "De minimis" means an amount less than 15% of the land area  
16 within a STAR bond district.

17 "Department of Revenue" means the Department of Revenue of  
18 the State of Illinois.

19 "Destination user" means an owner, operator, licensee,  
20 co-developer, subdeveloper, or tenant (i) that operates a  
21 business within a STAR bond district that is a retail store  
22 having at least 150,000 square feet of sales floor area; (ii)  
23 that at the time of opening does not have another Illinois  
24 location within a 70 mile radius; (iii) that has an annual  
25 average of not less than 30% of customers who travel from at  
26 least 75 miles away or from out-of-state, as demonstrated by

1 data from a comparable existing store or stores, or, if there  
2 is no comparable existing store, as demonstrated by an  
3 economic analysis that shows that the proposed retailer will  
4 have an annual average of not less than 30% of customers who  
5 travel from at least 75 miles away or from out-of-state; and  
6 (iv) that makes an initial capital investment, including  
7 project costs and other direct costs, of not less than  
8 \$30,000,000 for such retail store.

9 "Destination hotel" means a hotel (as that term is defined  
10 in Section 2 of the Hotel Operators' Occupation Tax Act)  
11 complex having at least 150 guest rooms and which also  
12 includes a venue for entertainment attractions, rides, or  
13 other activities oriented toward the entertainment and  
14 amusement of its guests and other patrons.

15 "Developer" means any individual, corporation, trust,  
16 estate, partnership, limited liability partnership, limited  
17 liability company, or other entity. The term does not include  
18 a not-for-profit entity, political subdivision, or other  
19 agency or instrumentality of the State.

20 "Director" means the Director of Revenue, who shall  
21 consult with the Director of Commerce and Economic Opportunity  
22 in any approvals or decisions required by the Director under  
23 this Act.

24 "Economic impact study" means a study conducted by an  
25 independent economist to project the financial benefit of the  
26 proposed STAR bond project to the local, regional, and State

1 economies, consider the proposed adverse impacts on similar  
2 projects and businesses, as well as municipalities within the  
3 projected market area, and draw conclusions about the net  
4 effect of the proposed STAR bond project on the local,  
5 regional, and State economies. A copy of the economic impact  
6 study shall be provided to the Director for review.

7 "Eligible area" means any improved or vacant area that (i)  
8 is contiguous and is not, in the aggregate, less than 250 acres  
9 nor more than 500 acres which must include only parcels of real  
10 property directly and substantially benefited by the proposed  
11 STAR bond district plan, (ii) is adjacent to a federal  
12 interstate highway, (iii) is within one mile of 2 State  
13 highways, (iv) is within one mile of an entertainment user, or  
14 a major or minor league sports stadium or other similar  
15 entertainment venue that had an initial capital investment of  
16 at least \$20,000,000, and (v) includes land that was  
17 previously surface or strip mined. The area may be bisected by  
18 streets, highways, roads, alleys, railways, bike paths,  
19 streams, rivers, and other waterways and still be deemed  
20 contiguous. In addition, in order to constitute an eligible  
21 area one of the following requirements must be satisfied and  
22 all of which are subject to the review and approval of the  
23 Director as provided in subsection (d) of Section 15:

24 (a) the governing body of the political subdivision  
25 shall have determined that the area meets the requirements  
26 of a "blighted area" as defined under the Tax Increment

1 Allocation Redevelopment Act; or

2 (b) the governing body of the political subdivision  
3 shall have determined that the area is a blighted area as  
4 determined under the provisions of Section 11-74.3-5 of  
5 the Illinois Municipal Code; or

6 (c) the governing body of the political subdivision  
7 shall make the following findings:

8 (i) that the vacant portions of the area have  
9 remained vacant for at least one year, or that any  
10 building located on a vacant portion of the property  
11 was demolished within the last year and that the  
12 building would have qualified under item (ii) of this  
13 subsection;

14 (ii) if portions of the area are currently  
15 developed, that the use, condition, and character of  
16 the buildings on the property are not consistent with  
17 the purposes set forth in Section 5;

18 (iii) that the STAR bond district is expected to  
19 create or retain job opportunities within the  
20 political subdivision;

21 (iv) that the STAR bond district will serve to  
22 further the development of adjacent areas;

23 (v) that without the availability of STAR bonds,  
24 the projects described in the STAR bond district plan  
25 would not be possible;

26 (vi) that the master developer meets high

1 standards of creditworthiness and financial strength  
2 as demonstrated by one or more of the following: (i)  
3 corporate debenture ratings of BBB or higher by  
4 Standard & Poor's Corporation or Baa or higher by  
5 Moody's Investors Service, Inc.; (ii) a letter from a  
6 financial institution with assets of \$10,000,000 or  
7 more attesting to the financial strength of the master  
8 developer; or (iii) specific evidence of equity  
9 financing for not less than 10% of the estimated total  
10 STAR bond project costs;

11 (vii) that the STAR bond district will strengthen  
12 the commercial sector of the political subdivision;

13 (viii) that the STAR bond district will enhance  
14 the tax base of the political subdivision; and

15 (ix) that the formation of a STAR bond district is  
16 in the best interest of the political subdivision.

17 "Entertainment user" means an owner, operator, licensee,  
18 co-developer, subdeveloper, or tenant that operates a business  
19 within a STAR bond district that has a primary use of providing  
20 a venue for entertainment attractions, rides, or other  
21 activities oriented toward the entertainment and amusement of  
22 its patrons, occupies at least 20 acres of land in the STAR  
23 bond district, and makes an initial capital investment,  
24 including project costs and other direct and indirect costs,  
25 of not less than \$25,000,000 for that venue.

26 "Feasibility study" means a feasibility study as defined



1 in subsection (b) of Section 20.

2 "Infrastructure" means the public improvements and private  
3 improvements that serve the public purposes set forth in  
4 Section 5 of this Act and that benefit the STAR bond district  
5 or any STAR bond projects, including, but not limited to,  
6 streets, drives and driveways, traffic and directional signs  
7 and signals, parking lots and parking facilities,  
8 interchanges, highways, sidewalks, bridges, underpasses and  
9 overpasses, bike and walking trails, sanitary storm sewers and  
10 lift stations, drainage conduits, channels, levees, canals,  
11 storm water detention and retention facilities, utilities and  
12 utility connections, water mains and extensions, and street  
13 and parking lot lighting and connections.

14 "Local sales taxes" means any locally-imposed taxes  
15 received by a municipality, county, or other local  
16 governmental entity arising from sales by retailers and  
17 servicemen within a STAR bond district, including business  
18 district sales taxes and STAR bond occupation taxes, and that  
19 portion of the net revenue realized under the Retailers'  
20 Occupation Tax Act, the Use Tax Act, the Service Use Tax Act,  
21 and the Service Occupation Tax Act from transactions at places  
22 of business located within a STAR bond district, including  
23 that portion of the net revenue that would have been realized  
24 but for the reduction of the rate to 0% under this amendatory  
25 Act of the 102nd General Assembly, that is deposited or, under  
26 this amendatory Act of the 102nd General Assembly, transferred

1 into the Local Government Tax Fund and the County and Mass  
2 Transit District Fund. For the purpose of this Act, "local  
3 sales taxes" does not include (i) any taxes authorized  
4 pursuant to the Local Mass Transit District Act or the  
5 Metro-East Park and Recreation District Act for so long as the  
6 applicable taxing district does not impose a tax on real  
7 property, (ii) county school facility and resources occupation  
8 taxes imposed pursuant to Section 5-1006.7 of the Counties  
9 Code, or (iii) any taxes authorized under the Flood Prevention  
10 District Act.

11 "Local sales tax increment" means, except as otherwise  
12 provided in this Section, with respect to local sales taxes  
13 administered by the Illinois Department of Revenue, (i) all of  
14 the local sales tax paid by destination users, destination  
15 hotels, and entertainment users that is in excess of the local  
16 sales tax paid (plus all of the local sales tax that would have  
17 been paid but for the reduction of the rate to 0% under this  
18 amendatory Act of the 102nd General Assembly) by destination  
19 users, destination hotels, and entertainment users for the  
20 same month in the base year, as determined by the Illinois  
21 Department of Revenue, (ii) in the case of a municipality  
22 forming a STAR bond district that is wholly within the  
23 corporate boundaries of the municipality and in the case of a  
24 municipality and county forming a STAR bond district that is  
25 only partially within such municipality, that portion of the  
26 local sales tax paid (plus the local sales tax that would have

1 been paid but for the reduction of the rate to 0% under this  
2 amendatory Act of the 102nd General Assembly) by taxpayers  
3 that are not destination users, destination hotels, or  
4 entertainment users that is in excess of the local sales tax  
5 paid (plus the local sales tax that would have been paid but  
6 for the reduction of the rate to 0% under this amendatory Act  
7 of the 102nd General Assembly) by taxpayers that are not  
8 destination users, destination hotels, or entertainment users  
9 for the same month in the base year, as determined by the  
10 Illinois Department of Revenue, and (iii) in the case of a  
11 county in which a STAR bond district is formed that is wholly  
12 within a municipality, that portion of the local sales tax  
13 paid by taxpayers that are not destination users, destination  
14 hotels, or entertainment users that is in excess of the local  
15 sales tax paid by taxpayers that are not destination users,  
16 destination hotels, or entertainment users for the same month  
17 in the base year, as determined by the Illinois Department of  
18 Revenue, but only if the corporate authorities of the county  
19 adopts an ordinance, and files a copy with the Department  
20 within the same time frames as required for STAR bond  
21 occupation taxes under Section 31, that designates the taxes  
22 referenced in this clause (iii) as part of the local sales tax  
23 increment under this Act. "Local sales tax increment" means,  
24 with respect to local sales taxes administered by a  
25 municipality, county, or other unit of local government, that  
26 portion of the local sales tax that is in excess of the local

1 sales tax for the same month in the base year, as determined by  
2 the respective municipality, county, or other unit of local  
3 government. If any portion of local sales taxes are, at the  
4 time of formation of a STAR bond district, already subject to  
5 tax increment financing under the Tax Increment Allocation  
6 Redevelopment Act, then the local sales tax increment for such  
7 portion shall be frozen at the base year established in  
8 accordance with this Act, and all future incremental increases  
9 shall be included in the "local sales tax increment" under  
10 this Act. Any party otherwise entitled to receipt of  
11 incremental local sales tax revenues through an existing tax  
12 increment financing district shall be entitled to continue to  
13 receive such revenues up to the amount frozen in the base year.  
14 Nothing in this Act shall affect the prior qualification of  
15 existing redevelopment project costs incurred that are  
16 eligible for reimbursement under the Tax Increment Allocation  
17 Redevelopment Act. In such event, prior to approving a STAR  
18 bond district, the political subdivision forming the STAR bond  
19 district shall take such action as is necessary, including  
20 amending the existing tax increment financing district  
21 redevelopment plan, to carry out the provisions of this Act.  
22 The Illinois Department of Revenue shall allocate the local  
23 sales tax increment only if the local sales tax is  
24 administered by the Department. "Local sales tax increment"  
25 does not include taxes and penalties collected on aviation  
26 fuel, as defined in Section 3 of the Retailers' Occupation

1 Tax, sold on or after December 1, 2019 and through December 31,  
2 2020.

3 "Market study" means a study to determine the ability of  
4 the proposed STAR bond project to gain market share locally  
5 and regionally and to remain profitable past the term of  
6 repayment of STAR bonds.

7 "Master developer" means a developer cooperating with a  
8 political subdivision to plan, develop, and implement a STAR  
9 bond project plan for a STAR bond district. Subject to the  
10 limitations of Section 25, the master developer may work with  
11 and transfer certain development rights to other developers  
12 for the purpose of implementing STAR bond project plans and  
13 achieving the purposes of this Act. A master developer for a  
14 STAR bond district shall be appointed by a political  
15 subdivision in the resolution establishing the STAR bond  
16 district, and the master developer must, at the time of  
17 appointment, own or have control of, through purchase  
18 agreements, option contracts, or other means, not less than  
19 50% of the acreage within the STAR bond district and the master  
20 developer or its affiliate must have ownership or control on  
21 June 1, 2010.

22 "Master development agreement" means an agreement between  
23 the master developer and the political subdivision to govern a  
24 STAR bond district and any STAR bond projects.

25 "Municipality" means the city, village, or incorporated  
26 town in which a proposed STAR bond district is located.

1 "Pledged STAR revenues" means those sales tax and revenues  
2 and other sources of funds pledged to pay debt service on STAR  
3 bonds or to pay project costs pursuant to Section 30.  
4 Notwithstanding any provision to the contrary, the following  
5 revenues shall not constitute pledged STAR revenues or be  
6 available to pay principal and interest on STAR bonds: any  
7 State sales tax increment or local sales tax increment from a  
8 retail entity initiating operations in a STAR bond district  
9 while terminating operations at another Illinois location  
10 within 25 miles of the STAR bond district. For purposes of this  
11 paragraph, "terminating operations" means a closing of a  
12 retail operation that is directly related to the opening of  
13 the same operation or like retail entity owned or operated by  
14 more than 50% of the original ownership in a STAR bond district  
15 within one year before or after initiating operations in the  
16 STAR bond district, but it does not mean closing an operation  
17 for reasons beyond the control of the retail entity, as  
18 documented by the retail entity, subject to a reasonable  
19 finding by the municipality (or county if such retail  
20 operation is not located within a municipality) in which the  
21 terminated operations were located that the closed location  
22 contained inadequate space, had become economically obsolete,  
23 or was no longer a viable location for the retailer or  
24 serviceman.

25 "Political subdivision" means a municipality or county  
26 which undertakes to establish a STAR bond district pursuant to

1 the provisions of this Act.

2 "Project costs" means and includes the sum total of all  
3 costs incurred or estimated to be incurred on or following the  
4 date of establishment of a STAR bond district that are  
5 reasonable or necessary to implement a STAR bond district plan  
6 or any STAR bond project plans, or both, including costs  
7 incurred for public improvements and private improvements that  
8 serve the public purposes set forth in Section 5 of this Act.  
9 Such costs include without limitation the following:

10 (a) costs of studies, surveys, development of plans  
11 and specifications, formation, implementation, and  
12 administration of a STAR bond district, STAR bond district  
13 plan, any STAR bond projects, or any STAR bond project  
14 plans, including, but not limited to, staff and  
15 professional service costs for architectural, engineering,  
16 legal, financial, planning, or other services, provided  
17 however that no charges for professional services may be  
18 based on a percentage of the tax increment collected and  
19 no contracts for professional services, excluding  
20 architectural and engineering services, may be entered  
21 into if the terms of the contract extend beyond a period of  
22 3 years;

23 (b) property assembly costs, including, but not  
24 limited to, acquisition of land and other real property or  
25 rights or interests therein, located within the boundaries  
26 of a STAR bond district, demolition of buildings, site

1 preparation, site improvements that serve as an engineered  
2 barrier addressing ground level or below ground  
3 environmental contamination, including, but not limited  
4 to, parking lots and other concrete or asphalt barriers,  
5 the clearing and grading of land, and importing additional  
6 soil and fill materials, or removal of soil and fill  
7 materials from the site;

8 (c) subject to paragraph (d), costs of buildings and  
9 other vertical improvements that are located within the  
10 boundaries of a STAR bond district and owned by a  
11 political subdivision or other public entity, including  
12 without limitation police and fire stations, educational  
13 facilities, and public restrooms and rest areas;

14 (c-1) costs of buildings and other vertical  
15 improvements that are located within the boundaries of a  
16 STAR bond district and owned by a destination user or  
17 destination hotel; except that only 2 destination users in  
18 a STAR bond district and one destination hotel are  
19 eligible to include the cost of those vertical  
20 improvements as project costs;

21 (c-5) costs of buildings; rides and attractions, which  
22 include carousels, slides, roller coasters, displays,  
23 models, towers, works of art, and similar theme and  
24 amusement park improvements; and other vertical  
25 improvements that are located within the boundaries of a  
26 STAR bond district and owned by an entertainment user;



1       except that only one entertainment user in a STAR bond  
2       district is eligible to include the cost of those vertical  
3       improvements as project costs;

4       (d) costs of the design and construction of  
5       infrastructure and public works located within the  
6       boundaries of a STAR bond district that are reasonable or  
7       necessary to implement a STAR bond district plan or any  
8       STAR bond project plans, or both, except that project  
9       costs shall not include the cost of constructing a new  
10      municipal public building principally used to provide  
11      offices, storage space, or conference facilities or  
12      vehicle storage, maintenance, or repair for  
13      administrative, public safety, or public works personnel  
14      and that is not intended to replace an existing public  
15      building unless the political subdivision makes a  
16      reasonable determination in a STAR bond district plan or  
17      any STAR bond project plans, supported by information that  
18      provides the basis for that determination, that the new  
19      municipal building is required to meet an increase in the  
20      need for public safety purposes anticipated to result from  
21      the implementation of the STAR bond district plan or any  
22      STAR bond project plans;

23      (e) costs of the design and construction of the  
24      following improvements located outside the boundaries of a  
25      STAR bond district, provided that the costs are essential  
26      to further the purpose and development of a STAR bond

1 district plan and either (i) part of and connected to  
2 sewer, water, or utility service lines that physically  
3 connect to the STAR bond district or (ii) significant  
4 improvements for adjacent offsite highways, streets,  
5 roadways, and interchanges that are approved by the  
6 Illinois Department of Transportation. No other cost of  
7 infrastructure and public works improvements located  
8 outside the boundaries of a STAR bond district may be  
9 deemed project costs;

10 (f) costs of job training and retraining projects,  
11 including the cost of "welfare to work" programs  
12 implemented by businesses located within a STAR bond  
13 district;

14 (g) financing costs, including, but not limited to,  
15 all necessary and incidental expenses related to the  
16 issuance of obligations and which may include payment of  
17 interest on any obligations issued hereunder including  
18 interest accruing during the estimated period of  
19 construction of any improvements in a STAR bond district  
20 or any STAR bond projects for which such obligations are  
21 issued and for not exceeding 36 months thereafter and  
22 including reasonable reserves related thereto;

23 (h) to the extent the political subdivision by written  
24 agreement accepts and approves the same, all or a portion  
25 of a taxing district's capital costs resulting from a STAR  
26 bond district or STAR bond projects necessarily incurred

1 or to be incurred within a taxing district in furtherance  
2 of the objectives of a STAR bond district plan or STAR bond  
3 project plans;

4 (i) interest cost incurred by a developer for project  
5 costs related to the acquisition, formation,  
6 implementation, development, construction, and  
7 administration of a STAR bond district, STAR bond district  
8 plan, STAR bond projects, or any STAR bond project plans  
9 provided that:

10 (i) payment of such costs in any one year may not  
11 exceed 30% of the annual interest costs incurred by  
12 the developer with regard to the STAR bond district or  
13 any STAR bond projects during that year; and

14 (ii) the total of such interest payments paid  
15 pursuant to this Act may not exceed 30% of the total  
16 cost paid or incurred by the developer for a STAR bond  
17 district or STAR bond projects, plus project costs,  
18 excluding any property assembly costs incurred by a  
19 political subdivision pursuant to this Act;

20 (j) costs of common areas located within the  
21 boundaries of a STAR bond district;

22 (k) costs of landscaping and plantings, retaining  
23 walls and fences, man-made lakes and ponds, shelters,  
24 benches, lighting, and similar amenities located within  
25 the boundaries of a STAR bond district;

26 (l) costs of mounted building signs, site monument,

1 and pylon signs located within the boundaries of a STAR  
2 bond district; or

3 (m) if included in the STAR bond district plan and  
4 approved in writing by the Director, salaries or a portion  
5 of salaries for local government employees to the extent  
6 the same are directly attributable to the work of such  
7 employees on the establishment and management of a STAR  
8 bond district or any STAR bond projects.

9 Except as specified in items (a) through (m), "project  
10 costs" shall not include:

11 (i) the cost of construction of buildings that are  
12 privately owned or owned by a municipality and leased to a  
13 developer or retail user for non-entertainment retail  
14 uses;

15 (ii) moving expenses for employees of the businesses  
16 locating within the STAR bond district;

17 (iii) property taxes for property located in the STAR  
18 bond district;

19 (iv) lobbying costs; and

20 (v) general overhead or administrative costs of the  
21 political subdivision that would still have been incurred  
22 by the political subdivision if the political subdivision  
23 had not established a STAR bond district.

24 "Project development agreement" means any one or more  
25 agreements, including any amendments thereto, between a master  
26 developer and any co-developer or subdeveloper in connection

1 with a STAR bond project, which project development agreement  
2 may include the political subdivision as a party.

3 "Projected market area" means any area within the State in  
4 which a STAR bond district or STAR bond project is projected to  
5 have a significant fiscal or market impact as determined by  
6 the Director.

7 "Resolution" means a resolution, order, ordinance, or  
8 other appropriate form of legislative action of a political  
9 subdivision or other applicable public entity approved by a  
10 vote of a majority of a quorum at a meeting of the governing  
11 body of the political subdivision or applicable public entity.

12 "STAR bond" means a sales tax and revenue bond, note, or  
13 other obligation payable from pledged STAR revenues and issued  
14 by a political subdivision, the proceeds of which shall be  
15 used only to pay project costs as defined in this Act.

16 "STAR bond district" means the specific area declared to  
17 be an eligible area as determined by the political  
18 subdivision, and approved by the Director, in which the  
19 political subdivision may develop one or more STAR bond  
20 projects.

21 "STAR bond district plan" means the preliminary or  
22 conceptual plan that generally identifies the proposed STAR  
23 bond project areas and identifies in a general manner the  
24 buildings, facilities, and improvements to be constructed or  
25 improved in each STAR bond project area.

26 "STAR bond project" means a project within a STAR bond

1 district which is approved pursuant to Section 20.

2 "STAR bond project area" means the geographic area within  
3 a STAR bond district in which there may be one or more STAR  
4 bond projects.

5 "STAR bond project plan" means the written plan adopted by  
6 a political subdivision for the development of a STAR bond  
7 project in a STAR bond district; the plan may include, but is  
8 not limited to, (i) project costs incurred prior to the date of  
9 the STAR bond project plan and estimated future STAR bond  
10 project costs, (ii) proposed sources of funds to pay those  
11 costs, (iii) the nature and estimated term of any obligations  
12 to be issued by the political subdivision to pay those costs,  
13 (iv) the most recent equalized assessed valuation of the STAR  
14 bond project area, (v) an estimate of the equalized assessed  
15 valuation of the STAR bond district or applicable project area  
16 after completion of a STAR bond project, (vi) a general  
17 description of the types of any known or proposed developers,  
18 users, or tenants of the STAR bond project or projects  
19 included in the plan, (vii) a general description of the type,  
20 structure, and character of the property or facilities to be  
21 developed or improved, (viii) a description of the general  
22 land uses to apply to the STAR bond project, and (ix) a general  
23 description or an estimate of the type, class, and number of  
24 employees to be employed in the operation of the STAR bond  
25 project.

26 "State sales tax" means all of the net revenue realized

1 under the Retailers' Occupation Tax Act, the Use Tax Act, the  
2 Service Use Tax Act, and the Service Occupation Tax Act from  
3 transactions at places of business located within a STAR bond  
4 district, excluding that portion of the net revenue realized  
5 under the Retailers' Occupation Tax Act, the Use Tax Act, the  
6 Service Use Tax Act, and the Service Occupation Tax Act from  
7 transactions at places of business located within a STAR bond  
8 district that is deposited into the Local Government Tax Fund  
9 and the County and Mass Transit District Fund.

10 "State sales tax increment" means (i) 100% of that portion  
11 of the State sales tax that is in excess of the State sales tax  
12 for the same month in the base year, as determined by the  
13 Department of Revenue, from transactions at up to 2  
14 destination users, one destination hotel, and one  
15 entertainment user located within a STAR bond district, which  
16 destination users, destination hotel, and entertainment user  
17 shall be designated by the master developer and approved by  
18 the political subdivision and the Director in conjunction with  
19 the applicable STAR bond project approval, and (ii) 25% of  
20 that portion of the State sales tax that is in excess of the  
21 State sales tax for the same month in the base year, as  
22 determined by the Department of Revenue, from all other  
23 transactions within a STAR bond district. If any portion of  
24 State sales taxes are, at the time of formation of a STAR bond  
25 district, already subject to tax increment financing under the  
26 Tax Increment Allocation Redevelopment Act, then the State

1 sales tax increment for such portion shall be frozen at the  
2 base year established in accordance with this Act, and all  
3 future incremental increases shall be included in the State  
4 sales tax increment under this Act. Any party otherwise  
5 entitled to receipt of incremental State sales tax revenues  
6 through an existing tax increment financing district shall be  
7 entitled to continue to receive such revenues up to the amount  
8 frozen in the base year. Nothing in this Act shall affect the  
9 prior qualification of existing redevelopment project costs  
10 incurred that are eligible for reimbursement under the Tax  
11 Increment Allocation Redevelopment Act. In such event, prior  
12 to approving a STAR bond district, the political subdivision  
13 forming the STAR bond district shall take such action as is  
14 necessary, including amending the existing tax increment  
15 financing district redevelopment plan, to carry out the  
16 provisions of this Act.

17 "Substantial change" means a change wherein the proposed  
18 STAR bond project plan differs substantially in size, scope,  
19 or use from the approved STAR bond district plan or STAR bond  
20 project plan.

21 "Taxpayer" means an individual, partnership, corporation,  
22 limited liability company, trust, estate, or other entity that  
23 is subject to the Illinois Income Tax Act.

24 "Total development costs" means the aggregate public and  
25 private investment in a STAR bond district, including project  
26 costs and other direct and indirect costs related to the



1 development of the STAR bond district.

2 "Traditional retail use" means the operation of a business  
3 that derives at least 90% of its annual gross revenue from  
4 sales at retail, as that phrase is defined by Section 1 of the  
5 Retailers' Occupation Tax Act, but does not include the  
6 operations of destination users, entertainment users,  
7 restaurants, hotels, retail uses within hotels, or any other  
8 non-retail uses.

9 "Vacant" means that portion of the land in a proposed STAR  
10 bond district that is not occupied by a building, facility, or  
11 other vertical improvement.

12 (Source: P.A. 101-10, eff. 6-5-19; 101-455, eff. 8-23-19;  
13 101-604, eff. 12-13-19.)

14 (50 ILCS 470/31)

15 Sec. 31. STAR bond occupation taxes.

16 (a) If the corporate authorities of a political  
17 subdivision have established a STAR bond district and have  
18 elected to impose a tax by ordinance pursuant to subsection  
19 (b) or (c) of this Section, each year after the date of the  
20 adoption of the ordinance and until all STAR bond project  
21 costs and all political subdivision obligations financing the  
22 STAR bond project costs, if any, have been paid in accordance  
23 with the STAR bond project plans, but in no event longer than  
24 the maximum maturity date of the last of the STAR bonds issued  
25 for projects in the STAR bond district, all amounts generated

1 by the retailers' occupation tax and service occupation tax  
2 shall be collected and the tax shall be enforced by the  
3 Department of Revenue in the same manner as all retailers'  
4 occupation taxes and service occupation taxes imposed in the  
5 political subdivision imposing the tax. The corporate  
6 authorities of the political subdivision shall deposit the  
7 proceeds of the taxes imposed under subsections (b) and (c)  
8 into either (i) a special fund held by the corporate  
9 authorities of the political subdivision called the STAR Bonds  
10 Tax Allocation Fund for the purpose of paying STAR bond  
11 project costs and obligations incurred in the payment of those  
12 costs if such taxes are designated as pledged STAR revenues by  
13 resolution or ordinance of the political subdivision or (ii)  
14 the political subdivision's general corporate fund if such  
15 taxes are not designated as pledged STAR revenues by  
16 resolution or ordinance.

17 The tax imposed under this Section by a municipality may  
18 be imposed only on the portion of a STAR bond district that is  
19 within the boundaries of the municipality. For any part of a  
20 STAR bond district that lies outside of the boundaries of that  
21 municipality, the municipality in which the other part of the  
22 STAR bond district lies (or the county, in cases where a  
23 portion of the STAR bond district lies in the unincorporated  
24 area of a county) is authorized to impose the tax under this  
25 Section on that part of the STAR bond district.

26 (b) The corporate authorities of a political subdivision

1 that has established a STAR bond district under this Act may,  
2 by ordinance or resolution, impose a STAR Bond Retailers'  
3 Occupation Tax upon all persons engaged in the business of  
4 selling tangible personal property, other than an item of  
5 tangible personal property titled or registered with an agency  
6 of this State's government, at retail in the STAR bond  
7 district at a rate not to exceed 1% of the gross receipts from  
8 the sales made in the course of that business, to be imposed  
9 only in 0.25% increments. The tax may not be imposed on  
10 tangible personal property taxed at the 1% rate under the  
11 Retailers' Occupation Tax Act (or at the 0% rate imposed under  
12 this amendatory Act of the 102nd General Assembly). Beginning  
13 December 1, 2019 and through December 31, 2020, this tax is not  
14 imposed on sales of aviation fuel unless the tax revenue is  
15 expended for airport-related purposes. If the District does  
16 not have an airport-related purpose to which aviation fuel tax  
17 revenue is dedicated, then aviation fuel is excluded from the  
18 tax. The municipality must comply with the certification  
19 requirements for airport-related purposes under Section 2-22  
20 of the Retailers' Occupation Tax Act. For purposes of this  
21 Act, "airport-related purposes" has the meaning ascribed in  
22 Section 6z-20.2 of the State Finance Act. Beginning January 1,  
23 2021, this tax is not imposed on sales of aviation fuel for so  
24 long as the revenue use requirements of 49 U.S.C. 47107(b) and  
25 49 U.S.C. 47133 are binding on the District.

26 The tax imposed under this subsection and all civil

1 penalties that may be assessed as an incident thereof shall be  
2 collected and enforced by the Department of Revenue. The  
3 certificate of registration that is issued by the Department  
4 to a retailer under the Retailers' Occupation Tax Act shall  
5 permit the retailer to engage in a business that is taxable  
6 under any ordinance or resolution enacted pursuant to this  
7 subsection without registering separately with the Department  
8 under such ordinance or resolution or under this subsection.  
9 The Department of Revenue shall have full power to administer  
10 and enforce this subsection, to collect all taxes and  
11 penalties due under this subsection in the manner hereinafter  
12 provided, and to determine all rights to credit memoranda  
13 arising on account of the erroneous payment of tax or penalty  
14 under this subsection. In the administration of, and  
15 compliance with, this subsection, the Department and persons  
16 who are subject to this subsection shall have the same rights,  
17 remedies, privileges, immunities, powers, and duties, and be  
18 subject to the same conditions, restrictions, limitations,  
19 penalties, exclusions, exemptions, and definitions of terms  
20 and employ the same modes of procedure, as are prescribed in  
21 Sections 1, 1a through 1o, 2 through 2-65 (in respect to all  
22 provisions therein other than the State rate of tax), 2c  
23 through 2h, 3 (except as to the disposition of taxes and  
24 penalties collected, and except that the retailer's discount  
25 is not allowed for taxes paid on aviation fuel that are subject  
26 to the revenue use requirements of 49 U.S.C. 47107(b) and 49

1 U.S.C. 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 5k,  
2 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 12, 13, and 14 of the  
3 Retailers' Occupation Tax Act and all provisions of the  
4 Uniform Penalty and Interest Act, as fully as if those  
5 provisions were set forth herein.

6 If a tax is imposed under this subsection (b), a tax shall  
7 also be imposed under subsection (c) of this Section.

8 (c) If a tax has been imposed under subsection (b), a STAR  
9 Bond Service Occupation Tax shall also be imposed upon all  
10 persons engaged, in the STAR bond district, in the business of  
11 making sales of service, who, as an incident to making those  
12 sales of service, transfer tangible personal property within  
13 the STAR bond district, either in the form of tangible  
14 personal property or in the form of real estate as an incident  
15 to a sale of service. The tax shall be imposed at the same rate  
16 as the tax imposed in subsection (b) and shall not exceed 1% of  
17 the selling price of tangible personal property so transferred  
18 within the STAR bond district, to be imposed only in 0.25%  
19 increments. The tax may not be imposed on tangible personal  
20 property taxed at the 1% rate under the Service Occupation Tax  
21 Act (or at the 0% rate imposed under this amendatory Act of the  
22 102nd General Assembly). Beginning December 1, 2019 and  
23 through December 31, 2020, this tax is not imposed on sales of  
24 aviation fuel unless the tax revenue is expended for  
25 airport-related purposes. If the District does not have an  
26 airport-related purpose to which aviation fuel tax revenue is

1 dedicated, then aviation fuel is excluded from the tax. The  
2 municipality must comply with the certification requirements  
3 for airport-related purposes under Section 2-22 of the  
4 Retailers' Occupation Tax Act. For purposes of this Act,  
5 "airport-related purposes" has the meaning ascribed in Section  
6 6z-20.2 of the State Finance Act. Beginning January 1, 2021,  
7 this tax is not imposed on sales of aviation fuel for so long  
8 as the revenue use requirements of 49 U.S.C. 47107(b) and 49  
9 U.S.C. 47133 are binding on the District.

10 The tax imposed under this subsection and all civil  
11 penalties that may be assessed as an incident thereof shall be  
12 collected and enforced by the Department of Revenue. The  
13 certificate of registration that is issued by the Department  
14 to a retailer under the Retailers' Occupation Tax Act or under  
15 the Service Occupation Tax Act shall permit the registrant to  
16 engage in a business that is taxable under any ordinance or  
17 resolution enacted pursuant to this subsection without  
18 registering separately with the Department under that  
19 ordinance or resolution or under this subsection. The  
20 Department of Revenue shall have full power to administer and  
21 enforce this subsection, to collect all taxes and penalties  
22 due under this subsection, to dispose of taxes and penalties  
23 so collected in the manner hereinafter provided, and to  
24 determine all rights to credit memoranda arising on account of  
25 the erroneous payment of tax or penalty under this subsection.  
26 In the administration of, and compliance with this subsection,

1 the Department and persons who are subject to this subsection  
2 shall have the same rights, remedies, privileges, immunities,  
3 powers, and duties, and be subject to the same conditions,  
4 restrictions, limitations, penalties, exclusions, exemptions,  
5 and definitions of terms and employ the same modes of  
6 procedure as are prescribed in Sections 2, 2a through 2d, 3  
7 through 3-50 (in respect to all provisions therein other than  
8 the State rate of tax), 4 (except that the reference to the  
9 State shall be to the STAR bond district), 5, 7, 8 (except that  
10 the jurisdiction to which the tax shall be a debt to the extent  
11 indicated in that Section 8 shall be the political  
12 subdivision), 9 (except as to the disposition of taxes and  
13 penalties collected, and except that the returned merchandise  
14 credit for this tax may not be taken against any State tax, and  
15 except that the retailer's discount is not allowed for taxes  
16 paid on aviation fuel that are subject to the revenue use  
17 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 10,  
18 11, 12 (except the reference therein to Section 2b of the  
19 Retailers' Occupation Tax Act), 13 (except that any reference  
20 to the State shall mean the political subdivision), the first  
21 paragraph of Section 15, and Sections 16, 17, 18, 19 and 20 of  
22 the Service Occupation Tax Act and all provisions of the  
23 Uniform Penalty and Interest Act, as fully as if those  
24 provisions were set forth herein.

25 If a tax is imposed under this subsection (c), a tax shall  
26 also be imposed under subsection (b) of this Section.

1 (d) Persons subject to any tax imposed under this Section  
2 may reimburse themselves for their seller's tax liability  
3 under this Section by separately stating the tax as an  
4 additional charge, which charge may be stated in combination,  
5 in a single amount, with State taxes that sellers are required  
6 to collect under the Use Tax Act, in accordance with such  
7 bracket schedules as the Department may prescribe.

8 Whenever the Department determines that a refund should be  
9 made under this Section to a claimant instead of issuing a  
10 credit memorandum, the Department shall notify the State  
11 Comptroller, who shall cause the order to be drawn for the  
12 amount specified and to the person named in the notification  
13 from the Department. The refund shall be paid by the State  
14 Treasurer out of the STAR Bond Retailers' Occupation Tax Fund  
15 or the Local Government Aviation Trust Fund, as appropriate.

16 Except as otherwise provided in this paragraph, the  
17 Department shall immediately pay over to the State Treasurer,  
18 ex officio, as trustee, all taxes, penalties, and interest  
19 collected under this Section for deposit into the STAR Bond  
20 Retailers' Occupation Tax Fund. Taxes and penalties collected  
21 on aviation fuel sold on or after December 1, 2019, shall be  
22 immediately paid over by the Department to the State  
23 Treasurer, ex officio, as trustee, for deposit into the Local  
24 Government Aviation Trust Fund. The Department shall only pay  
25 moneys into the Local Government Aviation Trust Fund under  
26 this Section for so long as the revenue use requirements of 49



1 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
2 District. On or before the 25th day of each calendar month, the  
3 Department shall prepare and certify to the Comptroller the  
4 disbursement of stated sums of money to named political  
5 subdivisions from the STAR Bond Retailers' Occupation Tax  
6 Fund, the political subdivisions to be those from which  
7 retailers have paid taxes or penalties under this Section to  
8 the Department during the second preceding calendar month. The  
9 amount to be paid to each political subdivision shall be the  
10 amount (not including credit memoranda and not including taxes  
11 and penalties collected on aviation fuel sold on or after  
12 December 1, 2019) collected under this Section during the  
13 second preceding calendar month by the Department plus an  
14 amount the Department determines is necessary to offset any  
15 amounts that were erroneously paid to a different taxing body,  
16 and not including an amount equal to the amount of refunds made  
17 during the second preceding calendar month by the Department,  
18 less 3% of that amount, which shall be deposited into the Tax  
19 Compliance and Administration Fund and shall be used by the  
20 Department, subject to appropriation, to cover the costs of  
21 the Department in administering and enforcing the provisions  
22 of this Section, on behalf of such political subdivision, and  
23 not including any amount that the Department determines is  
24 necessary to offset any amounts that were payable to a  
25 different taxing body but were erroneously paid to the  
26 political subdivision. Within 10 days after receipt by the

1 Comptroller of the disbursement certification to the political  
2 subdivisions provided for in this Section to be given to the  
3 Comptroller by the Department, the Comptroller shall cause the  
4 orders to be drawn for the respective amounts in accordance  
5 with the directions contained in the certification. The  
6 proceeds of the tax paid to political subdivisions under this  
7 Section shall be deposited into either (i) the STAR Bonds Tax  
8 Allocation Fund by the political subdivision if the political  
9 subdivision has designated them as pledged STAR revenues by  
10 resolution or ordinance or (ii) the political subdivision's  
11 general corporate fund if the political subdivision has not  
12 designated them as pledged STAR revenues.

13 An ordinance or resolution imposing or discontinuing the  
14 tax under this Section or effecting a change in the rate  
15 thereof shall either (i) be adopted and a certified copy  
16 thereof filed with the Department on or before the first day of  
17 April, whereupon the Department, if all other requirements of  
18 this Section are met, shall proceed to administer and enforce  
19 this Section as of the first day of July next following the  
20 adoption and filing; or (ii) be adopted and a certified copy  
21 thereof filed with the Department on or before the first day of  
22 October, whereupon, if all other requirements of this Section  
23 are met, the Department shall proceed to administer and  
24 enforce this Section as of the first day of January next  
25 following the adoption and filing.

26 The Department of Revenue shall not administer or enforce

1 an ordinance imposing, discontinuing, or changing the rate of  
2 the tax under this Section until the political subdivision  
3 also provides, in the manner prescribed by the Department, the  
4 boundaries of the STAR bond district and each address in the  
5 STAR bond district in such a way that the Department can  
6 determine by its address whether a business is located in the  
7 STAR bond district. The political subdivision must provide  
8 this boundary and address information to the Department on or  
9 before April 1 for administration and enforcement of the tax  
10 under this Section by the Department beginning on the  
11 following July 1 and on or before October 1 for administration  
12 and enforcement of the tax under this Section by the  
13 Department beginning on the following January 1. The  
14 Department of Revenue shall not administer or enforce any  
15 change made to the boundaries of a STAR bond district or any  
16 address change, addition, or deletion until the political  
17 subdivision reports the boundary change or address change,  
18 addition, or deletion to the Department in the manner  
19 prescribed by the Department. The political subdivision must  
20 provide this boundary change or address change, addition, or  
21 deletion information to the Department on or before April 1  
22 for administration and enforcement by the Department of the  
23 change, addition, or deletion beginning on the following July  
24 1 and on or before October 1 for administration and  
25 enforcement by the Department of the change, addition, or  
26 deletion beginning on the following January 1. The retailers

1 in the STAR bond district shall be responsible for charging  
2 the tax imposed under this Section. If a retailer is  
3 incorrectly included or excluded from the list of those  
4 required to collect the tax under this Section, both the  
5 Department of Revenue and the retailer shall be held harmless  
6 if they reasonably relied on information provided by the  
7 political subdivision.

8 A political subdivision that imposes the tax under this  
9 Section must submit to the Department of Revenue any other  
10 information as the Department may require that is necessary  
11 for the administration and enforcement of the tax.

12 When certifying the amount of a monthly disbursement to a  
13 political subdivision under this Section, the Department shall  
14 increase or decrease the amount by an amount necessary to  
15 offset any misallocation of previous disbursements. The offset  
16 amount shall be the amount erroneously disbursed within the  
17 previous 6 months from the time a misallocation is discovered.

18 Nothing in this Section shall be construed to authorize  
19 the political subdivision to impose a tax upon the privilege  
20 of engaging in any business which under the Constitution of  
21 the United States may not be made the subject of taxation by  
22 this State.

23 (e) When STAR bond project costs, including, without  
24 limitation, all political subdivision obligations financing  
25 STAR bond project costs, have been paid, any surplus funds  
26 then remaining in the STAR Bonds Tax Allocation Fund shall be

1 distributed to the treasurer of the political subdivision for  
2 deposit into the political subdivision's general corporate  
3 fund. Upon payment of all STAR bond project costs and  
4 retirement of obligations, but in no event later than the  
5 maximum maturity date of the last of the STAR bonds issued in  
6 the STAR bond district, the political subdivision shall adopt  
7 an ordinance immediately rescinding the taxes imposed pursuant  
8 to this Section and file a certified copy of the ordinance with  
9 the Department in the form and manner as described in this  
10 Section.

11 (Source: P.A. 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19;  
12 101-604, eff. 12-13-19.)

13 Section 50-40. The Counties Code is amended by changing  
14 Sections 5-1006, 5-1006.5, 5-1006.7, and 5-1007 as follows:

15 (55 ILCS 5/5-1006) (from Ch. 34, par. 5-1006)

16 Sec. 5-1006. Home Rule County Retailers' Occupation Tax  
17 Law. Any county that is a home rule unit may impose a tax upon  
18 all persons engaged in the business of selling tangible  
19 personal property, other than an item of tangible personal  
20 property titled or registered with an agency of this State's  
21 government, at retail in the county on the gross receipts from  
22 such sales made in the course of their business. If imposed,  
23 this tax shall only be imposed in 1/4% increments. On and after  
24 September 1, 1991, this additional tax may not be imposed on

1 tangible personal property taxed at the 1% rate under the  
2 Retailers' Occupation Tax Act (or at the 0% rate imposed under  
3 this amendatory Act of the 102nd General Assembly). Beginning  
4 December 1, 2019, this tax is not imposed on sales of aviation  
5 fuel unless the tax revenue is expended for airport-related  
6 purposes. If the county does not have an airport-related  
7 purpose to which it dedicates aviation fuel tax revenue, then  
8 aviation fuel is excluded from the tax. The county must comply  
9 with the certification requirements for airport-related  
10 purposes under Section 2-22 of the Retailers' Occupation Tax  
11 Act. For purposes of this Section, "airport-related purposes"  
12 has the meaning ascribed in Section 6z-20.2 of the State  
13 Finance Act. This exclusion for aviation fuel only applies for  
14 so long as the revenue use requirements of 49 U.S.C. 47107(b)  
15 and 49 U.S.C. 47133 are binding on the county. The changes made  
16 to this Section by this amendatory Act of the 101st General  
17 Assembly are a denial and limitation of home rule powers and  
18 functions under subsection (g) of Section 6 of Article VII of  
19 the Illinois Constitution. The tax imposed by a home rule  
20 county pursuant to this Section and all civil penalties that  
21 may be assessed as an incident thereof shall be collected and  
22 enforced by the State Department of Revenue. The certificate  
23 of registration that is issued by the Department to a retailer  
24 under the Retailers' Occupation Tax Act shall permit the  
25 retailer to engage in a business that is taxable under any  
26 ordinance or resolution enacted pursuant to this Section

1 without registering separately with the Department under such  
2 ordinance or resolution or under this Section. The Department  
3 shall have full power to administer and enforce this Section;  
4 to collect all taxes and penalties due hereunder; to dispose  
5 of taxes and penalties so collected in the manner hereinafter  
6 provided; and to determine all rights to credit memoranda  
7 arising on account of the erroneous payment of tax or penalty  
8 hereunder. In the administration of, and compliance with, this  
9 Section, the Department and persons who are subject to this  
10 Section shall have the same rights, remedies, privileges,  
11 immunities, powers and duties, and be subject to the same  
12 conditions, restrictions, limitations, penalties and  
13 definitions of terms, and employ the same modes of procedure,  
14 as are prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j,  
15 1k, 1m, 1n, 2 through 2-65 (in respect to all provisions  
16 therein other than the State rate of tax), 3 (except as to the  
17 disposition of taxes and penalties collected, and except that  
18 the retailer's discount is not allowed for taxes paid on  
19 aviation fuel that are subject to the revenue use requirements  
20 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5b, 5c,  
21 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9,  
22 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and  
23 Section 3-7 of the Uniform Penalty and Interest Act, as fully  
24 as if those provisions were set forth herein.

25 No tax may be imposed by a home rule county pursuant to  
26 this Section unless the county also imposes a tax at the same

1 rate pursuant to Section 5-1007.

2 Persons subject to any tax imposed pursuant to the  
3 authority granted in this Section may reimburse themselves for  
4 their seller's tax liability hereunder by separately stating  
5 such tax as an additional charge, which charge may be stated in  
6 combination, in a single amount, with State tax which sellers  
7 are required to collect under the Use Tax Act, pursuant to such  
8 bracket schedules as the Department may prescribe.

9 Whenever the Department determines that a refund should be  
10 made under this Section to a claimant instead of issuing a  
11 credit memorandum, the Department shall notify the State  
12 Comptroller, who shall cause the order to be drawn for the  
13 amount specified and to the person named in the notification  
14 from the Department. The refund shall be paid by the State  
15 Treasurer out of the home rule county retailers' occupation  
16 tax fund or the Local Government Aviation Trust Fund, as  
17 appropriate.

18 Except as otherwise provided in this paragraph, the  
19 Department shall forthwith pay over to the State Treasurer, ex  
20 officio, as trustee, all taxes and penalties collected  
21 hereunder for deposit into the Home Rule County Retailers'  
22 Occupation Tax Fund. Taxes and penalties collected on aviation  
23 fuel sold on or after December 1, 2019, shall be immediately  
24 paid over by the Department to the State Treasurer, ex  
25 officio, as trustee, for deposit into the Local Government  
26 Aviation Trust Fund. The Department shall only pay moneys into



1 the Local Government Aviation Trust Fund under this Section  
2 for so long as the revenue use requirements of 49 U.S.C.  
3 47107(b) and 49 U.S.C. 47133 are binding on the county.

4 As soon as possible after the first day of each month,  
5 beginning January 1, 2011, upon certification of the  
6 Department of Revenue, the Comptroller shall order  
7 transferred, and the Treasurer shall transfer, to the STAR  
8 Bonds Revenue Fund the local sales tax increment, as defined  
9 in the Innovation Development and Economy Act, collected under  
10 this Section during the second preceding calendar month for  
11 sales within a STAR bond district.

12 After the monthly transfer to the STAR Bonds Revenue Fund,  
13 on or before the 25th day of each calendar month, the  
14 Department shall prepare and certify to the Comptroller the  
15 disbursement of stated sums of money to named counties, the  
16 counties to be those from which retailers have paid taxes or  
17 penalties hereunder to the Department during the second  
18 preceding calendar month. The amount to be paid to each county  
19 shall be the amount (not including credit memoranda and not  
20 including taxes and penalties collected on aviation fuel sold  
21 on or after December 1, 2019) collected hereunder during the  
22 second preceding calendar month by the Department plus an  
23 amount the Department determines is necessary to offset any  
24 amounts that were erroneously paid to a different taxing body,  
25 and not including an amount equal to the amount of refunds made  
26 during the second preceding calendar month by the Department

1 on behalf of such county, and not including any amount which  
2 the Department determines is necessary to offset any amounts  
3 which were payable to a different taxing body but were  
4 erroneously paid to the county, and not including any amounts  
5 that are transferred to the STAR Bonds Revenue Fund, less 1.5%  
6 of the remainder, which the Department shall transfer into the  
7 Tax Compliance and Administration Fund. The Department, at the  
8 time of each monthly disbursement to the counties, shall  
9 prepare and certify to the State Comptroller the amount to be  
10 transferred into the Tax Compliance and Administration Fund  
11 under this Section. Within 10 days after receipt, by the  
12 Comptroller, of the disbursement certification to the counties  
13 and the Tax Compliance and Administration Fund provided for in  
14 this Section to be given to the Comptroller by the Department,  
15 the Comptroller shall cause the orders to be drawn for the  
16 respective amounts in accordance with the directions contained  
17 in the certification.

18 In addition to the disbursement required by the preceding  
19 paragraph, an allocation shall be made in March of each year to  
20 each county that received more than \$500,000 in disbursements  
21 under the preceding paragraph in the preceding calendar year.  
22 The allocation shall be in an amount equal to the average  
23 monthly distribution made to each such county under the  
24 preceding paragraph during the preceding calendar year  
25 (excluding the 2 months of highest receipts). The distribution  
26 made in March of each year subsequent to the year in which an

1 allocation was made pursuant to this paragraph and the  
2 preceding paragraph shall be reduced by the amount allocated  
3 and disbursed under this paragraph in the preceding calendar  
4 year. The Department shall prepare and certify to the  
5 Comptroller for disbursement the allocations made in  
6 accordance with this paragraph.

7 For the purpose of determining the local governmental unit  
8 whose tax is applicable, a retail sale by a producer of coal or  
9 other mineral mined in Illinois is a sale at retail at the  
10 place where the coal or other mineral mined in Illinois is  
11 extracted from the earth. This paragraph does not apply to  
12 coal or other mineral when it is delivered or shipped by the  
13 seller to the purchaser at a point outside Illinois so that the  
14 sale is exempt under the United States Constitution as a sale  
15 in interstate or foreign commerce.

16 Nothing in this Section shall be construed to authorize a  
17 county to impose a tax upon the privilege of engaging in any  
18 business which under the Constitution of the United States may  
19 not be made the subject of taxation by this State.

20 An ordinance or resolution imposing or discontinuing a tax  
21 hereunder or effecting a change in the rate thereof shall be  
22 adopted and a certified copy thereof filed with the Department  
23 on or before the first day of June, whereupon the Department  
24 shall proceed to administer and enforce this Section as of the  
25 first day of September next following such adoption and  
26 filing. Beginning January 1, 1992, an ordinance or resolution

1 imposing or discontinuing the tax hereunder or effecting a  
2 change in the rate thereof shall be adopted and a certified  
3 copy thereof filed with the Department on or before the first  
4 day of July, whereupon the Department shall proceed to  
5 administer and enforce this Section as of the first day of  
6 October next following such adoption and filing. Beginning  
7 January 1, 1993, an ordinance or resolution imposing or  
8 discontinuing the tax hereunder or effecting a change in the  
9 rate thereof shall be adopted and a certified copy thereof  
10 filed with the Department on or before the first day of  
11 October, whereupon the Department shall proceed to administer  
12 and enforce this Section as of the first day of January next  
13 following such adoption and filing. Beginning April 1, 1998,  
14 an ordinance or resolution imposing or discontinuing the tax  
15 hereunder or effecting a change in the rate thereof shall  
16 either (i) be adopted and a certified copy thereof filed with  
17 the Department on or before the first day of April, whereupon  
18 the Department shall proceed to administer and enforce this  
19 Section as of the first day of July next following the adoption  
20 and filing; or (ii) be adopted and a certified copy thereof  
21 filed with the Department on or before the first day of  
22 October, whereupon the Department shall proceed to administer  
23 and enforce this Section as of the first day of January next  
24 following the adoption and filing.

25 When certifying the amount of a monthly disbursement to a  
26 county under this Section, the Department shall increase or

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

5 This Section shall be known and may be cited as the Home  
6 Rule County Retailers' Occupation Tax Law.

7 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;  
8 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-81, eff.  
9 7-12-19; 101-604, eff. 12-13-19.)

10 (55 ILCS 5/5-1006.5)

11 Sec. 5-1006.5. Special County Retailers' Occupation Tax  
12 For Public Safety, Public Facilities, Mental Health, Substance  
13 Abuse, or Transportation.

14 (a) The county board of any county may impose a tax upon  
15 all persons engaged in the business of selling tangible  
16 personal property, other than personal property titled or  
17 registered with an agency of this State's government, at  
18 retail in the county on the gross receipts from the sales made  
19 in the course of business to provide revenue to be used  
20 exclusively for public safety, public facility, mental health,  
21 substance abuse, or transportation purposes in that county  
22 (except as otherwise provided in this Section), if a  
23 proposition for the tax has been submitted to the electors of  
24 that county and approved by a majority of those voting on the  
25 question. If imposed, this tax shall be imposed only in

1 one-quarter percent increments. By resolution, the county  
2 board may order the proposition to be submitted at any  
3 election. If the tax is imposed for transportation purposes  
4 for expenditures for public highways or as authorized under  
5 the Illinois Highway Code, the county board must publish  
6 notice of the existence of its long-range highway  
7 transportation plan as required or described in Section 5-301  
8 of the Illinois Highway Code and must make the plan publicly  
9 available prior to approval of the ordinance or resolution  
10 imposing the tax. If the tax is imposed for transportation  
11 purposes for expenditures for passenger rail transportation,  
12 the county board must publish notice of the existence of its  
13 long-range passenger rail transportation plan and must make  
14 the plan publicly available prior to approval of the ordinance  
15 or resolution imposing the tax.

16 If a tax is imposed for public facilities purposes, then  
17 the name of the project may be included in the proposition at  
18 the discretion of the county board as determined in the  
19 enabling resolution. For example, the "XXX Nursing Home" or  
20 the "YYY Museum".

21 The county clerk shall certify the question to the proper  
22 election authority, who shall submit the proposition at an  
23 election in accordance with the general election law.

24 (1) The proposition for public safety purposes shall  
25 be in substantially the following form:

26 "To pay for public safety purposes, shall (name of

1 county) be authorized to impose an increase on its share  
2 of local sales taxes by (insert rate)?"

3 As additional information on the ballot below the  
4 question shall appear the following:

5 "This would mean that a consumer would pay an  
6 additional (insert amount) in sales tax for every \$100 of  
7 tangible personal property bought at retail."

8 The county board may also opt to establish a sunset  
9 provision at which time the additional sales tax would  
10 cease being collected, if not terminated earlier by a vote  
11 of the county board. If the county board votes to include a  
12 sunset provision, the proposition for public safety  
13 purposes shall be in substantially the following form:

14 "To pay for public safety purposes, shall (name of  
15 county) be authorized to impose an increase on its share  
16 of local sales taxes by (insert rate) for a period not to  
17 exceed (insert number of years)?"

18 As additional information on the ballot below the  
19 question shall appear the following:

20 "This would mean that a consumer would pay an  
21 additional (insert amount) in sales tax for every \$100 of  
22 tangible personal property bought at retail. If imposed,  
23 the additional tax would cease being collected at the end  
24 of (insert number of years), if not terminated earlier by  
25 a vote of the county board."

26 For the purposes of the paragraph, "public safety

1 purposes" means crime prevention, detention, fire  
2 fighting, police, medical, ambulance, or other emergency  
3 services.

4 Votes shall be recorded as "Yes" or "No".

5 Beginning on the January 1 or July 1, whichever is  
6 first, that occurs not less than 30 days after May 31, 2015  
7 (the effective date of Public Act 99-4), Adams County may  
8 impose a public safety retailers' occupation tax and  
9 service occupation tax at the rate of 0.25%, as provided  
10 in the referendum approved by the voters on April 7, 2015,  
11 notwithstanding the omission of the additional information  
12 that is otherwise required to be printed on the ballot  
13 below the question pursuant to this item (1).

14 (2) The proposition for transportation purposes shall  
15 be in substantially the following form:

16 "To pay for improvements to roads and other  
17 transportation purposes, shall (name of county) be  
18 authorized to impose an increase on its share of local  
19 sales taxes by (insert rate)?"

20 As additional information on the ballot below the  
21 question shall appear the following:

22 "This would mean that a consumer would pay an  
23 additional (insert amount) in sales tax for every \$100 of  
24 tangible personal property bought at retail."

25 The county board may also opt to establish a sunset  
26 provision at which time the additional sales tax would



1       cease being collected, if not terminated earlier by a vote  
2       of the county board. If the county board votes to include a  
3       sunset provision, the proposition for transportation  
4       purposes shall be in substantially the following form:

5                "To pay for road improvements and other transportation  
6       purposes, shall (name of county) be authorized to impose  
7       an increase on its share of local sales taxes by (insert  
8       rate) for a period not to exceed (insert number of  
9       years)?"

10       As additional information on the ballot below the  
11       question shall appear the following:

12                "This would mean that a consumer would pay an  
13       additional (insert amount) in sales tax for every \$100 of  
14       tangible personal property bought at retail. If imposed,  
15       the additional tax would cease being collected at the end  
16       of (insert number of years), if not terminated earlier by  
17       a vote of the county board."

18       For the purposes of this paragraph, transportation  
19       purposes means construction, maintenance, operation, and  
20       improvement of public highways, any other purpose for  
21       which a county may expend funds under the Illinois Highway  
22       Code, and passenger rail transportation.

23       The votes shall be recorded as "Yes" or "No".

24       (3) The proposition for public facilities purposes  
25       shall be in substantially the following form:

26                "To pay for public facilities purposes, shall (name of

1 county) be authorized to impose an increase on its share  
2 of local sales taxes by (insert rate)?"

3 As additional information on the ballot below the  
4 question shall appear the following:

5 "This would mean that a consumer would pay an  
6 additional (insert amount) in sales tax for every \$100 of  
7 tangible personal property bought at retail."

8 The county board may also opt to establish a sunset  
9 provision at which time the additional sales tax would  
10 cease being collected, if not terminated earlier by a vote  
11 of the county board. If the county board votes to include a  
12 sunset provision, the proposition for public facilities  
13 purposes shall be in substantially the following form:

14 "To pay for public facilities purposes, shall (name of  
15 county) be authorized to impose an increase on its share  
16 of local sales taxes by (insert rate) for a period not to  
17 exceed (insert number of years)?"

18 As additional information on the ballot below the  
19 question shall appear the following:

20 "This would mean that a consumer would pay an  
21 additional (insert amount) in sales tax for every \$100 of  
22 tangible personal property bought at retail. If imposed,  
23 the additional tax would cease being collected at the end  
24 of (insert number of years), if not terminated earlier by  
25 a vote of the county board."

26 For purposes of this Section, "public facilities

1 purposes" means the acquisition, development,  
2 construction, reconstruction, rehabilitation,  
3 improvement, financing, architectural planning, and  
4 installation of capital facilities consisting of  
5 buildings, structures, and durable equipment and for the  
6 acquisition and improvement of real property and interest  
7 in real property required, or expected to be required, in  
8 connection with the public facilities, for use by the  
9 county for the furnishing of governmental services to its  
10 citizens, including, but not limited to, museums and  
11 nursing homes.

12 The votes shall be recorded as "Yes" or "No".

13 (4) The proposition for mental health purposes shall  
14 be in substantially the following form:

15 "To pay for mental health purposes, shall (name of  
16 county) be authorized to impose an increase on its share  
17 of local sales taxes by (insert rate)?"

18 As additional information on the ballot below the  
19 question shall appear the following:

20 "This would mean that a consumer would pay an  
21 additional (insert amount) in sales tax for every \$100 of  
22 tangible personal property bought at retail."

23 The county board may also opt to establish a sunset  
24 provision at which time the additional sales tax would  
25 cease being collected, if not terminated earlier by a vote  
26 of the county board. If the county board votes to include a

1 sunset provision, the proposition for public facilities  
2 purposes shall be in substantially the following form:

3 "To pay for mental health purposes, shall (name of  
4 county) be authorized to impose an increase on its share  
5 of local sales taxes by (insert rate) for a period not to  
6 exceed (insert number of years)?"

7 As additional information on the ballot below the  
8 question shall appear the following:

9 "This would mean that a consumer would pay an  
10 additional (insert amount) in sales tax for every \$100 of  
11 tangible personal property bought at retail. If imposed,  
12 the additional tax would cease being collected at the end  
13 of (insert number of years), if not terminated earlier by  
14 a vote of the county board."

15 The votes shall be recorded as "Yes" or "No".

16 (5) The proposition for substance abuse purposes shall  
17 be in substantially the following form:

18 "To pay for substance abuse purposes, shall (name of  
19 county) be authorized to impose an increase on its share  
20 of local sales taxes by (insert rate)?"

21 As additional information on the ballot below the  
22 question shall appear the following:

23 "This would mean that a consumer would pay an  
24 additional (insert amount) in sales tax for every \$100 of  
25 tangible personal property bought at retail."

26 The county board may also opt to establish a sunset

1 provision at which time the additional sales tax would  
2 cease being collected, if not terminated earlier by a vote  
3 of the county board. If the county board votes to include a  
4 sunset provision, the proposition for public facilities  
5 purposes shall be in substantially the following form:

6 "To pay for substance abuse purposes, shall (name of  
7 county) be authorized to impose an increase on its share  
8 of local sales taxes by (insert rate) for a period not to  
9 exceed (insert number of years)?"

10 As additional information on the ballot below the  
11 question shall appear the following:

12 "This would mean that a consumer would pay an  
13 additional (insert amount) in sales tax for every \$100 of  
14 tangible personal property bought at retail. If imposed,  
15 the additional tax would cease being collected at the end  
16 of (insert number of years), if not terminated earlier by  
17 a vote of the county board."

18 The votes shall be recorded as "Yes" or "No".

19 If a majority of the electors voting on the proposition  
20 vote in favor of it, the county may impose the tax. A county  
21 may not submit more than one proposition authorized by this  
22 Section to the electors at any one time.

23 This additional tax may not be imposed on tangible  
24 personal property taxed at the 1% rate under the Retailers'  
25 Occupation Tax Act (or at the 0% rate imposed under this  
26 amendatory Act of the 102nd General Assembly). Beginning

1 December 1, 2019 and through December 31, 2020, this tax is not  
2 imposed on sales of aviation fuel unless the tax revenue is  
3 expended for airport-related purposes. If the county does not  
4 have an airport-related purpose to which it dedicates aviation  
5 fuel tax revenue, then aviation fuel is excluded from the tax.  
6 The county must comply with the certification requirements for  
7 airport-related purposes under Section 2-22 of the Retailers'  
8 Occupation Tax Act. For purposes of this Section,  
9 "airport-related purposes" has the meaning ascribed in Section  
10 6z-20.2 of the State Finance Act. Beginning January 1, 2021,  
11 this tax is not imposed on sales of aviation fuel for so long  
12 as the revenue use requirements of 49 U.S.C. 47107(b) and 49  
13 U.S.C. 47133 are binding on the county. The tax imposed by a  
14 county under this Section and all civil penalties that may be  
15 assessed as an incident of the tax shall be collected and  
16 enforced by the Illinois Department of Revenue and deposited  
17 into a special fund created for that purpose. The certificate  
18 of registration that is issued by the Department to a retailer  
19 under the Retailers' Occupation Tax Act shall permit the  
20 retailer to engage in a business that is taxable without  
21 registering separately with the Department under an ordinance  
22 or resolution under this Section. The Department has full  
23 power to administer and enforce this Section, to collect all  
24 taxes and penalties due under this Section, to dispose of  
25 taxes and penalties so collected in the manner provided in  
26 this Section, and to determine all rights to credit memoranda

1 arising on account of the erroneous payment of a tax or penalty  
2 under this Section. In the administration of and compliance  
3 with this Section, the Department and persons who are subject  
4 to this Section shall (i) have the same rights, remedies,  
5 privileges, immunities, powers, and duties, (ii) be subject to  
6 the same conditions, restrictions, limitations, penalties, and  
7 definitions of terms, and (iii) employ the same modes of  
8 procedure as are prescribed in Sections 1, 1a, 1a-1, 1d, 1e,  
9 1f, 1i, 1j, 1k, 1m, 1n, 2 through 2-70 (in respect to all  
10 provisions contained in those Sections other than the State  
11 rate of tax), 2a, 2b, 2c, 3 (except provisions relating to  
12 transaction returns and quarter monthly payments, and except  
13 that the retailer's discount is not allowed for taxes paid on  
14 aviation fuel that are deposited into the Local Government  
15 Aviation Trust Fund), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i,  
16 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 11a, 12, and 13  
17 of the Retailers' Occupation Tax Act and Section 3-7 of the  
18 Uniform Penalty and Interest Act as if those provisions were  
19 set forth in this Section.

20 Persons subject to any tax imposed under the authority  
21 granted in this Section may reimburse themselves for their  
22 sellers' tax liability by separately stating the tax as an  
23 additional charge, which charge may be stated in combination,  
24 in a single amount, with State tax which sellers are required  
25 to collect under the Use Tax Act, pursuant to such bracketed  
26 schedules as the Department may prescribe.

1 Whenever the Department determines that a refund should be  
2 made under this Section to a claimant instead of issuing a  
3 credit memorandum, the Department shall notify the State  
4 Comptroller, who shall cause the order to be drawn for the  
5 amount specified and to the person named in the notification  
6 from the Department. The refund shall be paid by the State  
7 Treasurer out of the County Public Safety, Public Facilities,  
8 Mental Health, Substance Abuse, or Transportation Retailers'  
9 Occupation Tax Fund or the Local Government Aviation Trust  
10 Fund, as appropriate.

11 (b) If a tax has been imposed under subsection (a), a  
12 service occupation tax shall also be imposed at the same rate  
13 upon all persons engaged, in the county, in the business of  
14 making sales of service, who, as an incident to making those  
15 sales of service, transfer tangible personal property within  
16 the county as an incident to a sale of service. This tax may  
17 not be imposed on tangible personal property taxed at the 1%  
18 rate under the Service Occupation Tax Act (or at the 0% rate  
19 imposed under this amendatory Act of the 102nd General  
20 Assembly). Beginning December 1, 2019 and through December 31,  
21 2020, this tax is not imposed on sales of aviation fuel unless  
22 the tax revenue is expended for airport-related purposes. If  
23 the county does not have an airport-related purpose to which  
24 it dedicates aviation fuel tax revenue, then aviation fuel is  
25 excluded from the tax. The county must comply with the  
26 certification requirements for airport-related purposes under



1 Section 2-22 of the Retailers' Occupation Tax Act. For  
2 purposes of this Section, "airport-related purposes" has the  
3 meaning ascribed in Section 6z-20.2 of the State Finance Act.  
4 Beginning January 1, 2021, this tax is not imposed on sales of  
5 aviation fuel for so long as the revenue use requirements of 49  
6 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the county.  
7 The tax imposed under this subsection and all civil penalties  
8 that may be assessed as an incident thereof shall be collected  
9 and enforced by the Department of Revenue. The Department has  
10 full power to administer and enforce this subsection; to  
11 collect all taxes and penalties due hereunder; to dispose of  
12 taxes and penalties so collected in the manner hereinafter  
13 provided; and to determine all rights to credit memoranda  
14 arising on account of the erroneous payment of tax or penalty  
15 hereunder. In the administration of and compliance with this  
16 subsection, the Department and persons who are subject to this  
17 paragraph shall (i) have the same rights, remedies,  
18 privileges, immunities, powers, and duties, (ii) be subject to  
19 the same conditions, restrictions, limitations, penalties,  
20 exclusions, exemptions, and definitions of terms, and (iii)  
21 employ the same modes of procedure as are prescribed in  
22 Sections 2 (except that the reference to State in the  
23 definition of supplier maintaining a place of business in this  
24 State shall mean the county), 2a, 2b, 2c, 3 through 3-50 (in  
25 respect to all provisions therein other than the State rate of  
26 tax), 4 (except that the reference to the State shall be to the

1 county), 5, 7, 8 (except that the jurisdiction to which the tax  
2 shall be a debt to the extent indicated in that Section 8 shall  
3 be the county), 9 (except as to the disposition of taxes and  
4 penalties collected, and except that the retailer's discount  
5 is not allowed for taxes paid on aviation fuel that are  
6 deposited into the Local Government Aviation Trust Fund), 10,  
7 11, 12 (except the reference therein to Section 2b of the  
8 Retailers' Occupation Tax Act), 13 (except that any reference  
9 to the State shall mean the county), Section 15, 16, 17, 18,  
10 19, and 20 of the Service Occupation Tax Act, and Section 3-7  
11 of the Uniform Penalty and Interest Act, as fully as if those  
12 provisions were set forth herein.

13 Persons subject to any tax imposed under the authority  
14 granted in this subsection may reimburse themselves for their  
15 serviceman's tax liability by separately stating the tax as an  
16 additional charge, which charge may be stated in combination,  
17 in a single amount, with State tax that servicemen are  
18 authorized to collect under the Service Use Tax Act, in  
19 accordance with such bracket schedules as the Department may  
20 prescribe.

21 Whenever the Department determines that a refund should be  
22 made under this subsection to a claimant instead of issuing a  
23 credit memorandum, the Department shall notify the State  
24 Comptroller, who shall cause the warrant to be drawn for the  
25 amount specified, and to the person named, in the notification  
26 from the Department. The refund shall be paid by the State

1 Treasurer out of the County Public Safety, Public Facilities,  
2 Mental Health, Substance Abuse, or Transportation Retailers'  
3 Occupation Fund or the Local Government Aviation Trust Fund,  
4 as appropriate.

5 Nothing in this subsection shall be construed to authorize  
6 the county to impose a tax upon the privilege of engaging in  
7 any business which under the Constitution of the United States  
8 may not be made the subject of taxation by the State.

9 (c) Except as otherwise provided in this paragraph, the  
10 Department shall immediately pay over to the State Treasurer,  
11 ex officio, as trustee, all taxes and penalties collected  
12 under this Section to be deposited into the County Public  
13 Safety, Public Facilities, Mental Health, Substance Abuse, or  
14 Transportation Retailers' Occupation Tax Fund, which shall be  
15 an unappropriated trust fund held outside of the State  
16 treasury. Taxes and penalties collected on aviation fuel sold  
17 on or after December 1, 2019 and through December 31, 2020,  
18 shall be immediately paid over by the Department to the State  
19 Treasurer, ex officio, as trustee, for deposit into the Local  
20 Government Aviation Trust Fund. The Department shall only pay  
21 moneys into the Local Government Aviation Trust Fund under  
22 this Act for so long as the revenue use requirements of 49  
23 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the county.

24 As soon as possible after the first day of each month,  
25 beginning January 1, 2011, upon certification of the  
26 Department of Revenue, the Comptroller shall order

1 transferred, and the Treasurer shall transfer, to the STAR  
2 Bonds Revenue Fund the local sales tax increment, as defined  
3 in the Innovation Development and Economy Act, collected under  
4 this Section during the second preceding calendar month for  
5 sales within a STAR bond district.

6 After the monthly transfer to the STAR Bonds Revenue Fund,  
7 on or before the 25th day of each calendar month, the  
8 Department shall prepare and certify to the Comptroller the  
9 disbursement of stated sums of money to the counties from  
10 which retailers have paid taxes or penalties to the Department  
11 during the second preceding calendar month. The amount to be  
12 paid to each county, and deposited by the county into its  
13 special fund created for the purposes of this Section, shall  
14 be the amount (not including credit memoranda and not  
15 including taxes and penalties collected on aviation fuel sold  
16 on or after December 1, 2019 and through December 31, 2020)  
17 collected under this Section during the second preceding  
18 calendar month by the Department plus an amount the Department  
19 determines is necessary to offset any amounts that were  
20 erroneously paid to a different taxing body, and not including  
21 (i) an amount equal to the amount of refunds made during the  
22 second preceding calendar month by the Department on behalf of  
23 the county, (ii) any amount that the Department determines is  
24 necessary to offset any amounts that were payable to a  
25 different taxing body but were erroneously paid to the county,  
26 (iii) any amounts that are transferred to the STAR Bonds

1 Revenue Fund, and (iv) 1.5% of the remainder, which shall be  
2 transferred into the Tax Compliance and Administration Fund.  
3 The Department, at the time of each monthly disbursement to  
4 the counties, shall prepare and certify to the State  
5 Comptroller the amount to be transferred into the Tax  
6 Compliance and Administration Fund under this subsection.  
7 Within 10 days after receipt by the Comptroller of the  
8 disbursement certification to the counties and the Tax  
9 Compliance and Administration Fund provided for in this  
10 Section to be given to the Comptroller by the Department, the  
11 Comptroller shall cause the orders to be drawn for the  
12 respective amounts in accordance with directions contained in  
13 the certification.

14 In addition to the disbursement required by the preceding  
15 paragraph, an allocation shall be made in March of each year to  
16 each county that received more than \$500,000 in disbursements  
17 under the preceding paragraph in the preceding calendar year.  
18 The allocation shall be in an amount equal to the average  
19 monthly distribution made to each such county under the  
20 preceding paragraph during the preceding calendar year  
21 (excluding the 2 months of highest receipts). The distribution  
22 made in March of each year subsequent to the year in which an  
23 allocation was made pursuant to this paragraph and the  
24 preceding paragraph shall be reduced by the amount allocated  
25 and disbursed under this paragraph in the preceding calendar  
26 year. The Department shall prepare and certify to the

1 Comptroller for disbursement the allocations made in  
2 accordance with this paragraph.

3 (d) For the purpose of determining the local governmental  
4 unit whose tax is applicable, a retail sale by a producer of  
5 coal or another mineral mined in Illinois is a sale at retail  
6 at the place where the coal or other mineral mined in Illinois  
7 is extracted from the earth. This paragraph does not apply to  
8 coal or another mineral when it is delivered or shipped by the  
9 seller to the purchaser at a point outside Illinois so that the  
10 sale is exempt under the United States Constitution as a sale  
11 in interstate or foreign commerce.

12 (e) Nothing in this Section shall be construed to  
13 authorize a county to impose a tax upon the privilege of  
14 engaging in any business that under the Constitution of the  
15 United States may not be made the subject of taxation by this  
16 State.

17 (e-5) If a county imposes a tax under this Section, the  
18 county board may, by ordinance, discontinue or lower the rate  
19 of the tax. If the county board lowers the tax rate or  
20 discontinues the tax, a referendum must be held in accordance  
21 with subsection (a) of this Section in order to increase the  
22 rate of the tax or to reimpose the discontinued tax.

23 (f) Beginning April 1, 1998 and through December 31, 2013,  
24 the results of any election authorizing a proposition to  
25 impose a tax under this Section or effecting a change in the  
26 rate of tax, or any ordinance lowering the rate or

1 discontinuing the tax, shall be certified by the county clerk  
2 and filed with the Illinois Department of Revenue either (i)  
3 on or before the first day of April, whereupon the Department  
4 shall proceed to administer and enforce the tax as of the first  
5 day of July next following the filing; or (ii) on or before the  
6 first day of October, whereupon the Department shall proceed  
7 to administer and enforce the tax as of the first day of  
8 January next following the filing.

9 Beginning January 1, 2014, the results of any election  
10 authorizing a proposition to impose a tax under this Section  
11 or effecting an increase in the rate of tax, along with the  
12 ordinance adopted to impose the tax or increase the rate of the  
13 tax, or any ordinance adopted to lower the rate or discontinue  
14 the tax, shall be certified by the county clerk and filed with  
15 the Illinois Department of Revenue either (i) on or before the  
16 first day of May, whereupon the Department shall proceed to  
17 administer and enforce the tax as of the first day of July next  
18 following the adoption and filing; or (ii) on or before the  
19 first day of October, whereupon the Department shall proceed  
20 to administer and enforce the tax as of the first day of  
21 January next following the adoption and filing.

22 (g) When certifying the amount of a monthly disbursement  
23 to a county under this Section, the Department shall increase  
24 or decrease the amounts by an amount necessary to offset any  
25 miscalculation of previous disbursements. The offset amount  
26 shall be the amount erroneously disbursed within the previous

1 6 months from the time a miscalculation is discovered.

2 (g-5) Every county authorized to levy a tax under this  
3 Section shall, before it levies such tax, establish a 7-member  
4 mental health board, which shall have the same powers and  
5 duties and be constituted in the same manner as a community  
6 mental health board established under the Community Mental  
7 Health Act. Proceeds of the tax under this Section that are  
8 earmarked for mental health or substance abuse purposes shall  
9 be deposited into a special county occupation tax fund for  
10 mental health and substance abuse. The 7-member mental health  
11 board established under this subsection shall administer the  
12 special county occupation tax fund for mental health and  
13 substance abuse in the same manner as the community mental  
14 health board administers the community mental health fund  
15 under the Community Mental Health Act.

16 (h) This Section may be cited as the "Special County  
17 Occupation Tax For Public Safety, Public Facilities, Mental  
18 Health, Substance Abuse, or Transportation Law".

19 (i) For purposes of this Section, "public safety"  
20 includes, but is not limited to, crime prevention, detention,  
21 fire fighting, police, medical, ambulance, or other emergency  
22 services. The county may share tax proceeds received under  
23 this Section for public safety purposes, including proceeds  
24 received before August 4, 2009 (the effective date of Public  
25 Act 96-124), with any fire protection district located in the  
26 county. For the purposes of this Section, "transportation"



1 includes, but is not limited to, the construction,  
2 maintenance, operation, and improvement of public highways,  
3 any other purpose for which a county may expend funds under the  
4 Illinois Highway Code, and passenger rail transportation. For  
5 the purposes of this Section, "public facilities purposes"  
6 includes, but is not limited to, the acquisition, development,  
7 construction, reconstruction, rehabilitation, improvement,  
8 financing, architectural planning, and installation of capital  
9 facilities consisting of buildings, structures, and durable  
10 equipment and for the acquisition and improvement of real  
11 property and interest in real property required, or expected  
12 to be required, in connection with the public facilities, for  
13 use by the county for the furnishing of governmental services  
14 to its citizens, including, but not limited to, museums and  
15 nursing homes.

16 (j) The Department may promulgate rules to implement  
17 Public Act 95-1002 only to the extent necessary to apply the  
18 existing rules for the Special County Retailers' Occupation  
19 Tax for Public Safety to this new purpose for public  
20 facilities.

21 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;  
22 101-275, eff. 8-9-19; 101-604, eff. 12-13-19; 102-379, eff.  
23 1-1-22.)

24 (55 ILCS 5/5-1006.7)

25 Sec. 5-1006.7. School facility and resources occupation

1 taxes.

2 (a) In any county, a tax shall be imposed upon all persons  
3 engaged in the business of selling tangible personal property,  
4 other than personal property titled or registered with an  
5 agency of this State's government, at retail in the county on  
6 the gross receipts from the sales made in the course of  
7 business to provide revenue to be used exclusively for (i)  
8 school facility purposes (except as otherwise provided in this  
9 Section), (ii) school resource officers and mental health  
10 professionals, or (iii) school facility purposes, school  
11 resource officers, and mental health professionals if a  
12 proposition for the tax has been submitted to the electors of  
13 that county and approved by a majority of those voting on the  
14 question as provided in subsection (c). The tax under this  
15 Section shall be imposed only in one-quarter percent  
16 increments and may not exceed 1%.

17 This additional tax may not be imposed on tangible  
18 personal property taxed at the 1% rate under the Retailers'  
19 Occupation Tax Act (or at the 0% rate imposed under this  
20 amendatory Act of the 102nd General Assembly). Beginning  
21 December 1, 2019 and through December 31, 2020, this tax is not  
22 imposed on sales of aviation fuel unless the tax revenue is  
23 expended for airport-related purposes. If the county does not  
24 have an airport-related purpose to which it dedicates aviation  
25 fuel tax revenue, then aviation fuel is excluded from the tax.  
26 The county must comply with the certification requirements for

1 airport-related purposes under Section 2-22 of the Retailers'  
2 Occupation Tax Act. For purposes of this Section,  
3 "airport-related purposes" has the meaning ascribed in Section  
4 6z-20.2 of the State Finance Act. Beginning January 1, 2021,  
5 this tax is not imposed on sales of aviation fuel for so long  
6 as the revenue use requirements of 49 U.S.C. 47107(b) and 49  
7 U.S.C. 47133 are binding on the county. The Department of  
8 Revenue has full power to administer and enforce this  
9 subsection, to collect all taxes and penalties due under this  
10 subsection, to dispose of taxes and penalties so collected in  
11 the manner provided in this subsection, and to determine all  
12 rights to credit memoranda arising on account of the erroneous  
13 payment of a tax or penalty under this subsection. The  
14 Department shall deposit all taxes and penalties collected  
15 under this subsection into a special fund created for that  
16 purpose.

17 In the administration of and compliance with this  
18 subsection, the Department and persons who are subject to this  
19 subsection (i) have the same rights, remedies, privileges,  
20 immunities, powers, and duties, (ii) are subject to the same  
21 conditions, restrictions, limitations, penalties, and  
22 definitions of terms, and (iii) shall employ the same modes of  
23 procedure as are set forth in Sections 1 through 10, 2 through  
24 2-70 (in respect to all provisions contained in those Sections  
25 other than the State rate of tax), 2a through 2h, 3 (except as  
26 to the disposition of taxes and penalties collected, and

1 except that the retailer's discount is not allowed for taxes  
2 paid on aviation fuel that are subject to the revenue use  
3 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5,  
4 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c,  
5 6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers'  
6 Occupation Tax Act and all provisions of the Uniform Penalty  
7 and Interest Act as if those provisions were set forth in this  
8 subsection.

9 The certificate of registration that is issued by the  
10 Department to a retailer under the Retailers' Occupation Tax  
11 Act permits the retailer to engage in a business that is  
12 taxable without registering separately with the Department  
13 under an ordinance or resolution under this subsection.

14 Persons subject to any tax imposed under the authority  
15 granted in this subsection may reimburse themselves for their  
16 seller's tax liability by separately stating that tax as an  
17 additional charge, which may be stated in combination, in a  
18 single amount, with State tax that sellers are required to  
19 collect under the Use Tax Act, pursuant to any bracketed  
20 schedules set forth by the Department.

21 (b) If a tax has been imposed under subsection (a), then a  
22 service occupation tax must also be imposed at the same rate  
23 upon all persons engaged, in the county, in the business of  
24 making sales of service, who, as an incident to making those  
25 sales of service, transfer tangible personal property within  
26 the county as an incident to a sale of service.

1           This tax may not be imposed on tangible personal property  
2           taxed at the 1% rate under the Service Occupation Tax Act (or  
3           at the 0% rate imposed under this amendatory Act of the 102nd  
4           General Assembly). Beginning December 1, 2019 and through  
5           December 31, 2020, this tax is not imposed on sales of aviation  
6           fuel unless the tax revenue is expended for airport-related  
7           purposes. If the county does not have an airport-related  
8           purpose to which it dedicates aviation fuel tax revenue, then  
9           aviation fuel is excluded from the tax. The county must comply  
10          with the certification requirements for airport-related  
11          purposes under Section 2-22 of the Retailers' Occupation Tax  
12          Act. For purposes of this Section, "airport-related purposes"  
13          has the meaning ascribed in Section 6z-20.2 of the State  
14          Finance Act. Beginning January 1, 2021, this tax is not  
15          imposed on sales of aviation fuel for so long as the revenue  
16          use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are  
17          binding on the county.

18          The tax imposed under this subsection and all civil  
19          penalties that may be assessed as an incident thereof shall be  
20          collected and enforced by the Department and deposited into a  
21          special fund created for that purpose. The Department has full  
22          power to administer and enforce this subsection, to collect  
23          all taxes and penalties due under this subsection, to dispose  
24          of taxes and penalties so collected in the manner provided in  
25          this subsection, and to determine all rights to credit  
26          memoranda arising on account of the erroneous payment of a tax

1 or penalty under this subsection.

2 In the administration of and compliance with this  
3 subsection, the Department and persons who are subject to this  
4 subsection shall (i) have the same rights, remedies,  
5 privileges, immunities, powers and duties, (ii) be subject to  
6 the same conditions, restrictions, limitations, penalties and  
7 definition of terms, and (iii) employ the same modes of  
8 procedure as are set forth in Sections 2 (except that that  
9 reference to State in the definition of supplier maintaining a  
10 place of business in this State means the county), 2a through  
11 2d, 3 through 3-50 (in respect to all provisions contained in  
12 those Sections other than the State rate of tax), 4 (except  
13 that the reference to the State shall be to the county), 5, 7,  
14 8 (except that the jurisdiction to which the tax is a debt to  
15 the extent indicated in that Section 8 is the county), 9  
16 (except as to the disposition of taxes and penalties  
17 collected, and except that the retailer's discount is not  
18 allowed for taxes paid on aviation fuel that are subject to the  
19 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.  
20 47133), 10, 11, 12 (except the reference therein to Section 2b  
21 of the Retailers' Occupation Tax Act), 13 (except that any  
22 reference to the State means the county), Section 15, 16, 17,  
23 18, 19, and 20 of the Service Occupation Tax Act and all  
24 provisions of the Uniform Penalty and Interest Act, as fully  
25 as if those provisions were set forth herein.

26 Persons subject to any tax imposed under the authority

1 granted in this subsection may reimburse themselves for their  
2 serviceman's tax liability by separately stating the tax as an  
3 additional charge, which may be stated in combination, in a  
4 single amount, with State tax that servicemen are authorized  
5 to collect under the Service Use Tax Act, pursuant to any  
6 bracketed schedules set forth by the Department.

7 (c) The tax under this Section may not be imposed until the  
8 question of imposing the tax has been submitted to the  
9 electors of the county at a regular election and approved by a  
10 majority of the electors voting on the question. For all  
11 regular elections held prior to August 23, 2011 (the effective  
12 date of Public Act 97-542), upon a resolution by the county  
13 board or a resolution by school district boards that represent  
14 at least 51% of the student enrollment within the county, the  
15 county board must certify the question to the proper election  
16 authority in accordance with the Election Code.

17 For all regular elections held prior to August 23, 2011  
18 (the effective date of Public Act 97-542), the election  
19 authority must submit the question in substantially the  
20 following form:

21 Shall (name of county) be authorized to impose a  
22 retailers' occupation tax and a service occupation tax  
23 (commonly referred to as a "sales tax") at a rate of  
24 (insert rate) to be used exclusively for school facility  
25 purposes?

26 The election authority must record the votes as "Yes" or

1 "No".

2 If a majority of the electors voting on the question vote  
3 in the affirmative, then the county may, thereafter, impose  
4 the tax.

5 For all regular elections held on or after August 23, 2011  
6 (the effective date of Public Act 97-542), the regional  
7 superintendent of schools for the county must, upon receipt of  
8 a resolution or resolutions of school district boards that  
9 represent more than 50% of the student enrollment within the  
10 county, certify the question to the proper election authority  
11 for submission to the electors of the county at the next  
12 regular election at which the question lawfully may be  
13 submitted to the electors, all in accordance with the Election  
14 Code.

15 For all regular elections held on or after August 23, 2011  
16 (the effective date of Public Act 97-542) and before August  
17 23, 2019 (the effective date of Public Act 101-455), the  
18 election authority must submit the question in substantially  
19 the following form:

20 Shall a retailers' occupation tax and a service  
21 occupation tax (commonly referred to as a "sales tax") be  
22 imposed in (name of county) at a rate of (insert rate) to  
23 be used exclusively for school facility purposes?

24 The election authority must record the votes as "Yes" or  
25 "No".

26 If a majority of the electors voting on the question vote



1 in the affirmative, then the tax shall be imposed at the rate  
2 set forth in the question.

3 For all regular elections held on or after August 23, 2019  
4 (the effective date of Public Act 101-455), the election  
5 authority must submit the question as follows:

6 (1) If the referendum is to expand the use of revenues  
7 from a currently imposed tax exclusively for school  
8 facility purposes to include school resource officers and  
9 mental health professionals, the question shall be in  
10 substantially the following form:

11 In addition to school facility purposes, shall  
12 (name of county) school districts be authorized to use  
13 revenues from the tax commonly referred to as the  
14 school facility sales tax that is currently imposed in  
15 (name of county) at a rate of (insert rate) for school  
16 resource officers and mental health professionals?

17 (2) If the referendum is to increase the rate of a tax  
18 currently imposed exclusively for school facility purposes  
19 at less than 1% and dedicate the additional revenues for  
20 school resource officers and mental health professionals,  
21 the question shall be in substantially the following form:

22 Shall the tax commonly referred to as the school  
23 facility sales tax that is currently imposed in (name  
24 of county) at the rate of (insert rate) be increased to  
25 a rate of (insert rate) with the additional revenues  
26 used exclusively for school resource officers and

1           mental health professionals?

2           (3) If the referendum is to impose a tax in a county  
3 that has not previously imposed a tax under this Section  
4 exclusively for school facility purposes, the question  
5 shall be in substantially the following form:

6                    Shall a retailers' occupation tax and a service  
7 occupation tax (commonly referred to as a sales tax)  
8 be imposed in (name of county) at a rate of (insert  
9 rate) to be used exclusively for school facility  
10 purposes?

11           (4) If the referendum is to impose a tax in a county  
12 that has not previously imposed a tax under this Section  
13 exclusively for school resource officers and mental health  
14 professionals, the question shall be in substantially the  
15 following form:

16                    Shall a retailers' occupation tax and a service  
17 occupation tax (commonly referred to as a sales tax)  
18 be imposed in (name of county) at a rate of (insert  
19 rate) to be used exclusively for school resource  
20 officers and mental health professionals?

21           (5) If the referendum is to impose a tax in a county  
22 that has not previously imposed a tax under this Section  
23 exclusively for school facility purposes, school resource  
24 officers, and mental health professionals, the question  
25 shall be in substantially the following form:

26                    Shall a retailers' occupation tax and a service

1 occupation tax (commonly referred to as a sales tax)  
2 be imposed in (name of county) at a rate of (insert  
3 rate) to be used exclusively for school facility  
4 purposes, school resource officers, and mental health  
5 professionals?

6 The election authority must record the votes as "Yes" or  
7 "No".

8 If a majority of the electors voting on the question vote  
9 in the affirmative, then the tax shall be imposed at the rate  
10 set forth in the question.

11 For the purposes of this subsection (c), "enrollment"  
12 means the head count of the students residing in the county on  
13 the last school day of September of each year, which must be  
14 reported on the Illinois State Board of Education Public  
15 School Fall Enrollment/Housing Report.

16 (d) Except as otherwise provided, the Department shall  
17 immediately pay over to the State Treasurer, ex officio, as  
18 trustee, all taxes and penalties collected under this Section  
19 to be deposited into the School Facility Occupation Tax Fund,  
20 which shall be an unappropriated trust fund held outside the  
21 State treasury. Taxes and penalties collected on aviation fuel  
22 sold on or after December 1, 2019 and through December 31,  
23 2020, shall be immediately paid over by the Department to the  
24 State Treasurer, ex officio, as trustee, for deposit into the  
25 Local Government Aviation Trust Fund. The Department shall  
26 only pay moneys into the Local Government Aviation Trust Fund

1 under this Section for so long as the revenue use requirements  
2 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
3 county.

4 On or before the 25th day of each calendar month, the  
5 Department shall prepare and certify to the Comptroller the  
6 disbursement of stated sums of money to the regional  
7 superintendents of schools in counties from which retailers or  
8 servicemen have paid taxes or penalties to the Department  
9 during the second preceding calendar month. The amount to be  
10 paid to each regional superintendent of schools and disbursed  
11 to him or her in accordance with Section 3-14.31 of the School  
12 Code, is equal to the amount (not including credit memoranda  
13 and not including taxes and penalties collected on aviation  
14 fuel sold on or after December 1, 2019 and through December 31,  
15 2020) collected from the county under this Section during the  
16 second preceding calendar month by the Department, (i) less 2%  
17 of that amount (except the amount collected on aviation fuel  
18 sold on or after December 1, 2019 and through December 31,  
19 2020), which shall be deposited into the Tax Compliance and  
20 Administration Fund and shall be used by the Department,  
21 subject to appropriation, to cover the costs of the Department  
22 in administering and enforcing the provisions of this Section,  
23 on behalf of the county, (ii) plus an amount that the  
24 Department determines is necessary to offset any amounts that  
25 were erroneously paid to a different taxing body; (iii) less  
26 an amount equal to the amount of refunds made during the second

1 preceding calendar month by the Department on behalf of the  
2 county; and (iv) less any amount that the Department  
3 determines is necessary to offset any amounts that were  
4 payable to a different taxing body but were erroneously paid  
5 to the county. When certifying the amount of a monthly  
6 disbursement to a regional superintendent of schools under  
7 this Section, the Department shall increase or decrease the  
8 amounts by an amount necessary to offset any miscalculation of  
9 previous disbursements within the previous 6 months from the  
10 time a miscalculation is discovered.

11 Within 10 days after receipt by the Comptroller from the  
12 Department of the disbursement certification to the regional  
13 superintendents of the schools provided for in this Section,  
14 the Comptroller shall cause the orders to be drawn for the  
15 respective amounts in accordance with directions contained in  
16 the certification.

17 If the Department determines that a refund should be made  
18 under this Section to a claimant instead of issuing a credit  
19 memorandum, then the Department shall notify the Comptroller,  
20 who shall cause the order to be drawn for the amount specified  
21 and to the person named in the notification from the  
22 Department. The refund shall be paid by the Treasurer out of  
23 the School Facility Occupation Tax Fund or the Local  
24 Government Aviation Trust Fund, as appropriate.

25 (e) For the purposes of determining the local governmental  
26 unit whose tax is applicable, a retail sale by a producer of

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

8 (f) Nothing in this Section may be construed to authorize  
9 a tax to be imposed upon the privilege of engaging in any  
10 business that under the Constitution of the United States may  
11 not be made the subject of taxation by this State.

12 (g) If a county board imposes a tax under this Section  
13 pursuant to a referendum held before August 23, 2011 (the  
14 effective date of Public Act 97-542) at a rate below the rate  
15 set forth in the question approved by a majority of electors of  
16 that county voting on the question as provided in subsection  
17 (c), then the county board may, by ordinance, increase the  
18 rate of the tax up to the rate set forth in the question  
19 approved by a majority of electors of that county voting on the  
20 question as provided in subsection (c). If a county board  
21 imposes a tax under this Section pursuant to a referendum held  
22 before August 23, 2011 (the effective date of Public Act  
23 97-542), then the board may, by ordinance, discontinue or  
24 reduce the rate of the tax. If a tax is imposed under this  
25 Section pursuant to a referendum held on or after August 23,  
26 2011 (the effective date of Public Act 97-542) and before

1 August 23, 2019 (the effective date of Public Act 101-455),  
2 then the county board may reduce or discontinue the tax, but  
3 only in accordance with subsection (h-5) of this Section. If a  
4 tax is imposed under this Section pursuant to a referendum  
5 held on or after August 23, 2019 (the effective date of Public  
6 Act 101-455), then the county board may reduce or discontinue  
7 the tax, but only in accordance with subsection (h-10). If,  
8 however, a school board issues bonds that are secured by the  
9 proceeds of the tax under this Section, then the county board  
10 may not reduce the tax rate or discontinue the tax if that rate  
11 reduction or discontinuance would adversely affect the school  
12 board's ability to pay the principal and interest on those  
13 bonds as they become due or necessitate the extension of  
14 additional property taxes to pay the principal and interest on  
15 those bonds. If the county board reduces the tax rate or  
16 discontinues the tax, then a referendum must be held in  
17 accordance with subsection (c) of this Section in order to  
18 increase the rate of the tax or to reimpose the discontinued  
19 tax.

20       Until January 1, 2014, the results of any election that  
21 imposes, reduces, or discontinues a tax under this Section  
22 must be certified by the election authority, and any ordinance  
23 that increases or lowers the rate or discontinues the tax must  
24 be certified by the county clerk and, in each case, filed with  
25 the Illinois Department of Revenue either (i) on or before the  
26 first day of April, whereupon the Department shall proceed to

1 administer and enforce the tax or change in the rate as of the  
2 first day of July next following the filing; or (ii) on or  
3 before the first day of October, whereupon the Department  
4 shall proceed to administer and enforce the tax or change in  
5 the rate as of the first day of January next following the  
6 filing.

7 Beginning January 1, 2014, the results of any election  
8 that imposes, reduces, or discontinues a tax under this  
9 Section must be certified by the election authority, and any  
10 ordinance that increases or lowers the rate or discontinues  
11 the tax must be certified by the county clerk and, in each  
12 case, filed with the Illinois Department of Revenue either (i)  
13 on or before the first day of May, whereupon the Department  
14 shall proceed to administer and enforce the tax or change in  
15 the rate as of the first day of July next following the filing;  
16 or (ii) on or before the first day of October, whereupon the  
17 Department shall proceed to administer and enforce the tax or  
18 change in the rate as of the first day of January next  
19 following the filing.

20 (h) For purposes of this Section, "school facility  
21 purposes" means (i) the acquisition, development,  
22 construction, reconstruction, rehabilitation, improvement,  
23 financing, architectural planning, and installation of capital  
24 facilities consisting of buildings, structures, and durable  
25 equipment and for the acquisition and improvement of real  
26 property and interest in real property required, or expected



1 to be required, in connection with the capital facilities and  
2 (ii) the payment of bonds or other obligations heretofore or  
3 hereafter issued, including bonds or other obligations  
4 heretofore or hereafter issued to refund or to continue to  
5 refund bonds or other obligations issued, for school facility  
6 purposes, provided that the taxes levied to pay those bonds  
7 are abated by the amount of the taxes imposed under this  
8 Section that are used to pay those bonds. "School facility  
9 purposes" also includes fire prevention, safety, energy  
10 conservation, accessibility, school security, and specified  
11 repair purposes set forth under Section 17-2.11 of the School  
12 Code.

13 (h-5) A county board in a county where a tax has been  
14 imposed under this Section pursuant to a referendum held on or  
15 after August 23, 2011 (the effective date of Public Act  
16 97-542) and before August 23, 2019 (the effective date of  
17 Public Act 101-455) may, by ordinance or resolution, submit to  
18 the voters of the county the question of reducing or  
19 discontinuing the tax. In the ordinance or resolution, the  
20 county board shall certify the question to the proper election  
21 authority in accordance with the Election Code. The election  
22 authority must submit the question in substantially the  
23 following form:

24 Shall the school facility retailers' occupation tax  
25 and service occupation tax (commonly referred to as the  
26 "school facility sales tax") currently imposed in (name of

1 county) at a rate of (insert rate) be (reduced to (insert  
2 rate)) (discontinued)?

3 If a majority of the electors voting on the question vote in  
4 the affirmative, then, subject to the provisions of subsection  
5 (g) of this Section, the tax shall be reduced or discontinued  
6 as set forth in the question.

7 (h-10) A county board in a county where a tax has been  
8 imposed under this Section pursuant to a referendum held on or  
9 after August 23, 2019 (the effective date of Public Act  
10 101-455) may, by ordinance or resolution, submit to the voters  
11 of the county the question of reducing or discontinuing the  
12 tax. In the ordinance or resolution, the county board shall  
13 certify the question to the proper election authority in  
14 accordance with the Election Code. The election authority must  
15 submit the question in substantially the following form:

16 Shall the school facility and resources retailers'  
17 occupation tax and service occupation tax (commonly  
18 referred to as the school facility and resources sales  
19 tax) currently imposed in (name of county) at a rate of  
20 (insert rate) be (reduced to (insert rate))  
21 (discontinued)?

22 The election authority must record the votes as "Yes" or  
23 "No".

24 If a majority of the electors voting on the question vote  
25 in the affirmative, then, subject to the provisions of  
26 subsection (g) of this Section, the tax shall be reduced or

1 discontinued as set forth in the question.

2 (i) This Section does not apply to Cook County.

3 (j) This Section may be cited as the County School  
4 Facility and Resources Occupation Tax Law.

5 (Source: P.A. 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19;  
6 101-455, eff. 8-23-19; 101-604, eff. 12-13-19.)

7 (55 ILCS 5/5-1007) (from Ch. 34, par. 5-1007)

8 Sec. 5-1007. Home Rule County Service Occupation Tax Law.

9 The corporate authorities of a home rule county may impose a  
10 tax upon all persons engaged, in such county, in the business  
11 of making sales of service at the same rate of tax imposed  
12 pursuant to Section 5-1006 of the selling price of all  
13 tangible personal property transferred by such servicemen  
14 either in the form of tangible personal property or in the form  
15 of real estate as an incident to a sale of service. If imposed,  
16 such tax shall only be imposed in 1/4% increments. On and after  
17 September 1, 1991, this additional tax may not be imposed on  
18 tangible personal property taxed at the 1% rate under the  
19 Service Occupation Tax Act (or at the 0% rate imposed under  
20 this amendatory Act of the 102nd General Assembly). Beginning  
21 December 1, 2019, this tax is not imposed on sales of aviation  
22 fuel unless the tax revenue is expended for airport-related  
23 purposes. If the county does not have an airport-related  
24 purpose to which it dedicates aviation fuel tax revenue, then  
25 aviation fuel is excluded from the tax. The county must comply

1 with the certification requirements for airport-related  
2 purposes under Section 2-22 of the Retailers' Occupation Tax  
3 Act. For purposes of this Section, "airport-related purposes"  
4 has the meaning ascribed in Section 6z-20.2 of the State  
5 Finance Act. This exclusion for aviation fuel only applies for  
6 so long as the revenue use requirements of 49 U.S.C. 47107(b)  
7 and 49 U.S.C. 47133 are binding on the county. The changes made  
8 to this Section by this amendatory Act of the 101st General  
9 Assembly are a denial and limitation of home rule powers and  
10 functions under subsection (g) of Section 6 of Article VII of  
11 the Illinois Constitution. The tax imposed by a home rule  
12 county pursuant to this Section and all civil penalties that  
13 may be assessed as an incident thereof shall be collected and  
14 enforced by the State Department of Revenue. The certificate  
15 of registration which is issued by the Department to a  
16 retailer under the Retailers' Occupation Tax Act or under the  
17 Service Occupation Tax Act shall permit such registrant to  
18 engage in a business which is taxable under any ordinance or  
19 resolution enacted pursuant to this Section without  
20 registering separately with the Department under such  
21 ordinance or resolution or under this Section. The Department  
22 shall have full power to administer and enforce this Section;  
23 to collect all taxes and penalties due hereunder; to dispose  
24 of taxes and penalties so collected in the manner hereinafter  
25 provided; and to determine all rights to credit memoranda  
26 arising on account of the erroneous payment of tax or penalty

1 hereunder. In the administration of, and compliance with, this  
2 Section the Department and persons who are subject to this  
3 Section shall have the same rights, remedies, privileges,  
4 immunities, powers and duties, and be subject to the same  
5 conditions, restrictions, limitations, penalties and  
6 definitions of terms, and employ the same modes of procedure,  
7 as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in  
8 respect to all provisions therein other than the State rate of  
9 tax), 4 (except that the reference to the State shall be to the  
10 taxing county), 5, 7, 8 (except that the jurisdiction to which  
11 the tax shall be a debt to the extent indicated in that Section  
12 8 shall be the taxing county), 9 (except as to the disposition  
13 of taxes and penalties collected, and except that the returned  
14 merchandise credit for this county tax may not be taken  
15 against any State tax, and except that the retailer's discount  
16 is not allowed for taxes paid on aviation fuel that are subject  
17 to the revenue use requirements of 49 U.S.C. 47107(b) and 49  
18 U.S.C. 47133), 10, 11, 12 (except the reference therein to  
19 Section 2b of the Retailers' Occupation Tax Act), 13 (except  
20 that any reference to the State shall mean the taxing county),  
21 the first paragraph of Section 15, 16, 17, 18, 19 and 20 of the  
22 Service Occupation Tax Act and Section 3-7 of the Uniform  
23 Penalty and Interest Act, as fully as if those provisions were  
24 set forth herein.

25 No tax may be imposed by a home rule county pursuant to  
26 this Section unless such county also imposes a tax at the same

1 rate pursuant to Section 5-1006.

2 Persons subject to any tax imposed pursuant to the  
3 authority granted in this Section may reimburse themselves for  
4 their serviceman's tax liability hereunder by separately  
5 stating such tax as an additional charge, which charge may be  
6 stated in combination, in a single amount, with State tax  
7 which servicemen are authorized to collect under the Service  
8 Use Tax Act, pursuant to such bracket schedules as the  
9 Department may prescribe.

10 Whenever the Department determines that a refund should be  
11 made under this Section to a claimant instead of issuing  
12 credit memorandum, the Department shall notify the State  
13 Comptroller, who shall cause the order to be drawn for the  
14 amount specified, and to the person named, in such  
15 notification from the Department. Such refund shall be paid by  
16 the State Treasurer out of the home rule county retailers'  
17 occupation tax fund or the Local Government Aviation Trust  
18 Fund, as appropriate.

19 Except as otherwise provided in this paragraph, the  
20 Department shall forthwith pay over to the State Treasurer, ex  
21 officio, as trustee, all taxes and penalties collected  
22 hereunder for deposit into the Home Rule County Retailers'  
23 Occupation Tax Fund. Taxes and penalties collected on aviation  
24 fuel sold on or after December 1, 2019, shall be immediately  
25 paid over by the Department to the State Treasurer, ex  
26 officio, as trustee, for deposit into the Local Government

1 Aviation Trust Fund. The Department shall only pay moneys into  
2 the Local Government Aviation Trust Fund under this Section  
3 for so long as the revenue use requirements of 49 U.S.C.  
4 47107(b) and 49 U.S.C. 47133 are binding on the county.

5 As soon as possible after the first day of each month,  
6 beginning January 1, 2011, upon certification of the  
7 Department of Revenue, the Comptroller shall order  
8 transferred, and the Treasurer shall transfer, to the STAR  
9 Bonds Revenue Fund the local sales tax increment, as defined  
10 in the Innovation Development and Economy Act, collected under  
11 this Section during the second preceding calendar month for  
12 sales within a STAR bond district.

13 After the monthly transfer to the STAR Bonds Revenue Fund,  
14 on or before the 25th day of each calendar month, the  
15 Department shall prepare and certify to the Comptroller the  
16 disbursement of stated sums of money to named counties, the  
17 counties to be those from which suppliers and servicemen have  
18 paid taxes or penalties hereunder to the Department during the  
19 second preceding calendar month. The amount to be paid to each  
20 county shall be the amount (not including credit memoranda and  
21 not including taxes and penalties collected on aviation fuel  
22 sold on or after December 1, 2019) collected hereunder during  
23 the second preceding calendar month by the Department, and not  
24 including an amount equal to the amount of refunds made during  
25 the second preceding calendar month by the Department on  
26 behalf of such county, and not including any amounts that are

1 transferred to the STAR Bonds Revenue Fund, less 1.5% of the  
2 remainder, which the Department shall transfer into the Tax  
3 Compliance and Administration Fund. The Department, at the  
4 time of each monthly disbursement to the counties, shall  
5 prepare and certify to the State Comptroller the amount to be  
6 transferred into the Tax Compliance and Administration Fund  
7 under this Section. Within 10 days after receipt, by the  
8 Comptroller, of the disbursement certification to the counties  
9 and the Tax Compliance and Administration Fund provided for in  
10 this Section to be given to the Comptroller by the Department,  
11 the Comptroller shall cause the orders to be drawn for the  
12 respective amounts in accordance with the directions contained  
13 in such certification.

14 In addition to the disbursement required by the preceding  
15 paragraph, an allocation shall be made in each year to each  
16 county which received more than \$500,000 in disbursements  
17 under the preceding paragraph in the preceding calendar year.  
18 The allocation shall be in an amount equal to the average  
19 monthly distribution made to each such county under the  
20 preceding paragraph during the preceding calendar year  
21 (excluding the 2 months of highest receipts). The distribution  
22 made in March of each year subsequent to the year in which an  
23 allocation was made pursuant to this paragraph and the  
24 preceding paragraph shall be reduced by the amount allocated  
25 and disbursed under this paragraph in the preceding calendar  
26 year. The Department shall prepare and certify to the



1 Comptroller for disbursement the allocations made in  
2 accordance with this paragraph.

3 Nothing in this Section shall be construed to authorize a  
4 county to impose a tax upon the privilege of engaging in any  
5 business which under the Constitution of the United States may  
6 not be made the subject of taxation by this State.

7 An ordinance or resolution imposing or discontinuing a tax  
8 hereunder or effecting a change in the rate thereof shall be  
9 adopted and a certified copy thereof filed with the Department  
10 on or before the first day of June, whereupon the Department  
11 shall proceed to administer and enforce this Section as of the  
12 first day of September next following such adoption and  
13 filing. Beginning January 1, 1992, an ordinance or resolution  
14 imposing or discontinuing the tax hereunder or effecting a  
15 change in the rate thereof shall be adopted and a certified  
16 copy thereof filed with the Department on or before the first  
17 day of July, whereupon the Department shall proceed to  
18 administer and enforce this Section as of the first day of  
19 October next following such adoption and filing. Beginning  
20 January 1, 1993, an ordinance or resolution imposing or  
21 discontinuing the tax hereunder or effecting a change in the  
22 rate thereof shall be adopted and a certified copy thereof  
23 filed with the Department on or before the first day of  
24 October, whereupon the Department shall proceed to administer  
25 and enforce this Section as of the first day of January next  
26 following such adoption and filing. Beginning April 1, 1998,

1 an ordinance or resolution imposing or discontinuing the tax  
2 hereunder or effecting a change in the rate thereof shall  
3 either (i) be adopted and a certified copy thereof filed with  
4 the Department on or before the first day of April, whereupon  
5 the Department shall proceed to administer and enforce this  
6 Section as of the first day of July next following the adoption  
7 and filing; or (ii) be adopted and a certified copy thereof  
8 filed with the Department on or before the first day of  
9 October, whereupon the Department shall proceed to administer  
10 and enforce this Section as of the first day of January next  
11 following the adoption and filing.

12 This Section shall be known and may be cited as the Home  
13 Rule County Service Occupation Tax Law.

14 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;  
15 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-81, eff.  
16 7-12-19; 101-604, eff. 12-13-19.)

17 Section 50-45. The Illinois Municipal Code is amended by  
18 changing Sections 8-11-1, 8-11-1.3, 8-11-1.4, 8-11-1.6,  
19 8-11-1.7, 8-11-5, and 11-74.3-6 as follows:

20 (65 ILCS 5/8-11-1) (from Ch. 24, par. 8-11-1)

21 Sec. 8-11-1. Home Rule Municipal Retailers' Occupation Tax  
22 Act. The corporate authorities of a home rule municipality may  
23 impose a tax upon all persons engaged in the business of  
24 selling tangible personal property, other than an item of

1 tangible personal property titled or registered with an agency  
2 of this State's government, at retail in the municipality on  
3 the gross receipts from these sales made in the course of such  
4 business. If imposed, the tax shall only be imposed in 1/4%  
5 increments. On and after September 1, 1991, this additional  
6 tax may not be imposed on tangible personal property taxed at  
7 the 1% rate under the Retailers' Occupation Tax Act (or at the  
8 0% rate imposed under this amendatory Act of the 102nd General  
9 Assembly). Beginning December 1, 2019, this tax is not imposed  
10 on sales of aviation fuel unless the tax revenue is expended  
11 for airport-related purposes. If a municipality does not have  
12 an airport-related purpose to which it dedicates aviation fuel  
13 tax revenue, then aviation fuel is excluded from the tax. Each  
14 municipality must comply with the certification requirements  
15 for airport-related purposes under Section 2-22 of the  
16 Retailers' Occupation Tax Act. For purposes of this Section,  
17 "airport-related purposes" has the meaning ascribed in Section  
18 6z-20.2 of the State Finance Act. This exclusion for aviation  
19 fuel only applies for so long as the revenue use requirements  
20 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
21 municipality. The changes made to this Section by this  
22 amendatory Act of the 101st General Assembly are a denial and  
23 limitation of home rule powers and functions under subsection  
24 (g) of Section 6 of Article VII of the Illinois Constitution.  
25 The tax imposed by a home rule municipality under this Section  
26 and all civil penalties that may be assessed as an incident of

1 the tax shall be collected and enforced by the State  
2 Department of Revenue. The certificate of registration that is  
3 issued by the Department to a retailer under the Retailers'  
4 Occupation Tax Act shall permit the retailer to engage in a  
5 business that is taxable under any ordinance or resolution  
6 enacted pursuant to this Section without registering  
7 separately with the Department under such ordinance or  
8 resolution or under this Section. The Department shall have  
9 full power to administer and enforce this Section; to collect  
10 all taxes and penalties due hereunder; to dispose of taxes and  
11 penalties so collected in the manner hereinafter provided; and  
12 to determine all rights to credit memoranda arising on account  
13 of the erroneous payment of tax or penalty hereunder. In the  
14 administration of, and compliance with, this Section the  
15 Department and persons who are subject to this Section shall  
16 have the same rights, remedies, privileges, immunities, powers  
17 and duties, and be subject to the same conditions,  
18 restrictions, limitations, penalties and definitions of terms,  
19 and employ the same modes of procedure, as are prescribed in  
20 Sections 1, 1a, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2 through 2-65  
21 (in respect to all provisions therein other than the State  
22 rate of tax), 2c, 3 (except as to the disposition of taxes and  
23 penalties collected, and except that the retailer's discount  
24 is not allowed for taxes paid on aviation fuel that are subject  
25 to the revenue use requirements of 49 U.S.C. 47107(b) and 49  
26 U.S.C. 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j,

1 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of the  
2 Retailers' Occupation Tax Act and Section 3-7 of the Uniform  
3 Penalty and Interest Act, as fully as if those provisions were  
4 set forth herein.

5 No tax may be imposed by a home rule municipality under  
6 this Section unless the municipality also imposes a tax at the  
7 same rate under Section 8-11-5 of this Act.

8 Persons subject to any tax imposed under the authority  
9 granted in this Section may reimburse themselves for their  
10 seller's tax liability hereunder by separately stating that  
11 tax as an additional charge, which charge may be stated in  
12 combination, in a single amount, with State tax which sellers  
13 are required to collect under the Use Tax Act, pursuant to such  
14 bracket schedules as the Department may prescribe.

15 Whenever the Department determines that a refund should be  
16 made under this Section to a claimant instead of issuing a  
17 credit memorandum, the Department shall notify the State  
18 Comptroller, who shall cause the order to be drawn for the  
19 amount specified and to the person named in the notification  
20 from the Department. The refund shall be paid by the State  
21 Treasurer out of the home rule municipal retailers' occupation  
22 tax fund or the Local Government Aviation Trust Fund, as  
23 appropriate.

24 Except as otherwise provided in this paragraph, the  
25 Department shall immediately pay over to the State Treasurer,  
26 ex officio, as trustee, all taxes and penalties collected

1 hereunder for deposit into the Home Rule Municipal Retailers'  
2 Occupation Tax Fund. Taxes and penalties collected on aviation  
3 fuel sold on or after December 1, 2019, shall be immediately  
4 paid over by the Department to the State Treasurer, ex  
5 officio, as trustee, for deposit into the Local Government  
6 Aviation Trust Fund. The Department shall only pay moneys into  
7 the Local Government Aviation Trust Fund under this Section  
8 for so long as the revenue use requirements of 49 U.S.C.  
9 47107(b) and 49 U.S.C. 47133 are binding on the State.

10 As soon as possible after the first day of each month,  
11 beginning January 1, 2011, upon certification of the  
12 Department of Revenue, the Comptroller shall order  
13 transferred, and the Treasurer shall transfer, to the STAR  
14 Bonds Revenue Fund the local sales tax increment, as defined  
15 in the Innovation Development and Economy Act, collected under  
16 this Section during the second preceding calendar month for  
17 sales within a STAR bond district.

18 After the monthly transfer to the STAR Bonds Revenue Fund,  
19 on or before the 25th day of each calendar month, the  
20 Department shall prepare and certify to the Comptroller the  
21 disbursement of stated sums of money to named municipalities,  
22 the municipalities to be those from which retailers have paid  
23 taxes or penalties hereunder to the Department during the  
24 second preceding calendar month. The amount to be paid to each  
25 municipality shall be the amount (not including credit  
26 memoranda and not including taxes and penalties collected on

1 aviation fuel sold on or after December 1, 2019) collected  
2 hereunder during the second preceding calendar month by the  
3 Department plus an amount the Department determines is  
4 necessary to offset any amounts that were erroneously paid to  
5 a different taxing body, and not including an amount equal to  
6 the amount of refunds made during the second preceding  
7 calendar month by the Department on behalf of such  
8 municipality, and not including any amount that the Department  
9 determines is necessary to offset any amounts that were  
10 payable to a different taxing body but were erroneously paid  
11 to the municipality, and not including any amounts that are  
12 transferred to the STAR Bonds Revenue Fund, less 1.5% of the  
13 remainder, which the Department shall transfer into the Tax  
14 Compliance and Administration Fund. The Department, at the  
15 time of each monthly disbursement to the municipalities, shall  
16 prepare and certify to the State Comptroller the amount to be  
17 transferred into the Tax Compliance and Administration Fund  
18 under this Section. Within 10 days after receipt by the  
19 Comptroller of the disbursement certification to the  
20 municipalities and the Tax Compliance and Administration Fund  
21 provided for in this Section to be given to the Comptroller by  
22 the Department, the Comptroller shall cause the orders to be  
23 drawn for the respective amounts in accordance with the  
24 directions contained in the certification.

25 In addition to the disbursement required by the preceding  
26 paragraph and in order to mitigate delays caused by

1 distribution procedures, an allocation shall, if requested, be  
2 made within 10 days after January 14, 1991, and in November of  
3 1991 and each year thereafter, to each municipality that  
4 received more than \$500,000 during the preceding fiscal year,  
5 (July 1 through June 30) whether collected by the municipality  
6 or disbursed by the Department as required by this Section.  
7 Within 10 days after January 14, 1991, participating  
8 municipalities shall notify the Department in writing of their  
9 intent to participate. In addition, for the initial  
10 distribution, participating municipalities shall certify to  
11 the Department the amounts collected by the municipality for  
12 each month under its home rule occupation and service  
13 occupation tax during the period July 1, 1989 through June 30,  
14 1990. The allocation within 10 days after January 14, 1991,  
15 shall be in an amount equal to the monthly average of these  
16 amounts, excluding the 2 months of highest receipts. The  
17 monthly average for the period of July 1, 1990 through June 30,  
18 1991 will be determined as follows: the amounts collected by  
19 the municipality under its home rule occupation and service  
20 occupation tax during the period of July 1, 1990 through  
21 September 30, 1990, plus amounts collected by the Department  
22 and paid to such municipality through June 30, 1991, excluding  
23 the 2 months of highest receipts. The monthly average for each  
24 subsequent period of July 1 through June 30 shall be an amount  
25 equal to the monthly distribution made to each such  
26 municipality under the preceding paragraph during this period,



1 excluding the 2 months of highest receipts. The distribution  
2 made in November 1991 and each year thereafter under this  
3 paragraph and the preceding paragraph shall be reduced by the  
4 amount allocated and disbursed under this paragraph in the  
5 preceding period of July 1 through June 30. The Department  
6 shall prepare and certify to the Comptroller for disbursement  
7 the allocations made in accordance with this paragraph.

8 For the purpose of determining the local governmental unit  
9 whose tax is applicable, a retail sale by a producer of coal or  
10 other mineral mined in Illinois is a sale at retail at the  
11 place where the coal or other mineral mined in Illinois is  
12 extracted from the earth. This paragraph does not apply to  
13 coal or other mineral when it is delivered or shipped by the  
14 seller to the purchaser at a point outside Illinois so that the  
15 sale is exempt under the United States Constitution as a sale  
16 in interstate or foreign commerce.

17 Nothing in this Section shall be construed to authorize a  
18 municipality to impose a tax upon the privilege of engaging in  
19 any business which under the Constitution of the United States  
20 may not be made the subject of taxation by this State.

21 An ordinance or resolution imposing or discontinuing a tax  
22 hereunder or effecting a change in the rate thereof shall be  
23 adopted and a certified copy thereof filed with the Department  
24 on or before the first day of June, whereupon the Department  
25 shall proceed to administer and enforce this Section as of the  
26 first day of September next following the adoption and filing.

1 Beginning January 1, 1992, an ordinance or resolution imposing  
2 or discontinuing the tax hereunder or effecting a change in  
3 the rate thereof shall be adopted and a certified copy thereof  
4 filed with the Department on or before the first day of July,  
5 whereupon the Department shall proceed to administer and  
6 enforce this Section as of the first day of October next  
7 following such adoption and filing. Beginning January 1, 1993,  
8 an ordinance or resolution imposing or discontinuing the tax  
9 hereunder or effecting a change in the rate thereof shall be  
10 adopted and a certified copy thereof filed with the Department  
11 on or before the first day of October, whereupon the  
12 Department shall proceed to administer and enforce this  
13 Section as of the first day of January next following the  
14 adoption and filing. However, a municipality located in a  
15 county with a population in excess of 3,000,000 that elected  
16 to become a home rule unit at the general primary election in  
17 1994 may adopt an ordinance or resolution imposing the tax  
18 under this Section and file a certified copy of the ordinance  
19 or resolution with the Department on or before July 1, 1994.  
20 The Department shall then proceed to administer and enforce  
21 this Section as of October 1, 1994. Beginning April 1, 1998, an  
22 ordinance or resolution imposing or discontinuing the tax  
23 hereunder or effecting a change in the rate thereof shall  
24 either (i) be adopted and a certified copy thereof filed with  
25 the Department on or before the first day of April, whereupon  
26 the Department shall proceed to administer and enforce this

1 Section as of the first day of July next following the adoption  
2 and filing; or (ii) be adopted and a certified copy thereof  
3 filed with the Department on or before the first day of  
4 October, whereupon the Department shall proceed to administer  
5 and enforce this Section as of the first day of January next  
6 following the adoption and filing.

7 When certifying the amount of a monthly disbursement to a  
8 municipality under this Section, the Department shall increase  
9 or decrease the amount by an amount necessary to offset any  
10 misallocation of previous disbursements. The offset amount  
11 shall be the amount erroneously disbursed within the previous  
12 6 months from the time a misallocation is discovered.

13 Any unobligated balance remaining in the Municipal  
14 Retailers' Occupation Tax Fund on December 31, 1989, which  
15 fund was abolished by Public Act 85-1135, and all receipts of  
16 municipal tax as a result of audits of liability periods prior  
17 to January 1, 1990, shall be paid into the Local Government Tax  
18 Fund for distribution as provided by this Section prior to the  
19 enactment of Public Act 85-1135. All receipts of municipal tax  
20 as a result of an assessment not arising from an audit, for  
21 liability periods prior to January 1, 1990, shall be paid into  
22 the Local Government Tax Fund for distribution before July 1,  
23 1990, as provided by this Section prior to the enactment of  
24 Public Act 85-1135; and on and after July 1, 1990, all such  
25 receipts shall be distributed as provided in Section 6z-18 of  
26 the State Finance Act.

1           As used in this Section, "municipal" and "municipality"  
2 means a city, village or incorporated town, including an  
3 incorporated town that has superseded a civil township.

4           This Section shall be known and may be cited as the Home  
5 Rule Municipal Retailers' Occupation Tax Act.

6           (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;  
7 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-81, eff.  
8 7-12-19; 101-604, eff. 12-13-19.)

9           (65 ILCS 5/8-11-1.3) (from Ch. 24, par. 8-11-1.3)

10          Sec. 8-11-1.3. Non-Home Rule Municipal Retailers'  
11 Occupation Tax Act. The corporate authorities of a non-home  
12 rule municipality may impose a tax upon all persons engaged in  
13 the business of selling tangible personal property, other than  
14 on an item of tangible personal property which is titled and  
15 registered by an agency of this State's Government, at retail  
16 in the municipality for expenditure on public infrastructure  
17 or for property tax relief or both as defined in Section  
18 8-11-1.2 if approved by referendum as provided in Section  
19 8-11-1.1, of the gross receipts from such sales made in the  
20 course of such business. If the tax is approved by referendum  
21 on or after July 14, 2010 (the effective date of Public Act  
22 96-1057), the corporate authorities of a non-home rule  
23 municipality may, until July 1, 2030, use the proceeds of the  
24 tax for expenditure on municipal operations, in addition to or  
25 in lieu of any expenditure on public infrastructure or for

1 property tax relief. The tax imposed may not be more than 1%  
2 and may be imposed only in 1/4% increments. The tax may not be  
3 imposed on tangible personal property taxed at the 1% rate  
4 under the Retailers' Occupation Tax Act (or at the 0% rate  
5 imposed under this amendatory Act of the 102nd General  
6 Assembly). Beginning December 1, 2019, this tax is not imposed  
7 on sales of aviation fuel unless the tax revenue is expended  
8 for airport-related purposes. If a municipality does not have  
9 an airport-related purpose to which it dedicates aviation fuel  
10 tax revenue, then aviation fuel is excluded from the tax. Each  
11 municipality must comply with the certification requirements  
12 for airport-related purposes under Section 2-22 of the  
13 Retailers' Occupation Tax Act. For purposes of this Section,  
14 "airport-related purposes" has the meaning ascribed in Section  
15 6z-20.2 of the State Finance Act. This exclusion for aviation  
16 fuel only applies for so long as the revenue use requirements  
17 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
18 municipality. The tax imposed by a municipality pursuant to  
19 this Section and all civil penalties that may be assessed as an  
20 incident thereof shall be collected and enforced by the State  
21 Department of Revenue. The certificate of registration which  
22 is issued by the Department to a retailer under the Retailers'  
23 Occupation Tax Act shall permit such retailer to engage in a  
24 business which is taxable under any ordinance or resolution  
25 enacted pursuant to this Section without registering  
26 separately with the Department under such ordinance or

1 resolution or under this Section. The Department shall have  
2 full power to administer and enforce this Section; to collect  
3 all taxes and penalties due hereunder; to dispose of taxes and  
4 penalties so collected in the manner hereinafter provided, and  
5 to determine all rights to credit memoranda, arising on  
6 account of the erroneous payment of tax or penalty hereunder.  
7 In the administration of, and compliance with, this Section,  
8 the Department and persons who are subject to this Section  
9 shall have the same rights, remedies, privileges, immunities,  
10 powers and duties, and be subject to the same conditions,  
11 restrictions, limitations, penalties and definitions of terms,  
12 and employ the same modes of procedure, as are prescribed in  
13 Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 2 through 2-65 (in  
14 respect to all provisions therein other than the State rate of  
15 tax), 2c, 3 (except as to the disposition of taxes and  
16 penalties collected, and except that the retailer's discount  
17 is not allowed for taxes paid on aviation fuel that are subject  
18 to the revenue use requirements of 49 U.S.C. 47107(b) and 49  
19 U.S.C. 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j,  
20 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of the  
21 Retailers' Occupation Tax Act and Section 3-7 of the Uniform  
22 Penalty and Interest Act as fully as if those provisions were  
23 set forth herein.

24 No municipality may impose a tax under this Section unless  
25 the municipality also imposes a tax at the same rate under  
26 Section 8-11-1.4 of this Code.

1           Persons subject to any tax imposed pursuant to the  
2 authority granted in this Section may reimburse themselves for  
3 their seller's tax liability hereunder by separately stating  
4 such tax as an additional charge, which charge may be stated in  
5 combination, in a single amount, with State tax which sellers  
6 are required to collect under the Use Tax Act, pursuant to such  
7 bracket schedules as the Department may prescribe.

8           Whenever the Department determines that a refund should be  
9 made under this Section to a claimant instead of issuing a  
10 credit memorandum, the Department shall notify the State  
11 Comptroller, who shall cause the order to be drawn for the  
12 amount specified, and to the person named, in such  
13 notification from the Department. Such refund shall be paid by  
14 the State Treasurer out of the non-home rule municipal  
15 retailers' occupation tax fund or the Local Government  
16 Aviation Trust Fund, as appropriate.

17           Except as otherwise provided, the Department shall  
18 forthwith pay over to the State Treasurer, ex officio, as  
19 trustee, all taxes and penalties collected hereunder for  
20 deposit into the Non-Home Rule Municipal Retailers' Occupation  
21 Tax Fund. Taxes and penalties collected on aviation fuel sold  
22 on or after December 1, 2019, shall be immediately paid over by  
23 the Department to the State Treasurer, ex officio, as trustee,  
24 for deposit into the Local Government Aviation Trust Fund. The  
25 Department shall only pay moneys into the Local Government  
26 Aviation Trust Fund under this Section for so long as the

1 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.  
2 47133 are binding on the municipality.

3 As soon as possible after the first day of each month,  
4 beginning January 1, 2011, upon certification of the  
5 Department of Revenue, the Comptroller shall order  
6 transferred, and the Treasurer shall transfer, to the STAR  
7 Bonds Revenue Fund the local sales tax increment, as defined  
8 in the Innovation Development and Economy Act, collected under  
9 this Section during the second preceding calendar month for  
10 sales within a STAR bond district.

11 After the monthly transfer to the STAR Bonds Revenue Fund,  
12 on or before the 25th day of each calendar month, the  
13 Department shall prepare and certify to the Comptroller the  
14 disbursement of stated sums of money to named municipalities,  
15 the municipalities to be those from which retailers have paid  
16 taxes or penalties hereunder to the Department during the  
17 second preceding calendar month. The amount to be paid to each  
18 municipality shall be the amount (not including credit  
19 memoranda and not including taxes and penalties collected on  
20 aviation fuel sold on or after December 1, 2019) collected  
21 hereunder during the second preceding calendar month by the  
22 Department plus an amount the Department determines is  
23 necessary to offset any amounts which were erroneously paid to  
24 a different taxing body, and not including an amount equal to  
25 the amount of refunds made during the second preceding  
26 calendar month by the Department on behalf of such



1 municipality, and not including any amount which the  
2 Department determines is necessary to offset any amounts which  
3 were payable to a different taxing body but were erroneously  
4 paid to the municipality, and not including any amounts that  
5 are transferred to the STAR Bonds Revenue Fund, less 1.5% of  
6 the remainder, which the Department shall transfer into the  
7 Tax Compliance and Administration Fund. The Department, at the  
8 time of each monthly disbursement to the municipalities, shall  
9 prepare and certify to the State Comptroller the amount to be  
10 transferred into the Tax Compliance and Administration Fund  
11 under this Section. Within 10 days after receipt, by the  
12 Comptroller, of the disbursement certification to the  
13 municipalities and the Tax Compliance and Administration Fund  
14 provided for in this Section to be given to the Comptroller by  
15 the Department, the Comptroller shall cause the orders to be  
16 drawn for the respective amounts in accordance with the  
17 directions contained in such certification.

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

1           Nothing in this Section shall be construed to authorize a  
2           municipality to impose a tax upon the privilege of engaging in  
3           any business which under the constitution of the United States  
4           may not be made the subject of taxation by this State.

5           When certifying the amount of a monthly disbursement to a  
6           municipality under this Section, the Department shall increase  
7           or decrease such amount by an amount necessary to offset any  
8           misallocation of previous disbursements. The offset amount  
9           shall be the amount erroneously disbursed within the previous  
10          6 months from the time a misallocation is discovered.

11          The Department of Revenue shall implement Public Act  
12          91-649 so as to collect the tax on and after January 1, 2002.

13          As used in this Section, "municipal" and "municipality"  
14          mean a city, village, or incorporated town, including an  
15          incorporated town which has superseded a civil township.

16          This Section shall be known and may be cited as the  
17          Non-Home Rule Municipal Retailers' Occupation Tax Act.

18          (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;  
19          100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-47, eff.  
20          1-1-20; 101-81, eff. 7-12-19; 101-604, eff. 12-13-19.)

21                 (65 ILCS 5/8-11-1.4) (from Ch. 24, par. 8-11-1.4)

22          Sec. 8-11-1.4. Non-Home Rule Municipal Service Occupation  
23          Tax Act. The corporate authorities of a non-home rule  
24          municipality may impose a tax upon all persons engaged, in  
25          such municipality, in the business of making sales of service

1 for expenditure on public infrastructure or for property tax  
2 relief or both as defined in Section 8-11-1.2 if approved by  
3 referendum as provided in Section 8-11-1.1, of the selling  
4 price of all tangible personal property transferred by such  
5 servicemen either in the form of tangible personal property or  
6 in the form of real estate as an incident to a sale of service.  
7 If the tax is approved by referendum on or after July 14, 2010  
8 (the effective date of Public Act 96-1057), the corporate  
9 authorities of a non-home rule municipality may, until  
10 December 31, 2020, use the proceeds of the tax for expenditure  
11 on municipal operations, in addition to or in lieu of any  
12 expenditure on public infrastructure or for property tax  
13 relief. The tax imposed may not be more than 1% and may be  
14 imposed only in 1/4% increments. The tax may not be imposed on  
15 tangible personal property taxed at the 1% rate under the  
16 Service Occupation Tax Act (or at the 0% rate imposed under  
17 this amendatory Act of the 102nd General Assembly). Beginning  
18 December 1, 2019, this tax is not imposed on sales of aviation  
19 fuel unless the tax revenue is expended for airport-related  
20 purposes. If a municipality does not have an airport-related  
21 purpose to which it dedicates aviation fuel tax revenue, then  
22 aviation fuel is excluded from the tax. Each municipality must  
23 comply with the certification requirements for airport-related  
24 purposes under Section 2-22 of the Retailers' Occupation Tax  
25 Act. For purposes of this Section, "airport-related purposes"  
26 has the meaning ascribed in Section 6z-20.2 of the State

1 Finance Act. This exclusion for aviation fuel only applies for  
2 so long as the revenue use requirements of 49 U.S.C. 47107(b)  
3 and 49 U.S.C. 47133 are binding on the municipality. The tax  
4 imposed by a municipality pursuant to this Section and all  
5 civil penalties that may be assessed as an incident thereof  
6 shall be collected and enforced by the State Department of  
7 Revenue. The certificate of registration which is issued by  
8 the Department to a retailer under the Retailers' Occupation  
9 Tax Act or under the Service Occupation Tax Act shall permit  
10 such registrant to engage in a business which is taxable under  
11 any ordinance or resolution enacted pursuant to this Section  
12 without registering separately with the Department under such  
13 ordinance or resolution or under this Section. The Department  
14 shall have full power to administer and enforce this Section;  
15 to collect all taxes and penalties due hereunder; to dispose  
16 of taxes and penalties so collected in the manner hereinafter  
17 provided, and to determine all rights to credit memoranda  
18 arising on account of the erroneous payment of tax or penalty  
19 hereunder. In the administration of, and compliance with, this  
20 Section the Department and persons who are subject to this  
21 Section shall have the same rights, remedies, privileges,  
22 immunities, powers and duties, and be subject to the same  
23 conditions, restrictions, limitations, penalties and  
24 definitions of terms, and employ the same modes of procedure,  
25 as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in  
26 respect to all provisions therein other than the State rate of

1 tax), 4 (except that the reference to the State shall be to the  
2 taxing municipality), 5, 7, 8 (except that the jurisdiction to  
3 which the tax shall be a debt to the extent indicated in that  
4 Section 8 shall be the taxing municipality), 9 (except as to  
5 the disposition of taxes and penalties collected, and except  
6 that the returned merchandise credit for this municipal tax  
7 may not be taken against any State tax, and except that the  
8 retailer's discount is not allowed for taxes paid on aviation  
9 fuel that are subject to the revenue use requirements of 49  
10 U.S.C. 47107(b) and 49 U.S.C. 47133), 10, 11, 12 (except the  
11 reference therein to Section 2b of the Retailers' Occupation  
12 Tax Act), 13 (except that any reference to the State shall mean  
13 the taxing municipality), the first paragraph of Section 15,  
14 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and  
15 Section 3-7 of the Uniform Penalty and Interest Act, as fully  
16 as if those provisions were set forth herein.

17 No municipality may impose a tax under this Section unless  
18 the municipality also imposes a tax at the same rate under  
19 Section 8-11-1.3 of this Code.

20 Persons subject to any tax imposed pursuant to the  
21 authority granted in this Section may reimburse themselves for  
22 their serviceman's tax liability hereunder by separately  
23 stating such tax as an additional charge, which charge may be  
24 stated in combination, in a single amount, with State tax  
25 which servicemen are authorized to collect under the Service  
26 Use Tax Act, pursuant to such bracket schedules as the

1 Department may prescribe.

2 Whenever the Department determines that a refund should be  
3 made under this Section to a claimant instead of issuing  
4 credit memorandum, the Department shall notify the State  
5 Comptroller, who shall cause the order to be drawn for the  
6 amount specified, and to the person named, in such  
7 notification from the Department. Such refund shall be paid by  
8 the State Treasurer out of the municipal retailers' occupation  
9 tax fund or the Local Government Aviation Trust Fund, as  
10 appropriate.

11 Except as otherwise provided in this paragraph, the  
12 Department shall forthwith pay over to the State Treasurer, ex  
13 officio, as trustee, all taxes and penalties collected  
14 hereunder for deposit into the municipal retailers' occupation  
15 tax fund. Taxes and penalties collected on aviation fuel sold  
16 on or after December 1, 2019, shall be immediately paid over by  
17 the Department to the State Treasurer, ex officio, as trustee,  
18 for deposit into the Local Government Aviation Trust Fund. The  
19 Department shall only pay moneys into the Local Government  
20 Aviation Trust Fund under this Section for so long as the  
21 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.  
22 47133 are binding on the municipality.

23 As soon as possible after the first day of each month,  
24 beginning January 1, 2011, upon certification of the  
25 Department of Revenue, the Comptroller shall order  
26 transferred, and the Treasurer shall transfer, to the STAR

1 Bonds Revenue Fund the local sales tax increment, as defined  
2 in the Innovation Development and Economy Act, collected under  
3 this Section during the second preceding calendar month for  
4 sales within a STAR bond district.

5 After the monthly transfer to the STAR Bonds Revenue Fund,  
6 on or before the 25th day of each calendar month, the  
7 Department shall prepare and certify to the Comptroller the  
8 disbursement of stated sums of money to named municipalities,  
9 the municipalities to be those from which suppliers and  
10 servicemen have paid taxes or penalties hereunder to the  
11 Department during the second preceding calendar month. The  
12 amount to be paid to each municipality shall be the amount (not  
13 including credit memoranda and not including taxes and  
14 penalties collected on aviation fuel sold on or after December  
15 1, 2019) collected hereunder during the second preceding  
16 calendar month by the Department, and not including an amount  
17 equal to the amount of refunds made during the second  
18 preceding calendar month by the Department on behalf of such  
19 municipality, and not including any amounts that are  
20 transferred to the STAR Bonds Revenue Fund, less 1.5% of the  
21 remainder, which the Department shall transfer into the Tax  
22 Compliance and Administration Fund. The Department, at the  
23 time of each monthly disbursement to the municipalities, shall  
24 prepare and certify to the State Comptroller the amount to be  
25 transferred into the Tax Compliance and Administration Fund  
26 under this Section. Within 10 days after receipt, by the

1 Comptroller, of the disbursement certification to the  
2 municipalities, the General Revenue Fund, and the Tax  
3 Compliance and Administration Fund provided for in this  
4 Section to be given to the Comptroller by the Department, the  
5 Comptroller shall cause the orders to be drawn for the  
6 respective amounts in accordance with the directions contained  
7 in such certification.

8 The Department of Revenue shall implement Public Act  
9 91-649 so as to collect the tax on and after January 1, 2002.

10 Nothing in this Section shall be construed to authorize a  
11 municipality to impose a tax upon the privilege of engaging in  
12 any business which under the constitution of the United States  
13 may not be made the subject of taxation by this State.

14 As used in this Section, "municipal" or "municipality"  
15 means or refers to a city, village or incorporated town,  
16 including an incorporated town which has superseded a civil  
17 township.

18 This Section shall be known and may be cited as the  
19 "Non-Home Rule Municipal Service Occupation Tax Act".

20 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;  
21 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-81, eff.  
22 7-12-19; 101-604, eff. 12-13-19.)

23 (65 ILCS 5/8-11-1.6)

24 Sec. 8-11-1.6. Non-home rule municipal retailers'  
25 occupation tax; municipalities between 20,000 and 25,000. The



1 corporate authorities of a non-home rule municipality with a  
2 population of more than 20,000 but less than 25,000 that has,  
3 prior to January 1, 1987, established a Redevelopment Project  
4 Area that has been certified as a State Sales Tax Boundary and  
5 has issued bonds or otherwise incurred indebtedness to pay for  
6 costs in excess of \$5,000,000, which is secured in part by a  
7 tax increment allocation fund, in accordance with the  
8 provisions of Division 11-74.4 of this Code may, by passage of  
9 an ordinance, impose a tax upon all persons engaged in the  
10 business of selling tangible personal property, other than on  
11 an item of tangible personal property that is titled and  
12 registered by an agency of this State's Government, at retail  
13 in the municipality. This tax may not be imposed on tangible  
14 personal property taxed at the 1% rate under the Retailers'  
15 Occupation Tax Act (or at the 0% rate imposed under this  
16 amendatory Act of the 102nd General Assembly). Beginning  
17 December 1, 2019, this tax is not imposed on sales of aviation  
18 fuel unless the tax revenue is expended for airport-related  
19 purposes. If a municipality does not have an airport-related  
20 purpose to which it dedicates aviation fuel tax revenue, then  
21 aviation fuel is excluded from the tax. Each municipality must  
22 comply with the certification requirements for airport-related  
23 purposes under Section 2-22 of the Retailers' Occupation Tax  
24 Act. For purposes of this Section, "airport-related purposes"  
25 has the meaning ascribed in Section 6z-20.2 of the State  
26 Finance Act. This exclusion for aviation fuel only applies for

1 so long as the revenue use requirements of 49 U.S.C. 47107(b)  
2 and 49 U.S.C. 47133 are binding on the municipality. If  
3 imposed, the tax shall only be imposed in .25% increments of  
4 the gross receipts from such sales made in the course of  
5 business. Any tax imposed by a municipality under this Section  
6 and all civil penalties that may be assessed as an incident  
7 thereof shall be collected and enforced by the State  
8 Department of Revenue. An ordinance imposing a tax hereunder  
9 or effecting a change in the rate thereof shall be adopted and  
10 a certified copy thereof filed with the Department on or  
11 before the first day of October, whereupon the Department  
12 shall proceed to administer and enforce this Section as of the  
13 first day of January next following such adoption and filing.  
14 The certificate of registration that is issued by the  
15 Department to a retailer under the Retailers' Occupation Tax  
16 Act shall permit the retailer to engage in a business that is  
17 taxable under any ordinance or resolution enacted under this  
18 Section without registering separately with the Department  
19 under the ordinance or resolution or under this Section. The  
20 Department shall have full power to administer and enforce  
21 this Section, to collect all taxes and penalties due  
22 hereunder, to dispose of taxes and penalties so collected in  
23 the manner hereinafter provided, and to determine all rights  
24 to credit memoranda, arising on account of the erroneous  
25 payment of tax or penalty hereunder. In the administration of,  
26 and compliance with this Section, the Department and persons

1 who are subject to this Section shall have the same rights,  
2 remedies, privileges, immunities, powers, and duties, and be  
3 subject to the same conditions, restrictions, limitations,  
4 penalties, and definitions of terms, and employ the same modes  
5 of procedure, as are prescribed in Sections 1, 1a, 1a-1, 1d,  
6 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions  
7 therein other than the State rate of tax), 2c, 3 (except as to  
8 the disposition of taxes and penalties collected, and except  
9 that the retailer's discount is not allowed for taxes paid on  
10 aviation fuel that are subject to the revenue use requirements  
11 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5b, 5c,  
12 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9,  
13 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and  
14 Section 3-7 of the Uniform Penalty and Interest Act as fully as  
15 if those provisions were set forth herein.

16 A tax may not be imposed by a municipality under this  
17 Section unless the municipality also imposes a tax at the same  
18 rate under Section 8-11-1.7 of this Act.

19 Persons subject to any tax imposed under the authority  
20 granted in this Section may reimburse themselves for their  
21 seller's tax liability hereunder by separately stating the tax  
22 as an additional charge, which charge may be stated in  
23 combination, in a single amount, with State tax which sellers  
24 are required to collect under the Use Tax Act, pursuant to such  
25 bracket schedules as the Department may prescribe.

26 Whenever the Department determines that a refund should be

1 made under this Section to a claimant, instead of issuing a  
2 credit memorandum, the Department shall notify the State  
3 Comptroller, who shall cause the order to be drawn for the  
4 amount specified, and to the person named in the notification  
5 from the Department. The refund shall be paid by the State  
6 Treasurer out of the Non-Home Rule Municipal Retailers'  
7 Occupation Tax Fund, which is hereby created or the Local  
8 Government Aviation Trust Fund, as appropriate.

9 Except as otherwise provided in this paragraph, the  
10 Department shall forthwith pay over to the State Treasurer, ex  
11 officio, as trustee, all taxes and penalties collected  
12 hereunder for deposit into the Non-Home Rule Municipal  
13 Retailers' Occupation Tax Fund. Taxes and penalties collected  
14 on aviation fuel sold on or after December 1, 2019, shall be  
15 immediately paid over by the Department to the State  
16 Treasurer, ex officio, as trustee, for deposit into the Local  
17 Government Aviation Trust Fund. The Department shall only pay  
18 moneys into the Local Government Aviation Trust Fund under  
19 this Section for so long as the revenue use requirements of 49  
20 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
21 municipality.

22 As soon as possible after the first day of each month,  
23 beginning January 1, 2011, upon certification of the  
24 Department of Revenue, the Comptroller shall order  
25 transferred, and the Treasurer shall transfer, to the STAR  
26 Bonds Revenue Fund the local sales tax increment, as defined

1 in the Innovation Development and Economy Act, collected under  
2 this Section during the second preceding calendar month for  
3 sales within a STAR bond district.

4 After the monthly transfer to the STAR Bonds Revenue Fund,  
5 on or before the 25th day of each calendar month, the  
6 Department shall prepare and certify to the Comptroller the  
7 disbursement of stated sums of money to named municipalities,  
8 the municipalities to be those from which retailers have paid  
9 taxes or penalties hereunder to the Department during the  
10 second preceding calendar month. The amount to be paid to each  
11 municipality shall be the amount (not including credit  
12 memoranda and not including taxes and penalties collected on  
13 aviation fuel sold on or after December 1, 2019) collected  
14 hereunder during the second preceding calendar month by the  
15 Department plus an amount the Department determines is  
16 necessary to offset any amounts that were erroneously paid to  
17 a different taxing body, and not including an amount equal to  
18 the amount of refunds made during the second preceding  
19 calendar month by the Department on behalf of the  
20 municipality, and not including any amount that the Department  
21 determines is necessary to offset any amounts that were  
22 payable to a different taxing body but were erroneously paid  
23 to the municipality, and not including any amounts that are  
24 transferred to the STAR Bonds Revenue Fund, less 1.5% of the  
25 remainder, which the Department shall transfer into the Tax  
26 Compliance and Administration Fund. The Department, at the

1 time of each monthly disbursement to the municipalities, shall  
2 prepare and certify to the State Comptroller the amount to be  
3 transferred into the Tax Compliance and Administration Fund  
4 under this Section. Within 10 days after receipt by the  
5 Comptroller of the disbursement certification to the  
6 municipalities and the Tax Compliance and Administration Fund  
7 provided for in this Section to be given to the Comptroller by  
8 the Department, the Comptroller shall cause the orders to be  
9 drawn for the respective amounts in accordance with the  
10 directions contained in the certification.

11 For the purpose of determining the local governmental unit  
12 whose tax is applicable, a retail sale by a producer of coal or  
13 other mineral mined in Illinois is a sale at retail at the  
14 place where the coal or other mineral mined in Illinois is  
15 extracted from the earth. This paragraph does not apply to  
16 coal or other mineral when it is delivered or shipped by the  
17 seller to the purchaser at a point outside Illinois so that the  
18 sale is exempt under the federal Constitution as a sale in  
19 interstate or foreign commerce.

20 Nothing in this Section shall be construed to authorize a  
21 municipality to impose a tax upon the privilege of engaging in  
22 any business which under the constitution of the United States  
23 may not be made the subject of taxation by this State.

24 When certifying the amount of a monthly disbursement to a  
25 municipality under this Section, the Department shall increase  
26 or decrease the amount by an amount necessary to offset any

1 misallocation of previous disbursements. The offset amount  
2 shall be the amount erroneously disbursed within the previous  
3 6 months from the time a misallocation is discovered.

4 As used in this Section, "municipal" and "municipality"  
5 means a city, village, or incorporated town, including an  
6 incorporated town that has superseded a civil township.

7 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;  
8 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; 101-10, eff.  
9 6-5-19; 101-81, eff. 7-12-19; 101-604, eff. 12-13-19.)

10 (65 ILCS 5/8-11-1.7)

11 Sec. 8-11-1.7. Non-home rule municipal service occupation  
12 tax; municipalities between 20,000 and 25,000. The corporate  
13 authorities of a non-home rule municipality with a population  
14 of more than 20,000 but less than 25,000 as determined by the  
15 last preceding decennial census that has, prior to January 1,  
16 1987, established a Redevelopment Project Area that has been  
17 certified as a State Sales Tax Boundary and has issued bonds or  
18 otherwise incurred indebtedness to pay for costs in excess of  
19 \$5,000,000, which is secured in part by a tax increment  
20 allocation fund, in accordance with the provisions of Division  
21 11-74.4 of this Code may, by passage of an ordinance, impose a  
22 tax upon all persons engaged in the municipality in the  
23 business of making sales of service. If imposed, the tax shall  
24 only be imposed in .25% increments of the selling price of all  
25 tangible personal property transferred by such servicemen

1 either in the form of tangible personal property or in the form  
2 of real estate as an incident to a sale of service. This tax  
3 may not be imposed on tangible personal property taxed at the  
4 1% rate under the Service Occupation Tax Act (or at the 0% rate  
5 imposed under this amendatory Act of the 102nd General  
6 Assembly). Beginning December 1, 2019, this tax is not imposed  
7 on sales of aviation fuel unless the tax revenue is expended  
8 for airport-related purposes. If a municipality does not have  
9 an airport-related purpose to which it dedicates aviation fuel  
10 tax revenue, then aviation fuel is excluded from the tax. Each  
11 municipality must comply with the certification requirements  
12 for airport-related purposes under Section 2-22 of the  
13 Retailers' Occupation Tax Act. For purposes of this Section,  
14 "airport-related purposes" has the meaning ascribed in Section  
15 6z-20.2 of the State Finance Act. This exclusion for aviation  
16 fuel only applies for so long as the revenue use requirements  
17 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
18 municipality. The tax imposed by a municipality under this  
19 Section and all civil penalties that may be assessed as an  
20 incident thereof shall be collected and enforced by the State  
21 Department of Revenue. An ordinance imposing a tax hereunder  
22 or effecting a change in the rate thereof shall be adopted and  
23 a certified copy thereof filed with the Department on or  
24 before the first day of October, whereupon the Department  
25 shall proceed to administer and enforce this Section as of the  
26 first day of January next following such adoption and filing.



1 The certificate of registration that is issued by the  
2 Department to a retailer under the Retailers' Occupation Tax  
3 Act or under the Service Occupation Tax Act shall permit the  
4 registrant to engage in a business that is taxable under any  
5 ordinance or resolution enacted under this Section without  
6 registering separately with the Department under the ordinance  
7 or resolution or under this Section. The Department shall have  
8 full power to administer and enforce this Section, to collect  
9 all taxes and penalties due hereunder, to dispose of taxes and  
10 penalties so collected in a manner hereinafter provided, and  
11 to determine all rights to credit memoranda arising on account  
12 of the erroneous payment of tax or penalty hereunder. In the  
13 administration of and compliance with this Section, the  
14 Department and persons who are subject to this Section shall  
15 have the same rights, remedies, privileges, immunities,  
16 powers, and duties, and be subject to the same conditions,  
17 restrictions, limitations, penalties and definitions of terms,  
18 and employ the same modes of procedure, as are prescribed in  
19 Sections 1a-1, 2, 2a, 3 through 3-50 (in respect to all  
20 provisions therein other than the State rate of tax), 4  
21 (except that the reference to the State shall be to the taxing  
22 municipality), 5, 7, 8 (except that the jurisdiction to which  
23 the tax shall be a debt to the extent indicated in that Section  
24 8 shall be the taxing municipality), 9 (except as to the  
25 disposition of taxes and penalties collected, and except that  
26 the returned merchandise credit for this municipal tax may not

1 be taken against any State tax, and except that the retailer's  
2 discount is not allowed for taxes paid on aviation fuel that  
3 are subject to the revenue use requirements of 49 U.S.C.  
4 47107(b) and 49 U.S.C. 47133), 10, 11, 12, (except the  
5 reference therein to Section 2b of the Retailers' Occupation  
6 Tax Act), 13 (except that any reference to the State shall mean  
7 the taxing municipality), the first paragraph of Sections 15,  
8 16, 17, 18, 19, and 20 of the Service Occupation Tax Act and  
9 Section 3-7 of the Uniform Penalty and Interest Act, as fully  
10 as if those provisions were set forth herein.

11 A tax may not be imposed by a municipality under this  
12 Section unless the municipality also imposes a tax at the same  
13 rate under Section 8-11-1.6 of this Act.

14 Person subject to any tax imposed under the authority  
15 granted in this Section may reimburse themselves for their  
16 servicemen's tax liability hereunder by separately stating the  
17 tax as an additional charge, which charge may be stated in  
18 combination, in a single amount, with State tax that  
19 servicemen are authorized to collect under the Service Use Tax  
20 Act, under such bracket schedules as the Department may  
21 prescribe.

22 Whenever the Department determines that a refund should be  
23 made under this Section to a claimant instead of issuing  
24 credit memorandum, the Department shall notify the State  
25 Comptroller, who shall cause the order to be drawn for the  
26 amount specified, and to the person named, in such

1 notification from the Department. The refund shall be paid by  
2 the State Treasurer out of the Non-Home Rule Municipal  
3 Retailers' Occupation Tax Fund or the Local Government  
4 Aviation Trust Fund, as appropriate.

5 Except as otherwise provided in this paragraph, the  
6 Department shall forthwith pay over to the State Treasurer, ex  
7 officio, as trustee, all taxes and penalties collected  
8 hereunder for deposit into the Non-Home Rule Municipal  
9 Retailers' Occupation Tax Fund. Taxes and penalties collected  
10 on aviation fuel sold on or after December 1, 2019, shall be  
11 immediately paid over by the Department to the State  
12 Treasurer, ex officio, as trustee, for deposit into the Local  
13 Government Aviation Trust Fund. The Department shall only pay  
14 moneys into the Local Government Aviation Trust Fund under  
15 this Section for so long as the revenue use requirements of 49  
16 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
17 Municipality.

18 As soon as possible after the first day of each month,  
19 beginning January 1, 2011, upon certification of the  
20 Department of Revenue, the Comptroller shall order  
21 transferred, and the Treasurer shall transfer, to the STAR  
22 Bonds Revenue Fund the local sales tax increment, as defined  
23 in the Innovation Development and Economy Act, collected under  
24 this Section during the second preceding calendar month for  
25 sales within a STAR bond district.

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

1 on or before the 25th day of each calendar month, the  
2 Department shall prepare and certify to the Comptroller the  
3 disbursement of stated sums of money to named municipalities,  
4 the municipalities to be those from which suppliers and  
5 servicemen have paid taxes or penalties hereunder to the  
6 Department during the second preceding calendar month. The  
7 amount to be paid to each municipality shall be the amount (not  
8 including credit memoranda and not including taxes and  
9 penalties collected on aviation fuel sold on or after December  
10 1, 2019) collected hereunder during the second preceding  
11 calendar month by the Department, and not including an amount  
12 equal to the amount of refunds made during the second  
13 preceding calendar month by the Department on behalf of such  
14 municipality, and not including any amounts that are  
15 transferred to the STAR Bonds Revenue Fund, less 1.5% of the  
16 remainder, which the Department shall transfer into the Tax  
17 Compliance and Administration Fund. The Department, at the  
18 time of each monthly disbursement to the municipalities, shall  
19 prepare and certify to the State Comptroller the amount to be  
20 transferred into the Tax Compliance and Administration Fund  
21 under this Section. Within 10 days after receipt by the  
22 Comptroller of the disbursement certification to the  
23 municipalities, the Tax Compliance and Administration Fund,  
24 and the General Revenue Fund, provided for in this Section to  
25 be given to the Comptroller by the Department, the Comptroller  
26 shall cause the orders to be drawn for the respective amounts

1 in accordance with the directions contained in the  
2 certification.

3 When certifying the amount of a monthly disbursement to a  
4 municipality under this Section, the Department shall increase  
5 or decrease the amount by an amount necessary to offset any  
6 misallocation of previous disbursements. The offset amount  
7 shall be the amount erroneously disbursed within the previous  
8 6 months from the time a misallocation is discovered.

9 Nothing in this Section shall be construed to authorize a  
10 municipality to impose a tax upon the privilege of engaging in  
11 any business which under the constitution of the United States  
12 may not be made the subject of taxation by this State.

13 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;  
14 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; 101-10, eff.  
15 6-5-19; 101-81, eff. 7-12-19; 101-604, eff. 12-13-19.)

16 (65 ILCS 5/8-11-5) (from Ch. 24, par. 8-11-5)

17 Sec. 8-11-5. Home Rule Municipal Service Occupation Tax  
18 Act. The corporate authorities of a home rule municipality may  
19 impose a tax upon all persons engaged, in such municipality,  
20 in the business of making sales of service at the same rate of  
21 tax imposed pursuant to Section 8-11-1, of the selling price  
22 of all tangible personal property transferred by such  
23 servicemen either in the form of tangible personal property or  
24 in the form of real estate as an incident to a sale of service.  
25 If imposed, such tax shall only be imposed in 1/4% increments.

1 On and after September 1, 1991, this additional tax may not be  
2 imposed on tangible personal property taxed at the 1% rate  
3 under the Service Retailers' Occupation Tax Act (or at the 0%  
4 rate imposed under this amendatory Act of the 102nd General  
5 Assembly). Beginning December 1, 2019, this tax may not be  
6 imposed on sales of aviation fuel unless the tax revenue is  
7 expended for airport-related purposes. If a municipality does  
8 not have an airport-related purpose to which it dedicates  
9 aviation fuel tax revenue, then aviation fuel shall be  
10 excluded from tax. Each municipality must comply with the  
11 certification requirements for airport-related purposes under  
12 Section 2-22 of the Retailers' Occupation Tax Act. For  
13 purposes of this Section, "airport-related purposes" has the  
14 meaning ascribed in Section 6z-20.2 of the State Finance Act.  
15 This exception for aviation fuel only applies for so long as  
16 the revenue use requirements of 49 U.S.C. 47107(b) and 49  
17 U.S.C. 47133 are binding on the State. The changes made to this  
18 Section by this amendatory Act of the 101st General Assembly  
19 are a denial and limitation of home rule powers and functions  
20 under subsection (g) of Section 6 of Article VII of the  
21 Illinois Constitution. The tax imposed by a home rule  
22 municipality pursuant to this Section and all civil penalties  
23 that may be assessed as an incident thereof shall be collected  
24 and enforced by the State Department of Revenue. The  
25 certificate of registration which is issued by the Department  
26 to a retailer under the Retailers' Occupation Tax Act or under

1 the Service Occupation Tax Act shall permit such registrant to  
2 engage in a business which is taxable under any ordinance or  
3 resolution enacted pursuant to this Section without  
4 registering separately with the Department under such  
5 ordinance or resolution or under this Section. The Department  
6 shall have full power to administer and enforce this Section;  
7 to collect all taxes and penalties due hereunder; to dispose  
8 of taxes and penalties so collected in the manner hereinafter  
9 provided, and to determine all rights to credit memoranda  
10 arising on account of the erroneous payment of tax or penalty  
11 hereunder. In the administration of, and compliance with, this  
12 Section the Department and persons who are subject to this  
13 Section shall have the same rights, remedies, privileges,  
14 immunities, powers and duties, and be subject to the same  
15 conditions, restrictions, limitations, penalties and  
16 definitions of terms, and employ the same modes of procedure,  
17 as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in  
18 respect to all provisions therein other than the State rate of  
19 tax), 4 (except that the reference to the State shall be to the  
20 taxing municipality), 5, 7, 8 (except that the jurisdiction to  
21 which the tax shall be a debt to the extent indicated in that  
22 Section 8 shall be the taxing municipality), 9 (except as to  
23 the disposition of taxes and penalties collected, and except  
24 that the returned merchandise credit for this municipal tax  
25 may not be taken against any State tax, and except that the  
26 retailer's discount is not allowed for taxes paid on aviation

1 fuel that are subject to the revenue use requirements of 49  
2 U.S.C. 47107(b) and 49 U.S.C. 47133), 10, 11, 12 (except the  
3 reference therein to Section 2b of the Retailers' Occupation  
4 Tax Act), 13 (except that any reference to the State shall mean  
5 the taxing municipality), the first paragraph of Section 15,  
6 16, 17 (except that credit memoranda issued hereunder may not  
7 be used to discharge any State tax liability), 18, 19 and 20 of  
8 the Service Occupation Tax Act and Section 3-7 of the Uniform  
9 Penalty and Interest Act, as fully as if those provisions were  
10 set forth herein.

11 No tax may be imposed by a home rule municipality pursuant  
12 to this Section unless such municipality also imposes a tax at  
13 the same rate pursuant to Section 8-11-1 of this Act.

14 Persons subject to any tax imposed pursuant to the  
15 authority granted in this Section may reimburse themselves for  
16 their serviceman's tax liability hereunder by separately  
17 stating such tax as an additional charge, which charge may be  
18 stated in combination, in a single amount, with State tax  
19 which servicemen are authorized to collect under the Service  
20 Use Tax Act, pursuant to such bracket schedules as the  
21 Department may prescribe.

22 Whenever the Department determines that a refund should be  
23 made under this Section to a claimant instead of issuing  
24 credit memorandum, the Department shall notify the State  
25 Comptroller, who shall cause the order to be drawn for the  
26 amount specified, and to the person named, in such



1 notification from the Department. Such refund shall be paid by  
2 the State Treasurer out of the home rule municipal retailers'  
3 occupation tax fund or the Local Government Aviation Trust  
4 Fund, as appropriate.

5 Except as otherwise provided in this paragraph, the  
6 Department shall forthwith pay over to the State Treasurer, ex  
7 officio, as trustee, all taxes and penalties collected  
8 hereunder for deposit into the Home Rule Municipal Retailers'  
9 Occupation Tax Fund. Taxes and penalties collected on aviation  
10 fuel sold on or after December 1, 2019, shall be immediately  
11 paid over by the Department to the State Treasurer, ex  
12 officio, as trustee, for deposit into the Local Government  
13 Aviation Trust Fund. The Department shall only pay moneys into  
14 the Local Government Aviation Trust Fund under this Section  
15 for so long as the revenue use requirements of 49 U.S.C.  
16 47107(b) and 49 U.S.C. 47133 are binding on the municipality.

17 As soon as possible after the first day of each month,  
18 beginning January 1, 2011, upon certification of the  
19 Department of Revenue, the Comptroller shall order  
20 transferred, and the Treasurer shall transfer, to the STAR  
21 Bonds Revenue Fund the local sales tax increment, as defined  
22 in the Innovation Development and Economy Act, collected under  
23 this Section during the second preceding calendar month for  
24 sales within a STAR bond district.

25 After the monthly transfer to the STAR Bonds Revenue Fund,  
26 on or before the 25th day of each calendar month, the

1 Department shall prepare and certify to the Comptroller the  
2 disbursement of stated sums of money to named municipalities,  
3 the municipalities to be those from which suppliers and  
4 servicemen have paid taxes or penalties hereunder to the  
5 Department during the second preceding calendar month. The  
6 amount to be paid to each municipality shall be the amount (not  
7 including credit memoranda and not including taxes and  
8 penalties collected on aviation fuel sold on or after December  
9 1, 2019) collected hereunder during the second preceding  
10 calendar month by the Department, and not including an amount  
11 equal to the amount of refunds made during the second  
12 preceding calendar month by the Department on behalf of such  
13 municipality, and not including any amounts that are  
14 transferred to the STAR Bonds Revenue Fund, less 1.5% of the  
15 remainder, which the Department shall transfer into the Tax  
16 Compliance and Administration Fund. The Department, at the  
17 time of each monthly disbursement to the municipalities, shall  
18 prepare and certify to the State Comptroller the amount to be  
19 transferred into the Tax Compliance and Administration Fund  
20 under this Section. Within 10 days after receipt, by the  
21 Comptroller, of the disbursement certification to the  
22 municipalities and the Tax Compliance and Administration Fund  
23 provided for in this Section to be given to the Comptroller by  
24 the Department, the Comptroller shall cause the orders to be  
25 drawn for the respective amounts in accordance with the  
26 directions contained in such certification.

1           In addition to the disbursement required by the preceding  
2 paragraph and in order to mitigate delays caused by  
3 distribution procedures, an allocation shall, if requested, be  
4 made within 10 days after January 14, 1991, and in November of  
5 1991 and each year thereafter, to each municipality that  
6 received more than \$500,000 during the preceding fiscal year,  
7 (July 1 through June 30) whether collected by the municipality  
8 or disbursed by the Department as required by this Section.  
9 Within 10 days after January 14, 1991, participating  
10 municipalities shall notify the Department in writing of their  
11 intent to participate. In addition, for the initial  
12 distribution, participating municipalities shall certify to  
13 the Department the amounts collected by the municipality for  
14 each month under its home rule occupation and service  
15 occupation tax during the period July 1, 1989 through June 30,  
16 1990. The allocation within 10 days after January 14, 1991,  
17 shall be in an amount equal to the monthly average of these  
18 amounts, excluding the 2 months of highest receipts. Monthly  
19 average for the period of July 1, 1990 through June 30, 1991  
20 will be determined as follows: the amounts collected by the  
21 municipality under its home rule occupation and service  
22 occupation tax during the period of July 1, 1990 through  
23 September 30, 1990, plus amounts collected by the Department  
24 and paid to such municipality through June 30, 1991, excluding  
25 the 2 months of highest receipts. The monthly average for each  
26 subsequent period of July 1 through June 30 shall be an amount

1 equal to the monthly distribution made to each such  
2 municipality under the preceding paragraph during this period,  
3 excluding the 2 months of highest receipts. The distribution  
4 made in November 1991 and each year thereafter under this  
5 paragraph and the preceding paragraph shall be reduced by the  
6 amount allocated and disbursed under this paragraph in the  
7 preceding period of July 1 through June 30. The Department  
8 shall prepare and certify to the Comptroller for disbursement  
9 the allocations made in accordance with this paragraph.

10 Nothing in this Section shall be construed to authorize a  
11 municipality to impose a tax upon the privilege of engaging in  
12 any business which under the constitution of the United States  
13 may not be made the subject of taxation by this State.

14 An ordinance or resolution imposing or discontinuing a tax  
15 hereunder or effecting a change in the rate thereof shall be  
16 adopted and a certified copy thereof filed with the Department  
17 on or before the first day of June, whereupon the Department  
18 shall proceed to administer and enforce this Section as of the  
19 first day of September next following such adoption and  
20 filing. Beginning January 1, 1992, an ordinance or resolution  
21 imposing or discontinuing the tax hereunder or effecting a  
22 change in the rate thereof shall be adopted and a certified  
23 copy thereof filed with the Department on or before the first  
24 day of July, whereupon the Department shall proceed to  
25 administer and enforce this Section as of the first day of  
26 October next following such adoption and filing. Beginning

1 January 1, 1993, an ordinance or resolution imposing or  
2 discontinuing the tax hereunder or effecting a change in the  
3 rate thereof shall be adopted and a certified copy thereof  
4 filed with the Department on or before the first day of  
5 October, whereupon the Department shall proceed to administer  
6 and enforce this Section as of the first day of January next  
7 following such adoption and filing. However, a municipality  
8 located in a county with a population in excess of 3,000,000  
9 that elected to become a home rule unit at the general primary  
10 election in 1994 may adopt an ordinance or resolution imposing  
11 the tax under this Section and file a certified copy of the  
12 ordinance or resolution with the Department on or before July  
13 1, 1994. The Department shall then proceed to administer and  
14 enforce this Section as of October 1, 1994. Beginning April 1,  
15 1998, an ordinance or resolution imposing or discontinuing the  
16 tax hereunder or effecting a change in the rate thereof shall  
17 either (i) be adopted and a certified copy thereof filed with  
18 the Department on or before the first day of April, whereupon  
19 the Department shall proceed to administer and enforce this  
20 Section as of the first day of July next following the adoption  
21 and filing; or (ii) be adopted and a certified copy thereof  
22 filed with the Department on or before the first day of  
23 October, whereupon the Department shall proceed to administer  
24 and enforce this Section as of the first day of January next  
25 following the adoption and filing.

26 Any unobligated balance remaining in the Municipal

1 Retailers' Occupation Tax Fund on December 31, 1989, which  
2 fund was abolished by Public Act 85-1135, and all receipts of  
3 municipal tax as a result of audits of liability periods prior  
4 to January 1, 1990, shall be paid into the Local Government Tax  
5 Fund, for distribution as provided by this Section prior to  
6 the enactment of Public Act 85-1135. All receipts of municipal  
7 tax as a result of an assessment not arising from an audit, for  
8 liability periods prior to January 1, 1990, shall be paid into  
9 the Local Government Tax Fund for distribution before July 1,  
10 1990, as provided by this Section prior to the enactment of  
11 Public Act 85-1135, and on and after July 1, 1990, all such  
12 receipts shall be distributed as provided in Section 6z-18 of  
13 the State Finance Act.

14 As used in this Section, "municipal" and "municipality"  
15 means a city, village or incorporated town, including an  
16 incorporated town which has superseded a civil township.

17 This Section shall be known and may be cited as the Home  
18 Rule Municipal Service Occupation Tax Act.

19 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;  
20 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-81, eff.  
21 7-12-19; 101-604, eff. 12-13-19.)

22 (65 ILCS 5/11-74.3-6)

23 Sec. 11-74.3-6. Business district revenue and obligations;  
24 business district tax allocation fund.

25 (a) If the corporate authorities of a municipality have

1 approved a business district plan, have designated a business  
2 district, and have elected to impose a tax by ordinance  
3 pursuant to subsection (10) or (11) of Section 11-74.3-3, then  
4 each year after the date of the approval of the ordinance but  
5 terminating upon the date all business district project costs  
6 and all obligations paying or reimbursing business district  
7 project costs, if any, have been paid, but in no event later  
8 than the dissolution date, all amounts generated by the  
9 retailers' occupation tax and service occupation tax shall be  
10 collected and the tax shall be enforced by the Department of  
11 Revenue in the same manner as all retailers' occupation taxes  
12 and service occupation taxes imposed in the municipality  
13 imposing the tax and all amounts generated by the hotel  
14 operators' occupation tax shall be collected and the tax shall  
15 be enforced by the municipality in the same manner as all hotel  
16 operators' occupation taxes imposed in the municipality  
17 imposing the tax. The corporate authorities of the  
18 municipality shall deposit the proceeds of the taxes imposed  
19 under subsections (10) and (11) of Section 11-74.3-3 into a  
20 special fund of the municipality called the "[Name of]  
21 Business District Tax Allocation Fund" for the purpose of  
22 paying or reimbursing business district project costs and  
23 obligations incurred in the payment of those costs.

24 (b) The corporate authorities of a municipality that has  
25 designated a business district under this Law may, by  
26 ordinance, impose a Business District Retailers' Occupation

1 Tax upon all persons engaged in the business of selling  
2 tangible personal property, other than an item of tangible  
3 personal property titled or registered with an agency of this  
4 State's government, at retail in the business district at a  
5 rate not to exceed 1% of the gross receipts from the sales made  
6 in the course of such business, to be imposed only in 0.25%  
7 increments. The tax may not be imposed on tangible personal  
8 property taxed at the rate of 1% under the Retailers'  
9 Occupation Tax Act (or at the 0% rate imposed under this  
10 amendatory Act of the 102nd General Assembly). Beginning  
11 December 1, 2019 and through December 31, 2020, this tax is not  
12 imposed on sales of aviation fuel unless the tax revenue is  
13 expended for airport-related purposes. If the District does  
14 not have an airport-related purpose to which it dedicates  
15 aviation fuel tax revenue, then aviation fuel is excluded from  
16 the tax. Each municipality must comply with the certification  
17 requirements for airport-related purposes under Section 2-22  
18 of the Retailers' Occupation Tax Act. For purposes of this  
19 Section, "airport-related purposes" has the meaning ascribed  
20 in Section 6z-20.2 of the State Finance Act. Beginning January  
21 1, 2021, this tax is not imposed on sales of aviation fuel for  
22 so long as the revenue use requirements of 49 U.S.C. 47107(b)  
23 and 49 U.S.C. 47133 are binding on the District.

24 The tax imposed under this subsection and all civil  
25 penalties that may be assessed as an incident thereof shall be  
26 collected and enforced by the Department of Revenue. The



1 certificate of registration that is issued by the Department  
2 to a retailer under the Retailers' Occupation Tax Act shall  
3 permit the retailer to engage in a business that is taxable  
4 under any ordinance or resolution enacted pursuant to this  
5 subsection without registering separately with the Department  
6 under such ordinance or resolution or under this subsection.  
7 The Department of Revenue shall have full power to administer  
8 and enforce this subsection; to collect all taxes and  
9 penalties due under this subsection in the manner hereinafter  
10 provided; and to determine all rights to credit memoranda  
11 arising on account of the erroneous payment of tax or penalty  
12 under this subsection. In the administration of, and  
13 compliance with, this subsection, the Department and persons  
14 who are subject to this subsection shall have the same rights,  
15 remedies, privileges, immunities, powers and duties, and be  
16 subject to the same conditions, restrictions, limitations,  
17 penalties, exclusions, exemptions, and definitions of terms  
18 and employ the same modes of procedure, as are prescribed in  
19 Sections 1, 1a through 1o, 2 through 2-65 (in respect to all  
20 provisions therein other than the State rate of tax), 2c  
21 through 2h, 3 (except as to the disposition of taxes and  
22 penalties collected, and except that the retailer's discount  
23 is not allowed for taxes paid on aviation fuel that are subject  
24 to the revenue use requirements of 49 U.S.C. 47107(b) and 49  
25 U.S.C. 47133), 4, 5, 5a, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 5k, 5l, 6,  
26 6a, 6b, 6c, 7, 8, 9, 10, 11, 12, 13, and 14 of the Retailers'

1 Occupation Tax Act and all provisions of the Uniform Penalty  
2 and Interest Act, as fully as if those provisions were set  
3 forth herein.

4 Persons subject to any tax imposed under this subsection  
5 may reimburse themselves for their seller's tax liability  
6 under this subsection by separately stating the tax as an  
7 additional charge, which charge may be stated in combination,  
8 in a single amount, with State taxes that sellers are required  
9 to collect under the Use Tax Act, in accordance with such  
10 bracket schedules as the Department may prescribe.

11 Whenever the Department determines that a refund should be  
12 made under this subsection to a claimant instead of issuing a  
13 credit memorandum, the Department shall notify the State  
14 Comptroller, who shall cause the order to be drawn for the  
15 amount specified and to the person named in the notification  
16 from the Department. The refund shall be paid by the State  
17 Treasurer out of the business district retailers' occupation  
18 tax fund or the Local Government Aviation Trust Fund, as  
19 appropriate.

20 Except as otherwise provided in this paragraph, the  
21 Department shall immediately pay over to the State Treasurer,  
22 ex officio, as trustee, all taxes, penalties, and interest  
23 collected under this subsection for deposit into the business  
24 district retailers' occupation tax fund. Taxes and penalties  
25 collected on aviation fuel sold on or after December 1, 2019,  
26 shall be immediately paid over by the Department to the State

1 Treasurer, ex officio, as trustee, for deposit into the Local  
2 Government Aviation Trust Fund. The Department shall only pay  
3 moneys into the Local Government Aviation Trust Fund under  
4 this Section for so long as the revenue use requirements of 49  
5 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
6 District.

7 As soon as possible after the first day of each month,  
8 beginning January 1, 2011, upon certification of the  
9 Department of Revenue, the Comptroller shall order  
10 transferred, and the Treasurer shall transfer, to the STAR  
11 Bonds Revenue Fund the local sales tax increment, as defined  
12 in the Innovation Development and Economy Act, collected under  
13 this subsection during the second preceding calendar month for  
14 sales within a STAR bond district.

15 After the monthly transfer to the STAR Bonds Revenue Fund,  
16 on or before the 25th day of each calendar month, the  
17 Department shall prepare and certify to the Comptroller the  
18 disbursement of stated sums of money to named municipalities  
19 from the business district retailers' occupation tax fund, the  
20 municipalities to be those from which retailers have paid  
21 taxes or penalties under this subsection to the Department  
22 during the second preceding calendar month. The amount to be  
23 paid to each municipality shall be the amount (not including  
24 credit memoranda and not including taxes and penalties  
25 collected on aviation fuel sold on or after December 1, 2019)  
26 collected under this subsection during the second preceding

1 calendar month by the Department plus an amount the Department  
2 determines is necessary to offset any amounts that were  
3 erroneously paid to a different taxing body, and not including  
4 an amount equal to the amount of refunds made during the second  
5 preceding calendar month by the Department, less 2% of that  
6 amount (except the amount collected on aviation fuel sold on  
7 or after December 1, 2019), which shall be deposited into the  
8 Tax Compliance and Administration Fund and shall be used by  
9 the Department, subject to appropriation, to cover the costs  
10 of the Department in administering and enforcing the  
11 provisions of this subsection, on behalf of such municipality,  
12 and not including any amount that the Department determines is  
13 necessary to offset any amounts that were payable to a  
14 different taxing body but were erroneously paid to the  
15 municipality, and not including any amounts that are  
16 transferred to the STAR Bonds Revenue Fund. Within 10 days  
17 after receipt by the Comptroller of the disbursement  
18 certification to the municipalities provided for in this  
19 subsection to be given to the Comptroller by the Department,  
20 the Comptroller shall cause the orders to be drawn for the  
21 respective amounts in accordance with the directions contained  
22 in the certification. The proceeds of the tax paid to  
23 municipalities under this subsection shall be deposited into  
24 the Business District Tax Allocation Fund by the municipality.

25 An ordinance imposing or discontinuing the tax under this  
26 subsection or effecting a change in the rate thereof shall

1 either (i) be adopted and a certified copy thereof filed with  
2 the Department on or before the first day of April, whereupon  
3 the Department, if all other requirements of this subsection  
4 are met, shall proceed to administer and enforce this  
5 subsection as of the first day of July next following the  
6 adoption and filing; or (ii) be adopted and a certified copy  
7 thereof filed with the Department on or before the first day of  
8 October, whereupon, if all other requirements of this  
9 subsection are met, the Department shall proceed to administer  
10 and enforce this subsection as of the first day of January next  
11 following the adoption and filing.

12 The Department of Revenue shall not administer or enforce  
13 an ordinance imposing, discontinuing, or changing the rate of  
14 the tax under this subsection, until the municipality also  
15 provides, in the manner prescribed by the Department, the  
16 boundaries of the business district and each address in the  
17 business district in such a way that the Department can  
18 determine by its address whether a business is located in the  
19 business district. The municipality must provide this boundary  
20 and address information to the Department on or before April 1  
21 for administration and enforcement of the tax under this  
22 subsection by the Department beginning on the following July 1  
23 and on or before October 1 for administration and enforcement  
24 of the tax under this subsection by the Department beginning  
25 on the following January 1. The Department of Revenue shall  
26 not administer or enforce any change made to the boundaries of

1 a business district or address change, addition, or deletion  
2 until the municipality reports the boundary change or address  
3 change, addition, or deletion to the Department in the manner  
4 prescribed by the Department. The municipality must provide  
5 this boundary change information or address change, addition,  
6 or deletion to the Department on or before April 1 for  
7 administration and enforcement by the Department of the change  
8 beginning on the following July 1 and on or before October 1  
9 for administration and enforcement by the Department of the  
10 change beginning on the following January 1. The retailers in  
11 the business district shall be responsible for charging the  
12 tax imposed under this subsection. If a retailer is  
13 incorrectly included or excluded from the list of those  
14 required to collect the tax under this subsection, both the  
15 Department of Revenue and the retailer shall be held harmless  
16 if they reasonably relied on information provided by the  
17 municipality.

18 A municipality that imposes the tax under this subsection  
19 must submit to the Department of Revenue any other information  
20 as the Department may require for the administration and  
21 enforcement of the tax.

22 When certifying the amount of a monthly disbursement to a  
23 municipality under this subsection, the Department shall  
24 increase or decrease the amount by an amount necessary to  
25 offset any misallocation of previous disbursements. The offset  
26 amount shall be the amount erroneously disbursed within the

1 previous 6 months from the time a misallocation is discovered.

2 Nothing in this subsection shall be construed to authorize  
3 the municipality to impose a tax upon the privilege of  
4 engaging in any business which under the Constitution of the  
5 United States may not be made the subject of taxation by this  
6 State.

7 If a tax is imposed under this subsection (b), a tax shall  
8 also be imposed under subsection (c) of this Section.

9 (c) If a tax has been imposed under subsection (b), a  
10 Business District Service Occupation Tax shall also be imposed  
11 upon all persons engaged, in the business district, in the  
12 business of making sales of service, who, as an incident to  
13 making those sales of service, transfer tangible personal  
14 property within the business district, either in the form of  
15 tangible personal property or in the form of real estate as an  
16 incident to a sale of service. The tax shall be imposed at the  
17 same rate as the tax imposed in subsection (b) and shall not  
18 exceed 1% of the selling price of tangible personal property  
19 so transferred within the business district, to be imposed  
20 only in 0.25% increments. The tax may not be imposed on  
21 tangible personal property taxed at the 1% rate under the  
22 Service Occupation Tax Act (or at the 0% rate imposed under  
23 this amendatory Act of the 102nd General Assembly). Beginning  
24 December 1, 2019, this tax is not imposed on sales of aviation  
25 fuel unless the tax revenue is expended for airport-related  
26 purposes. If the District does not have an airport-related

1 purpose to which it dedicates aviation fuel tax revenue, then  
2 aviation fuel is excluded from the tax. Each municipality must  
3 comply with the certification requirements for airport-related  
4 purposes under Section 2-22 of the Retailers' Occupation Tax  
5 Act. For purposes of this Act, "airport-related purposes" has  
6 the meaning ascribed in Section 6z-20.2 of the State Finance  
7 Act. Beginning January 1, 2021, this tax is not imposed on  
8 sales of aviation fuel for so long as the revenue use  
9 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are  
10 binding on the District.

11 The tax imposed under this subsection and all civil  
12 penalties that may be assessed as an incident thereof shall be  
13 collected and enforced by the Department of Revenue. The  
14 certificate of registration which is issued by the Department  
15 to a retailer under the Retailers' Occupation Tax Act or under  
16 the Service Occupation Tax Act shall permit such registrant to  
17 engage in a business which is taxable under any ordinance or  
18 resolution enacted pursuant to this subsection without  
19 registering separately with the Department under such  
20 ordinance or resolution or under this subsection. The  
21 Department of Revenue shall have full power to administer and  
22 enforce this subsection; to collect all taxes and penalties  
23 due under this subsection; to dispose of taxes and penalties  
24 so collected in the manner hereinafter provided; and to  
25 determine all rights to credit memoranda arising on account of  
26 the erroneous payment of tax or penalty under this subsection.



1 In the administration of, and compliance with this subsection,  
2 the Department and persons who are subject to this subsection  
3 shall have the same rights, remedies, privileges, immunities,  
4 powers and duties, and be subject to the same conditions,  
5 restrictions, limitations, penalties, exclusions, exemptions,  
6 and definitions of terms and employ the same modes of  
7 procedure as are prescribed in Sections 2, 2a through 2d, 3  
8 through 3-50 (in respect to all provisions therein other than  
9 the State rate of tax), 4 (except that the reference to the  
10 State shall be to the business district), 5, 7, 8 (except that  
11 the jurisdiction to which the tax shall be a debt to the extent  
12 indicated in that Section 8 shall be the municipality), 9  
13 (except as to the disposition of taxes and penalties  
14 collected, and except that the returned merchandise credit for  
15 this tax may not be taken against any State tax, and except  
16 that the retailer's discount is not allowed for taxes paid on  
17 aviation fuel that are subject to the revenue use requirements  
18 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 10, 11, 12 (except  
19 the reference therein to Section 2b of the Retailers'  
20 Occupation Tax Act), 13 (except that any reference to the  
21 State shall mean the municipality), the first paragraph of  
22 Section 15, and Sections 16, 17, 18, 19 and 20 of the Service  
23 Occupation Tax Act and all provisions of the Uniform Penalty  
24 and Interest Act, as fully as if those provisions were set  
25 forth herein.

26 Persons subject to any tax imposed under the authority

1 granted in this subsection may reimburse themselves for their  
2 serviceman's tax liability hereunder by separately stating the  
3 tax as an additional charge, which charge may be stated in  
4 combination, in a single amount, with State tax that  
5 servicemen are authorized to collect under the Service Use Tax  
6 Act, in accordance with such bracket schedules as the  
7 Department may prescribe.

8 Whenever the Department determines that a refund should be  
9 made under this subsection to a claimant instead of issuing  
10 credit memorandum, the Department shall notify the State  
11 Comptroller, who shall cause the order to be drawn for the  
12 amount specified, and to the person named, in such  
13 notification from the Department. Such refund shall be paid by  
14 the State Treasurer out of the business district retailers'  
15 occupation tax fund or the Local Government Aviation Trust  
16 Fund, as appropriate.

17 Except as otherwise provided in this paragraph, the  
18 Department shall forthwith pay over to the State Treasurer,  
19 ex-officio, as trustee, all taxes, penalties, and interest  
20 collected under this subsection for deposit into the business  
21 district retailers' occupation tax fund. Taxes and penalties  
22 collected on aviation fuel sold on or after December 1, 2019,  
23 shall be immediately paid over by the Department to the State  
24 Treasurer, ex officio, as trustee, for deposit into the Local  
25 Government Aviation Trust Fund. The Department shall only pay  
26 moneys into the Local Government Aviation Trust Fund under

1 this Section 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  
3 District.

4 As soon as possible after the first day of each month,  
5 beginning January 1, 2011, upon certification of the  
6 Department of Revenue, the Comptroller shall order  
7 transferred, and the Treasurer shall transfer, to the STAR  
8 Bonds Revenue Fund the local sales tax increment, as defined  
9 in the Innovation Development and Economy Act, collected under  
10 this subsection during the second preceding calendar month for  
11 sales within a STAR bond district.

12 After the monthly transfer to the STAR Bonds Revenue Fund,  
13 on or before the 25th day of each calendar month, the  
14 Department shall prepare and certify to the Comptroller the  
15 disbursement of stated sums of money to named municipalities  
16 from the business district retailers' occupation tax fund, the  
17 municipalities to be those from which suppliers and servicemen  
18 have paid taxes or penalties under this subsection to the  
19 Department during the second preceding calendar month. The  
20 amount to be paid to each municipality shall be the amount (not  
21 including credit memoranda and not including taxes and  
22 penalties collected on aviation fuel sold on or after December  
23 1, 2019) collected under this subsection during the second  
24 preceding calendar month by the Department, less 2% of that  
25 amount (except the amount collected on aviation fuel sold on  
26 or after December 1, 2019), which shall be deposited into the

1 Tax Compliance and Administration Fund and shall be used by  
2 the Department, subject to appropriation, to cover the costs  
3 of the Department in administering and enforcing the  
4 provisions of this subsection, and not including an amount  
5 equal to the amount of refunds made during the second  
6 preceding calendar month by the Department on behalf of such  
7 municipality, and not including any amounts that are  
8 transferred to the STAR Bonds Revenue Fund. Within 10 days  
9 after receipt, by the Comptroller, of the disbursement  
10 certification to the municipalities, provided for in this  
11 subsection to be given to the Comptroller by the Department,  
12 the Comptroller shall cause the orders to be drawn for the  
13 respective amounts in accordance with the directions contained  
14 in such certification. The proceeds of the tax paid to  
15 municipalities under this subsection shall be deposited into  
16 the Business District Tax Allocation Fund by the municipality.

17 An ordinance imposing or discontinuing the tax under this  
18 subsection or effecting a change in the rate thereof shall  
19 either (i) be adopted and a certified copy thereof filed with  
20 the Department on or before the first day of April, whereupon  
21 the Department, if all other requirements of this subsection  
22 are met, shall proceed to administer and enforce this  
23 subsection as of the first day of July next following the  
24 adoption and filing; or (ii) be adopted and a certified copy  
25 thereof filed with the Department on or before the first day of  
26 October, whereupon, if all other conditions of this subsection

1 are met, the Department shall proceed to administer and  
2 enforce this subsection as of the first day of January next  
3 following the adoption and filing.

4 The Department of Revenue shall not administer or enforce  
5 an ordinance imposing, discontinuing, or changing the rate of  
6 the tax under this subsection, until the municipality also  
7 provides, in the manner prescribed by the Department, the  
8 boundaries of the business district in such a way that the  
9 Department can determine by its address whether a business is  
10 located in the business district. The municipality must  
11 provide this boundary and address information to the  
12 Department on or before April 1 for administration and  
13 enforcement of the tax under this subsection by the Department  
14 beginning on the following July 1 and on or before October 1  
15 for administration and enforcement of the tax under this  
16 subsection by the Department beginning on the following  
17 January 1. The Department of Revenue shall not administer or  
18 enforce any change made to the boundaries of a business  
19 district or address change, addition, or deletion until the  
20 municipality reports the boundary change or address change,  
21 addition, or deletion to the Department in the manner  
22 prescribed by the Department. The municipality must provide  
23 this boundary change information or address change, addition,  
24 or deletion to the Department on or before April 1 for  
25 administration and enforcement by the Department of the change  
26 beginning on the following July 1 and on or before October 1

1 for administration and enforcement by the Department of the  
2 change beginning on the following January 1. The retailers in  
3 the business district shall be responsible for charging the  
4 tax imposed under this subsection. If a retailer is  
5 incorrectly included or excluded from the list of those  
6 required to collect the tax under this subsection, both the  
7 Department of Revenue and the retailer shall be held harmless  
8 if they reasonably relied on information provided by the  
9 municipality.

10 A municipality that imposes the tax under this subsection  
11 must submit to the Department of Revenue any other information  
12 as the Department may require for the administration and  
13 enforcement of the tax.

14 Nothing in this subsection shall be construed to authorize  
15 the municipality to impose a tax upon the privilege of  
16 engaging in any business which under the Constitution of the  
17 United States may not be made the subject of taxation by the  
18 State.

19 If a tax is imposed under this subsection (c), a tax shall  
20 also be imposed under subsection (b) of this Section.

21 (d) By ordinance, a municipality that has designated a  
22 business district under this Law may impose an occupation tax  
23 upon all persons engaged in the business district in the  
24 business of renting, leasing, or letting rooms in a hotel, as  
25 defined in the Hotel Operators' Occupation Tax Act, at a rate  
26 not to exceed 1% of the gross rental receipts from the renting,

1 leasing, or letting of hotel rooms within the business  
2 district, to be imposed only in 0.25% increments, excluding,  
3 however, from gross rental receipts the proceeds of renting,  
4 leasing, or letting to permanent residents of a hotel, as  
5 defined in the Hotel Operators' Occupation Tax Act, and  
6 proceeds from the tax imposed under subsection (c) of Section  
7 13 of the Metropolitan Pier and Exposition Authority Act.

8 The tax imposed by the municipality under this subsection  
9 and all civil penalties that may be assessed as an incident to  
10 that tax shall be collected and enforced by the municipality  
11 imposing the tax. The municipality shall have full power to  
12 administer and enforce this subsection, to collect all taxes  
13 and penalties due under this subsection, to dispose of taxes  
14 and penalties so collected in the manner provided in this  
15 subsection, and to determine all rights to credit memoranda  
16 arising on account of the erroneous payment of tax or penalty  
17 under this subsection. In the administration of and compliance  
18 with this subsection, the municipality and persons who are  
19 subject to this subsection shall have the same rights,  
20 remedies, privileges, immunities, powers, and duties, shall be  
21 subject to the same conditions, restrictions, limitations,  
22 penalties, and definitions of terms, and shall employ the same  
23 modes of procedure as are employed with respect to a tax  
24 adopted by the municipality under Section 8-3-14 of this Code.

25 Persons subject to any tax imposed under the authority  
26 granted in this subsection may reimburse themselves for their

1 tax liability for that tax by separately stating that tax as an  
2 additional charge, which charge may be stated in combination,  
3 in a single amount, with State taxes imposed under the Hotel  
4 Operators' Occupation Tax Act, and with any other tax.

5 Nothing in this subsection shall be construed to authorize  
6 a municipality to impose a tax upon the privilege of engaging  
7 in any business which under the Constitution of the United  
8 States may not be made the subject of taxation by this State.

9 The proceeds of the tax imposed under this subsection  
10 shall be deposited into the Business District Tax Allocation  
11 Fund.

12 (e) Obligations secured by the Business District Tax  
13 Allocation Fund may be issued to provide for the payment or  
14 reimbursement of business district project costs. Those  
15 obligations, when so issued, shall be retired in the manner  
16 provided in the ordinance authorizing the issuance of those  
17 obligations by the receipts of taxes imposed pursuant to  
18 subsections (10) and (11) of Section 11-74.3-3 and by other  
19 revenue designated or pledged by the municipality. A  
20 municipality may in the ordinance pledge, for any period of  
21 time up to and including the dissolution date, all or any part  
22 of the funds in and to be deposited in the Business District  
23 Tax Allocation Fund to the payment of business district  
24 project costs and obligations. Whenever a municipality pledges  
25 all of the funds to the credit of a business district tax  
26 allocation fund to secure obligations issued or to be issued



1 to pay or reimburse business district project costs, the  
2 municipality may specifically provide that funds remaining to  
3 the credit of such business district tax allocation fund after  
4 the payment of such obligations shall be accounted for  
5 annually and shall be deemed to be "surplus" funds, and such  
6 "surplus" funds shall be expended by the municipality for any  
7 business district project cost as approved in the business  
8 district plan. Whenever a municipality pledges less than all  
9 of the monies to the credit of a business district tax  
10 allocation fund to secure obligations issued or to be issued  
11 to pay or reimburse business district project costs, the  
12 municipality shall provide that monies to the credit of the  
13 business district tax allocation fund and not subject to such  
14 pledge or otherwise encumbered or required for payment of  
15 contractual obligations for specific business district project  
16 costs shall be calculated annually and shall be deemed to be  
17 "surplus" funds, and such "surplus" funds shall be expended by  
18 the municipality for any business district project cost as  
19 approved in the business district plan.

20 No obligation issued pursuant to this Law and secured by a  
21 pledge of all or any portion of any revenues received or to be  
22 received by the municipality from the imposition of taxes  
23 pursuant to subsection (10) of Section 11-74.3-3, shall be  
24 deemed to constitute an economic incentive agreement under  
25 Section 8-11-20, notwithstanding the fact that such pledge  
26 provides for the sharing, rebate, or payment of retailers'

1 occupation taxes or service occupation taxes imposed pursuant  
2 to subsection (10) of Section 11-74.3-3 and received or to be  
3 received by the municipality from the development or  
4 redevelopment of properties in the business district.

5 Without limiting the foregoing in this Section, the  
6 municipality may further secure obligations secured by the  
7 business district tax allocation fund with a pledge, for a  
8 period not greater than the term of the obligations and in any  
9 case not longer than the dissolution date, of any part or any  
10 combination of the following: (i) net revenues of all or part  
11 of any business district project; (ii) taxes levied or imposed  
12 by the municipality on any or all property in the  
13 municipality, including, specifically, taxes levied or imposed  
14 by the municipality in a special service area pursuant to the  
15 Special Service Area Tax Law; (iii) the full faith and credit  
16 of the municipality; (iv) a mortgage on part or all of the  
17 business district project; or (v) any other taxes or  
18 anticipated receipts that the municipality may lawfully  
19 pledge.

20 Such obligations may be issued in one or more series, bear  
21 such date or dates, become due at such time or times as therein  
22 provided, but in any case not later than (i) 20 years after the  
23 date of issue or (ii) the dissolution date, whichever is  
24 earlier, bear interest payable at such intervals and at such  
25 rate or rates as set forth therein, except as may be limited by  
26 applicable law, which rate or rates may be fixed or variable,

1 be in such denominations, be in such form, either coupon,  
2 registered, or book-entry, carry such conversion, registration  
3 and exchange privileges, be subject to defeasance upon such  
4 terms, have such rank or priority, be executed in such manner,  
5 be payable in such medium or payment at such place or places  
6 within or without the State, make provision for a corporate  
7 trustee within or without the State with respect to such  
8 obligations, prescribe the rights, powers, and duties thereof  
9 to be exercised for the benefit of the municipality and the  
10 benefit of the owners of such obligations, provide for the  
11 holding in trust, investment, and use of moneys, funds, and  
12 accounts held under an ordinance, provide for assignment of  
13 and direct payment of the moneys to pay such obligations or to  
14 be deposited into such funds or accounts directly to such  
15 trustee, be subject to such terms of redemption with or  
16 without premium, and be sold at such price, all as the  
17 corporate authorities shall determine. No referendum approval  
18 of the electors shall be required as a condition to the  
19 issuance of obligations pursuant to this Law except as  
20 provided in this Section.

21 In the event the municipality authorizes the issuance of  
22 obligations pursuant to the authority of this Law secured by  
23 the full faith and credit of the municipality, or pledges ad  
24 valorem taxes pursuant to this subsection, which obligations  
25 are other than obligations which may be issued under home rule  
26 powers provided by Section 6 of Article VII of the Illinois

1 Constitution or which ad valorem taxes are other than ad  
2 valorem taxes which may be pledged under home rule powers  
3 provided by Section 6 of Article VII of the Illinois  
4 Constitution or which are levied in a special service area  
5 pursuant to the Special Service Area Tax Law, the ordinance  
6 authorizing the issuance of those obligations or pledging  
7 those taxes shall be published within 10 days after the  
8 ordinance has been adopted, in a newspaper having a general  
9 circulation within the municipality. The publication of the  
10 ordinance shall be accompanied by a notice of (i) the specific  
11 number of voters required to sign a petition requesting the  
12 question of the issuance of the obligations or pledging such  
13 ad valorem taxes to be submitted to the electors; (ii) the time  
14 within which the petition must be filed; and (iii) the date of  
15 the prospective referendum. The municipal clerk shall provide  
16 a petition form to any individual requesting one.

17 If no petition is filed with the municipal clerk, as  
18 hereinafter provided in this Section, within 21 days after the  
19 publication of the ordinance, the ordinance shall be in  
20 effect. However, if within that 21-day period a petition is  
21 filed with the municipal clerk, signed by electors numbering  
22 not less than 15% of the number of electors voting for the  
23 mayor or president at the last general municipal election,  
24 asking that the question of issuing obligations using full  
25 faith and credit of the municipality as security for the cost  
26 of paying or reimbursing business district project costs, or

1 of pledging such ad valorem taxes for the payment of those  
2 obligations, or both, be submitted to the electors of the  
3 municipality, the municipality shall not be authorized to  
4 issue obligations of the municipality using the full faith and  
5 credit of the municipality as security or pledging such ad  
6 valorem taxes for the payment of those obligations, or both,  
7 until the proposition has been submitted to and approved by a  
8 majority of the voters voting on the proposition at a  
9 regularly scheduled election. The municipality shall certify  
10 the proposition to the proper election authorities for  
11 submission in accordance with the general election law.

12 The ordinance authorizing the obligations may provide that  
13 the obligations shall contain a recital that they are issued  
14 pursuant to this Law, which recital shall be conclusive  
15 evidence of their validity and of the regularity of their  
16 issuance.

17 In the event the municipality authorizes issuance of  
18 obligations pursuant to this Law secured by the full faith and  
19 credit of the municipality, the ordinance authorizing the  
20 obligations may provide for the levy and collection of a  
21 direct annual tax upon all taxable property within the  
22 municipality sufficient to pay the principal thereof and  
23 interest thereon as it matures, which levy may be in addition  
24 to and exclusive of the maximum of all other taxes authorized  
25 to be levied by the municipality, which levy, however, shall  
26 be abated to the extent that monies from other sources are

1 available for payment of the obligations and the municipality  
2 certifies the amount of those monies available to the county  
3 clerk.

4 A certified copy of the ordinance shall be filed with the  
5 county clerk of each county in which any portion of the  
6 municipality is situated, and shall constitute the authority  
7 for the extension and collection of the taxes to be deposited  
8 in the business district tax allocation fund.

9 A municipality may also issue its obligations to refund,  
10 in whole or in part, obligations theretofore issued by the  
11 municipality under the authority of this Law, whether at or  
12 prior to maturity. However, the last maturity of the refunding  
13 obligations shall not be expressed to mature later than the  
14 dissolution date.

15 In the event a municipality issues obligations under home  
16 rule powers or other legislative authority, the proceeds of  
17 which are pledged to pay or reimburse business district  
18 project costs, the municipality may, if it has followed the  
19 procedures in conformance with this Law, retire those  
20 obligations from funds in the business district tax allocation  
21 fund in amounts and in such manner as if those obligations had  
22 been issued pursuant to the provisions of this Law.

23 No obligations issued pursuant to this Law shall be  
24 regarded as indebtedness of the municipality issuing those  
25 obligations or any other taxing district for the purpose of  
26 any limitation imposed by law.

1           Obligations issued pursuant to this Law shall not be  
2 subject to the provisions of the Bond Authorization Act.

3           (f) When business district project costs, including,  
4 without limitation, all obligations paying or reimbursing  
5 business district project costs have been paid, any surplus  
6 funds then remaining in the Business District Tax Allocation  
7 Fund shall be distributed to the municipal treasurer for  
8 deposit into the general corporate fund of the municipality.  
9 Upon payment of all business district project costs and  
10 retirement of all obligations paying or reimbursing business  
11 district project costs, but in no event more than 23 years  
12 after the date of adoption of the ordinance imposing taxes  
13 pursuant to subsection (10) or (11) of Section 11-74.3-3, the  
14 municipality shall adopt an ordinance immediately rescinding  
15 the taxes imposed pursuant to subsection (10) or (11) of  
16 Section 11-74.3-3.

17           (Source: P.A. 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19;  
18 101-604, eff. 12-13-19.)

19           Section 50-50. The Flood Prevention District Act is  
20 amended by changing Section 25 as follows:

21           (70 ILCS 750/25)

22           Sec. 25. Flood prevention retailers' and service  
23 occupation taxes.

24           (a) If the Board of Commissioners of a flood prevention

1 district determines that an emergency situation exists  
2 regarding levee repair or flood prevention, and upon an  
3 ordinance confirming the determination adopted by the  
4 affirmative vote of a majority of the members of the county  
5 board of the county in which the district is situated, the  
6 county may impose a flood prevention retailers' occupation tax  
7 upon all persons engaged in the business of selling tangible  
8 personal property at retail within the territory of the  
9 district to provide revenue to pay the costs of providing  
10 emergency levee repair and flood prevention and to secure the  
11 payment of bonds, notes, and other evidences of indebtedness  
12 issued under this Act for a period not to exceed 25 years or as  
13 required to repay the bonds, notes, and other evidences of  
14 indebtedness issued under this Act. The tax rate shall be  
15 0.25% of the gross receipts from all taxable sales made in the  
16 course of that business. Beginning December 1, 2019 and  
17 through December 31, 2020, this tax is not imposed on sales of  
18 aviation fuel unless the tax revenue is expended for  
19 airport-related purposes. If the District does not have an  
20 airport-related purpose to which it dedicates aviation fuel  
21 tax revenue, then aviation fuel is excluded from the tax. The  
22 County must comply with the certification requirements for  
23 airport-related purposes under Section 2-22 of the Retailers'  
24 Occupation Tax Act. The tax imposed under this Section and all  
25 civil penalties that may be assessed as an incident thereof  
26 shall be collected and enforced by the State Department of



1 Revenue. The Department shall have full power to administer  
2 and enforce this Section; to collect all taxes and penalties  
3 so collected in the manner hereinafter provided; and to  
4 determine all rights to credit memoranda arising on account of  
5 the erroneous payment of tax or penalty hereunder.

6 For purposes of this Act, "airport-related purposes" has  
7 the meaning ascribed in Section 6z-20.2 of the State Finance  
8 Act. Beginning January 1, 2021, this tax is not imposed on  
9 sales of aviation fuel for so long as the revenue use  
10 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are  
11 binding on the District.

12 In the administration of and compliance with this  
13 subsection, the Department and persons who are subject to this  
14 subsection (i) have the same rights, remedies, privileges,  
15 immunities, powers, and duties, (ii) are subject to the same  
16 conditions, restrictions, limitations, penalties, and  
17 definitions of terms, and (iii) shall employ the same modes of  
18 procedure as are set forth in Sections 1 through 1o, 2 through  
19 2-70 (in respect to all provisions contained in those Sections  
20 other than the State rate of tax), 2a through 2h, 3 (except as  
21 to the disposition of taxes and penalties collected, and  
22 except that the retailer's discount is not allowed for taxes  
23 paid on aviation fuel that are subject to the revenue use  
24 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5,  
25 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5l, 6, 6a, 6b, 6c, 6d, 7,  
26 8, 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation Tax

1 Act and all provisions of the Uniform Penalty and Interest Act  
2 as if those provisions were set forth in this subsection.

3 Persons subject to any tax imposed under this Section may  
4 reimburse themselves for their seller's tax liability  
5 hereunder by separately stating the tax as an additional  
6 charge, which charge may be stated in combination in a single  
7 amount with State taxes that sellers are required to collect  
8 under the Use Tax Act, under any bracket schedules the  
9 Department may prescribe.

10 If a tax is imposed under this subsection (a), a tax shall  
11 also be imposed under subsection (b) of this Section.

12 (b) If a tax has been imposed under subsection (a), a flood  
13 prevention service occupation tax shall also be imposed upon  
14 all persons engaged within the territory of the district in  
15 the business of making sales of service, who, as an incident to  
16 making the sales of service, transfer tangible personal  
17 property, either in the form of tangible personal property or  
18 in the form of real estate as an incident to a sale of service  
19 to provide revenue to pay the costs of providing emergency  
20 levee repair and flood prevention and to secure the payment of  
21 bonds, notes, and other evidences of indebtedness issued under  
22 this Act for a period not to exceed 25 years or as required to  
23 repay the bonds, notes, and other evidences of indebtedness.  
24 The tax rate shall be 0.25% of the selling price of all  
25 tangible personal property transferred. Beginning December 1,  
26 2019 and through December 31, 2020, this tax is not imposed on

1 sales of aviation fuel unless the tax revenue is expended for  
2 airport-related purposes. If the District does not have an  
3 airport-related purpose to which it dedicates aviation fuel  
4 tax revenue, then aviation fuel is excluded from the tax. The  
5 County must comply with the certification requirements for  
6 airport-related purposes under Section 2-22 of the Retailers'  
7 Occupation Tax Act. For purposes of this Act, "airport-related  
8 purposes" has the meaning ascribed in Section 6z-20.2 of the  
9 State Finance Act. Beginning January 1, 2021, this tax is not  
10 imposed on sales of aviation fuel for so long as the revenue  
11 use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are  
12 binding on the District.

13 The tax imposed under this subsection and all civil  
14 penalties that may be assessed as an incident thereof shall be  
15 collected and enforced by the State Department of Revenue. The  
16 Department shall have full power to administer and enforce  
17 this subsection; to collect all taxes and penalties due  
18 hereunder; to dispose of taxes and penalties collected in the  
19 manner hereinafter provided; and to determine all rights to  
20 credit memoranda arising on account of the erroneous payment  
21 of tax or penalty hereunder.

22 In the administration of and compliance with this  
23 subsection, the Department and persons who are subject to this  
24 subsection shall (i) have the same rights, remedies,  
25 privileges, immunities, powers, and duties, (ii) be subject to  
26 the same conditions, restrictions, limitations, penalties, and

1 definitions of terms, and (iii) employ the same modes of  
2 procedure as are set forth in Sections 2 (except that the  
3 reference to State in the definition of supplier maintaining a  
4 place of business in this State means the district), 2a  
5 through 2d, 3 through 3-50 (in respect to all provisions  
6 contained in those Sections other than the State rate of tax),  
7 4 (except that the reference to the State shall be to the  
8 district), 5, 7, 8 (except that the jurisdiction to which the  
9 tax is a debt to the extent indicated in that Section 8 is the  
10 district), 9 (except as to the disposition of taxes and  
11 penalties collected, and except that the retailer's discount  
12 is not allowed for taxes paid on aviation fuel that are subject  
13 to the revenue use requirements of 49 U.S.C. 47107(b) and 49  
14 U.S.C. 47133), 10, 11, 12 (except the reference therein to  
15 Section 2b of the Retailers' Occupation Tax Act), 13 (except  
16 that any reference to the State means the district), Section  
17 15, 16, 17, 18, 19, and 20 of the Service Occupation Tax Act  
18 and all provisions of the Uniform Penalty and Interest Act, as  
19 fully as if those provisions were set forth herein.

20 Persons subject to any tax imposed under the authority  
21 granted in this subsection may reimburse themselves for their  
22 serviceman's tax liability hereunder by separately stating the  
23 tax as an additional charge, that charge may be stated in  
24 combination in a single amount with State tax that servicemen  
25 are authorized to collect under the Service Use Tax Act, under  
26 any bracket schedules the Department may prescribe.

1           (c) The taxes imposed in subsections (a) and (b) may not be  
2 imposed on personal property titled or registered with an  
3 agency of the State or on personal property taxed at the 1%  
4 rate under the Retailers' Occupation Tax Act and the Service  
5 Occupation Tax Act (or at the 0% rate imposed under this  
6 amendatory Act of the 102nd General Assembly).

7           (d) Nothing in this Section shall be construed to  
8 authorize the district to impose a tax upon the privilege of  
9 engaging in any business that under the Constitution of the  
10 United States may not be made the subject of taxation by the  
11 State.

12           (e) The certificate of registration that is issued by the  
13 Department to a retailer under the Retailers' Occupation Tax  
14 Act or a serviceman under the Service Occupation Tax Act  
15 permits the retailer or serviceman to engage in a business  
16 that is taxable without registering separately with the  
17 Department under an ordinance or resolution under this  
18 Section.

19           (f) Except as otherwise provided, the Department shall  
20 immediately pay over to the State Treasurer, ex officio, as  
21 trustee, all taxes and penalties collected under this Section  
22 to be deposited into the Flood Prevention Occupation Tax Fund,  
23 which shall be an unappropriated trust fund held outside the  
24 State treasury. Taxes and penalties collected on aviation fuel  
25 sold on or after December 1, 2019 and through December 31,  
26 2020, shall be immediately paid over by the Department to the

1 State Treasurer, ex officio, as trustee, for deposit into the  
2 Local Government Aviation Trust Fund. The Department shall  
3 only pay moneys into the Local Government Aviation Trust Fund  
4 under this Act for so long as the revenue use requirements of  
5 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
6 District.

7 On or before the 25th day of each calendar month, the  
8 Department shall prepare and certify to the Comptroller the  
9 disbursement of stated sums of money to the counties from  
10 which retailers or servicemen have paid taxes or penalties to  
11 the Department during the second preceding calendar month. The  
12 amount to be paid to each county is equal to the amount (not  
13 including credit memoranda and not including taxes and  
14 penalties collected on aviation fuel sold on or after December  
15 1, 2019 and through December 31, 2020) collected from the  
16 county under this Section during the second preceding calendar  
17 month by the Department, (i) less 2% of that amount (except the  
18 amount collected on aviation fuel sold on or after December 1,  
19 2019 and through December 31, 2020), which shall be deposited  
20 into the Tax Compliance and Administration Fund and shall be  
21 used by the Department in administering and enforcing the  
22 provisions of this Section on behalf of the county, (ii) plus  
23 an amount that the Department determines is necessary to  
24 offset any amounts that were erroneously paid to a different  
25 taxing body; (iii) less an amount equal to the amount of  
26 refunds made during the second preceding calendar month by the

1 Department on behalf of the county; and (iv) less any amount  
2 that the Department determines is necessary to offset any  
3 amounts that were payable to a different taxing body but were  
4 erroneously paid to the county. When certifying the amount of  
5 a monthly disbursement to a county under this Section, the  
6 Department shall increase or decrease the amounts by an amount  
7 necessary to offset any miscalculation of previous  
8 disbursements within the previous 6 months from the time a  
9 miscalculation is discovered.

10 Within 10 days after receipt by the Comptroller from the  
11 Department of the disbursement certification to the counties  
12 provided for in this Section, the Comptroller shall cause the  
13 orders to be drawn for the respective amounts in accordance  
14 with directions contained in the certification.

15 If the Department determines that a refund should be made  
16 under this Section to a claimant instead of issuing a credit  
17 memorandum, then the Department shall notify the Comptroller,  
18 who shall cause the order to be drawn for the amount specified  
19 and to the person named in the notification from the  
20 Department. The refund shall be paid by the Treasurer out of  
21 the Flood Prevention Occupation Tax Fund or the Local  
22 Government Aviation Trust Fund, as appropriate.

23 (g) If a county imposes a tax under this Section, then the  
24 county board shall, by ordinance, discontinue the tax upon the  
25 payment of all indebtedness of the flood prevention district.  
26 The tax shall not be discontinued until all indebtedness of

1 the District has been paid.

2 (h) Any ordinance imposing the tax under this Section, or  
3 any ordinance that discontinues the tax, must be certified by  
4 the county clerk and filed with the Illinois Department of  
5 Revenue either (i) on or before the first day of April,  
6 whereupon the Department shall proceed to administer and  
7 enforce the tax or change in the rate as of the first day of  
8 July next following the filing; or (ii) on or before the first  
9 day of October, whereupon the Department shall proceed to  
10 administer and enforce the tax or change in the rate as of the  
11 first day of January next following the filing.

12 (j) County Flood Prevention Occupation Tax Fund. All  
13 proceeds received by a county from a tax distribution under  
14 this Section must be maintained in a special fund known as the  
15 [name of county] flood prevention occupation tax fund. The  
16 county shall, at the direction of the flood prevention  
17 district, use moneys in the fund to pay the costs of providing  
18 emergency levee repair and flood prevention and to pay bonds,  
19 notes, and other evidences of indebtedness issued under this  
20 Act.

21 (k) This Section may be cited as the Flood Prevention  
22 Occupation Tax Law.

23 (Source: P.A. 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19;  
24 101-604, eff. 12-13-19.)

25 Section 50-55. The Metro-East Park and Recreation District



1 Act is amended by changing Section 30 as follows:

2 (70 ILCS 1605/30)

3 Sec. 30. Taxes.

4 (a) The board shall impose a tax upon all persons engaged  
5 in the business of selling tangible personal property, other  
6 than personal property titled or registered with an agency of  
7 this State's government, at retail in the District on the  
8 gross receipts from the sales made in the course of business.  
9 This tax shall be imposed only at the rate of one-tenth of one  
10 per cent.

11 This additional tax may not be imposed on tangible  
12 personal property taxed at the 1% rate under the Retailers'  
13 Occupation Tax Act (or at the 0% rate imposed under this  
14 amendatory Act of the 102nd General Assembly). Beginning  
15 December 1, 2019 and through December 31, 2020, this tax is not  
16 imposed on sales of aviation fuel unless the tax revenue is  
17 expended for airport-related purposes. If the District does  
18 not have an airport-related purpose to which it dedicates  
19 aviation fuel tax revenue, then aviation fuel shall be  
20 excluded from tax. The board must comply with the  
21 certification requirements for airport-related purposes under  
22 Section 2-22 of the Retailers' Occupation Tax Act. For  
23 purposes of this Act, "airport-related purposes" has the  
24 meaning ascribed in Section 6z-20.2 of the State Finance Act.  
25 Beginning January 1, 2021, this tax is not imposed on sales of

1 aviation fuel 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  
3 District. The tax imposed by the Board under this Section and  
4 all civil penalties that may be assessed as an incident of the  
5 tax shall be collected and enforced by the Department of  
6 Revenue. The certificate of registration that is issued by the  
7 Department to a retailer under the Retailers' Occupation Tax  
8 Act shall permit the retailer to engage in a business that is  
9 taxable without registering separately with the Department  
10 under an ordinance or resolution under this Section. The  
11 Department has full power to administer and enforce this  
12 Section, to collect all taxes and penalties due under this  
13 Section, to dispose of taxes and penalties so collected in the  
14 manner provided in this Section, and to determine all rights  
15 to credit memoranda arising on account of the erroneous  
16 payment of a tax or penalty under this Section. In the  
17 administration of and compliance with this Section, the  
18 Department and persons who are subject to this Section shall  
19 (i) have the same rights, remedies, privileges, immunities,  
20 powers, and duties, (ii) be subject to the same conditions,  
21 restrictions, limitations, penalties, and definitions of  
22 terms, and (iii) employ the same modes of procedure as are  
23 prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 1k, 1m,  
24 1n, 2, 2-5, 2-5.5, 2-10 (in respect to all provisions  
25 contained in those Sections other than the State rate of tax),  
26 2-12, 2-15 through 2-70, 2a, 2b, 2c, 3 (except provisions

1 relating to transaction returns and quarter monthly payments,  
2 and except that the retailer's discount is not allowed for  
3 taxes paid on aviation fuel that are subject to the revenue use  
4 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5,  
5 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c,  
6 6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers'  
7 Occupation Tax Act and the Uniform Penalty and Interest Act as  
8 if those provisions were set forth in this Section.

9 Persons subject to any tax imposed under the authority  
10 granted in this Section may reimburse themselves for their  
11 sellers' tax liability by separately stating the tax as an  
12 additional charge, which charge may be stated in combination,  
13 in a single amount, with State tax which sellers are required  
14 to collect under the Use Tax Act, pursuant to such bracketed  
15 schedules as the Department may prescribe.

16 Whenever the Department determines that a refund should be  
17 made under this Section to a claimant instead of issuing a  
18 credit memorandum, the Department shall notify the State  
19 Comptroller, who shall cause the order to be drawn for the  
20 amount specified and to the person named in the notification  
21 from the Department. The refund shall be paid by the State  
22 Treasurer out of the State Metro-East Park and Recreation  
23 District Fund or the Local Government Aviation Trust Fund, as  
24 appropriate.

25 (b) If a tax has been imposed under subsection (a), a  
26 service occupation tax shall also be imposed at the same rate

1 upon all persons engaged, in the District, in the business of  
2 making sales of service, who, as an incident to making those  
3 sales of service, transfer tangible personal property within  
4 the District as an incident to a sale of service. This tax may  
5 not be imposed on tangible personal property taxed at the 1%  
6 rate under the Service Occupation Tax Act (or at the 0% rate  
7 imposed under this amendatory Act of the 102nd General  
8 Assembly). Beginning December 1, 2019 and through December 31,  
9 2020, this tax may not be imposed on sales of aviation fuel  
10 unless the tax revenue is expended for airport-related  
11 purposes. If the District does not have an airport-related  
12 purpose to which it dedicates aviation fuel tax revenue, then  
13 aviation fuel shall be excluded from tax. The board must  
14 comply with the certification requirements for airport-related  
15 purposes under Section 2-22 of the Retailers' Occupation Tax  
16 Act. For purposes of this Act, "airport-related purposes" has  
17 the meaning ascribed in Section 6z-20.2 of the State Finance  
18 Act. Beginning January 1, 2021, this tax is not imposed on  
19 sales of aviation fuel for so long as the revenue use  
20 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are  
21 binding on the District. The tax imposed under this subsection  
22 and all civil penalties that may be assessed as an incident  
23 thereof shall be collected and enforced by the Department of  
24 Revenue. The Department has full power to administer and  
25 enforce this subsection; to collect all taxes and penalties  
26 due hereunder; to dispose of taxes and penalties so collected

1 in the manner hereinafter provided; and to determine all  
2 rights to credit memoranda arising on account of the erroneous  
3 payment of tax or penalty hereunder. In the administration of,  
4 and compliance with this subsection, the Department and  
5 persons who are subject to this paragraph shall (i) have the  
6 same rights, remedies, privileges, immunities, powers, and  
7 duties, (ii) be subject to the same conditions, restrictions,  
8 limitations, penalties, exclusions, exemptions, and  
9 definitions of terms, and (iii) employ the same modes of  
10 procedure as are prescribed in Sections 2 (except that the  
11 reference to State in the definition of supplier maintaining a  
12 place of business in this State shall mean the District), 2a,  
13 2b, 2c, 3 through 3-50 (in respect to all provisions therein  
14 other than the State rate of tax), 4 (except that the reference  
15 to the State shall be to the District), 5, 7, 8 (except that  
16 the jurisdiction to which the tax shall be a debt to the extent  
17 indicated in that Section 8 shall be the District), 9 (except  
18 as to the disposition of taxes and penalties collected, and  
19 except that the retailer's discount is not allowed for taxes  
20 paid on aviation fuel that are subject to the revenue use  
21 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 10,  
22 11, 12 (except the reference therein to Section 2b of the  
23 Retailers' Occupation Tax Act), 13 (except that any reference  
24 to the State shall mean the District), Sections 15, 16, 17, 18,  
25 19 and 20 of the Service Occupation Tax Act and the Uniform  
26 Penalty and Interest Act, as fully as if those provisions were

1 set forth herein.

2 Persons subject to any tax imposed under the authority  
3 granted in this subsection may reimburse themselves for their  
4 serviceman's tax liability by separately stating the tax as an  
5 additional charge, which charge may be stated in combination,  
6 in a single amount, with State tax that servicemen are  
7 authorized to collect under the Service Use Tax Act, in  
8 accordance with such bracket schedules as the Department may  
9 prescribe.

10 Whenever the Department determines that a refund should be  
11 made under this subsection to a claimant instead of issuing a  
12 credit memorandum, the Department shall notify the State  
13 Comptroller, who shall cause the warrant to be drawn for the  
14 amount specified, and to the person named, in the notification  
15 from the Department. The refund shall be paid by the State  
16 Treasurer out of the State Metro-East Park and Recreation  
17 District Fund or the Local Government Aviation Trust Fund, as  
18 appropriate.

19 Nothing in this subsection shall be construed to authorize  
20 the board to impose a tax upon the privilege of engaging in any  
21 business which under the Constitution of the United States may  
22 not be made the subject of taxation by the State.

23 (c) Except as otherwise provided in this paragraph, the  
24 Department shall immediately pay over to the State Treasurer,  
25 ex officio, as trustee, all taxes and penalties collected  
26 under this Section to be deposited into the State Metro-East

1 Park and Recreation District Fund, which shall be an  
2 unappropriated trust fund held outside of the State treasury.  
3 Taxes and penalties collected on aviation fuel sold on or  
4 after December 1, 2019 and through December 31, 2020, shall be  
5 immediately paid over by the Department to the State  
6 Treasurer, ex officio, as trustee, for deposit into the Local  
7 Government Aviation Trust Fund. The Department shall only pay  
8 moneys into the Local Government Aviation Trust Fund under  
9 this Act for so long as the revenue use requirements of 49  
10 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
11 District.

12 As soon as possible after the first day of each month,  
13 beginning January 1, 2011, upon certification of the  
14 Department of Revenue, the Comptroller shall order  
15 transferred, and the Treasurer shall transfer, to the STAR  
16 Bonds Revenue Fund the local sales tax increment, as defined  
17 in the Innovation Development and Economy Act, collected under  
18 this Section during the second preceding calendar month for  
19 sales within a STAR bond district. The Department shall make  
20 this certification only if the Metro East Park and Recreation  
21 District imposes a tax on real property as provided in the  
22 definition of "local sales taxes" under the Innovation  
23 Development and Economy Act.

24 After the monthly transfer to the STAR Bonds Revenue Fund,  
25 on or before the 25th day of each calendar month, the  
26 Department shall prepare and certify to the Comptroller the

1 disbursement of stated sums of money pursuant to Section 35 of  
2 this Act to the District from which retailers have paid taxes  
3 or penalties to the Department during the second preceding  
4 calendar month. The amount to be paid to the District shall be  
5 the amount (not including credit memoranda and not including  
6 taxes and penalties collected on aviation fuel sold on or  
7 after December 1, 2019 and through December 31, 2020)  
8 collected under this Section during the second preceding  
9 calendar month by the Department plus an amount the Department  
10 determines is necessary to offset any amounts that were  
11 erroneously paid to a different taxing body, and not including  
12 (i) an amount equal to the amount of refunds made during the  
13 second preceding calendar month by the Department on behalf of  
14 the District, (ii) any amount that the Department determines  
15 is necessary to offset any amounts that were payable to a  
16 different taxing body but were erroneously paid to the  
17 District, (iii) any amounts that are transferred to the STAR  
18 Bonds Revenue Fund, and (iv) 1.5% of the remainder, which the  
19 Department shall transfer into the Tax Compliance and  
20 Administration Fund. The Department, at the time of each  
21 monthly disbursement to the District, shall prepare and  
22 certify to the State Comptroller the amount to be transferred  
23 into the Tax Compliance and Administration Fund under this  
24 subsection. Within 10 days after receipt by the Comptroller of  
25 the disbursement certification to the District and the Tax  
26 Compliance and Administration Fund provided for in this



1 Section to be given to the Comptroller by the Department, the  
2 Comptroller shall cause the orders to be drawn for the  
3 respective amounts in accordance with directions contained in  
4 the certification.

5 (d) For the purpose of determining whether a tax  
6 authorized under this Section is applicable, a retail sale by  
7 a producer of coal or another mineral mined in Illinois is a  
8 sale at retail at the place where the coal or other mineral  
9 mined in Illinois is extracted from the earth. This paragraph  
10 does not apply to coal or another mineral when it is delivered  
11 or shipped by the seller to the purchaser at a point outside  
12 Illinois so that the sale is exempt under the United States  
13 Constitution as a sale in interstate or foreign commerce.

14 (e) Nothing in this Section shall be construed to  
15 authorize the board to impose a tax upon the privilege of  
16 engaging in any business that under the Constitution of the  
17 United States may not be made the subject of taxation by this  
18 State.

19 (f) An ordinance imposing a tax under this Section or an  
20 ordinance extending the imposition of a tax to an additional  
21 county or counties shall be certified by the board and filed  
22 with the Department of Revenue either (i) on or before the  
23 first day of April, whereupon the Department shall proceed to  
24 administer and enforce the tax as of the first day of July next  
25 following the filing; or (ii) on or before the first day of  
26 October, whereupon the Department shall proceed to administer

1 and enforce the tax as of the first day of January next  
2 following the filing.

3 (g) When certifying the amount of a monthly disbursement  
4 to the District under this Section, the Department shall  
5 increase or decrease the amounts by an amount necessary to  
6 offset any misallocation of previous disbursements. The offset  
7 amount shall be the amount erroneously disbursed within the  
8 previous 6 months from the time a misallocation is discovered.

9 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;  
10 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-81, eff.  
11 7-12-19; 101-604, eff. 12-13-19.)

12 Section 50-60. The Regional Transportation Authority Act  
13 is amended by changing Section 4.03 as follows:

14 (70 ILCS 3615/4.03) (from Ch. 111 2/3, par. 704.03)

15 Sec. 4.03. Taxes.

16 (a) In order to carry out any of the powers or purposes of  
17 the Authority, the Board may by ordinance adopted with the  
18 concurrence of 12 of the then Directors, impose throughout the  
19 metropolitan region any or all of the taxes provided in this  
20 Section. Except as otherwise provided in this Act, taxes  
21 imposed under this Section and civil penalties imposed  
22 incident thereto shall be collected and enforced by the State  
23 Department of Revenue. The Department shall have the power to  
24 administer and enforce the taxes and to determine all rights

1 for refunds for erroneous payments of the taxes. Nothing in  
2 Public Act 95-708 is intended to invalidate any taxes  
3 currently imposed by the Authority. The increased vote  
4 requirements to impose a tax shall only apply to actions taken  
5 after January 1, 2008 (the effective date of Public Act  
6 95-708).

7 (b) The Board may impose a public transportation tax upon  
8 all persons engaged in the metropolitan region in the business  
9 of selling at retail motor fuel for operation of motor  
10 vehicles upon public highways. The tax shall be at a rate not  
11 to exceed 5% of the gross receipts from the sales of motor fuel  
12 in the course of the business. As used in this Act, the term  
13 "motor fuel" shall have the same meaning as in the Motor Fuel  
14 Tax Law. The Board may provide for details of the tax. The  
15 provisions of any tax shall conform, as closely as may be  
16 practicable, to the provisions of the Municipal Retailers  
17 Occupation Tax Act, including without limitation, conformity  
18 to penalties with respect to the tax imposed and as to the  
19 powers of the State Department of Revenue to promulgate and  
20 enforce rules and regulations relating to the administration  
21 and enforcement of the provisions of the tax imposed, except  
22 that reference in the Act to any municipality shall refer to  
23 the Authority and the tax shall be imposed only with regard to  
24 receipts from sales of motor fuel in the metropolitan region,  
25 at rates as limited by this Section.

26 (c) In connection with the tax imposed under paragraph (b)

1 of this Section, the Board may impose a tax upon the privilege  
2 of using in the metropolitan region motor fuel for the  
3 operation of a motor vehicle upon public highways, the tax to  
4 be at a rate not in excess of the rate of tax imposed under  
5 paragraph (b) of this Section. The Board may provide for  
6 details of the tax.

7 (d) The Board may impose a motor vehicle parking tax upon  
8 the privilege of parking motor vehicles at off-street parking  
9 facilities in the metropolitan region at which a fee is  
10 charged, and may provide for reasonable classifications in and  
11 exemptions to the tax, for administration and enforcement  
12 thereof and for civil penalties and refunds thereunder and may  
13 provide criminal penalties thereunder, the maximum penalties  
14 not to exceed the maximum criminal penalties provided in the  
15 Retailers' Occupation Tax Act. The Authority may collect and  
16 enforce the tax itself or by contract with any unit of local  
17 government. The State Department of Revenue shall have no  
18 responsibility for the collection and enforcement unless the  
19 Department agrees with the Authority to undertake the  
20 collection and enforcement. As used in this paragraph, the  
21 term "parking facility" means a parking area or structure  
22 having parking spaces for more than 2 vehicles at which motor  
23 vehicles are permitted to park in return for an hourly, daily,  
24 or other periodic fee, whether publicly or privately owned,  
25 but does not include parking spaces on a public street, the use  
26 of which is regulated by parking meters.

1 (e) The Board may impose a Regional Transportation  
2 Authority Retailers' Occupation Tax upon all persons engaged  
3 in the business of selling tangible personal property at  
4 retail in the metropolitan region. In Cook County, the tax  
5 rate shall be 1.25% of the gross receipts from sales of  
6 tangible personal property taxed at the 1% rate under the  
7 Retailers' Occupation Tax Act (or at the 0% rate imposed under  
8 this amendatory Act of the 102nd General Assembly), and 1% of  
9 the gross receipts from other taxable sales made in the course  
10 of that business. In DuPage, Kane, Lake, McHenry, and Will  
11 counties, the tax rate shall be 0.75% of the gross receipts  
12 from all taxable sales made in the course of that business. The  
13 rate of tax imposed in DuPage, Kane, Lake, McHenry, and Will  
14 counties under this Section on sales of aviation fuel on or  
15 after December 1, 2019 shall, however, be 0.25% unless the  
16 Regional Transportation Authority in DuPage, Kane, Lake,  
17 McHenry, and Will counties has an "airport-related purpose"  
18 and the additional 0.50% of the 0.75% tax on aviation fuel is  
19 expended for airport-related purposes. If there is no  
20 airport-related purpose to which aviation fuel tax revenue is  
21 dedicated, then aviation fuel is excluded from the additional  
22 0.50% of the 0.75% tax. The tax imposed under this Section and  
23 all civil penalties that may be assessed as an incident  
24 thereof shall be collected and enforced by the State  
25 Department of Revenue. The Department shall have full power to  
26 administer and enforce this Section; to collect all taxes and

1 penalties so collected in the manner hereinafter provided; and  
2 to determine all rights to credit memoranda arising on account  
3 of the erroneous payment of tax or penalty hereunder. In the  
4 administration of, and compliance with this Section, the  
5 Department and persons who are subject to this Section shall  
6 have the same rights, remedies, privileges, immunities,  
7 powers, and duties, and be subject to the same conditions,  
8 restrictions, limitations, penalties, exclusions, exemptions,  
9 and definitions of terms, and employ the same modes of  
10 procedure, as are prescribed in Sections 1, 1a, 1a-1, 1c, 1d,  
11 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions  
12 therein other than the State rate of tax), 2c, 3 (except as to  
13 the disposition of taxes and penalties collected, and except  
14 that the retailer's discount is not allowed for taxes paid on  
15 aviation fuel that are subject to the revenue use requirements  
16 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5b, 5c,  
17 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9,  
18 10, 11, 12, and 13 of the Retailers' Occupation Tax Act and  
19 Section 3-7 of the Uniform Penalty and Interest Act, as fully  
20 as if those provisions were set forth herein.

21 The Board and DuPage, Kane, Lake, McHenry, and Will  
22 counties must comply with the certification requirements for  
23 airport-related purposes under Section 2-22 of the Retailers'  
24 Occupation Tax Act. For purposes of this Section,  
25 "airport-related purposes" has the meaning ascribed in Section  
26 6z-20.2 of the State Finance Act. This exclusion for aviation

1 fuel only applies for so long as the revenue use requirements  
2 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
3 Authority.

4 Persons subject to any tax imposed under the authority  
5 granted in this Section may reimburse themselves for their  
6 seller's tax liability hereunder by separately stating the tax  
7 as an additional charge, which charge may be stated in  
8 combination in a single amount with State taxes that sellers  
9 are required to collect under the Use Tax Act, under any  
10 bracket schedules the Department may prescribe.

11 Whenever the Department determines that a refund should be  
12 made under this Section to a claimant instead of issuing a  
13 credit memorandum, the Department shall notify the State  
14 Comptroller, who shall cause the warrant to be drawn for the  
15 amount specified, and to the person named, in the notification  
16 from the Department. The refund shall be paid by the State  
17 Treasurer out of the Regional Transportation Authority tax  
18 fund established under paragraph (n) of this Section or the  
19 Local Government Aviation Trust Fund, as appropriate.

20 If a tax is imposed under this subsection (e), a tax shall  
21 also be imposed under subsections (f) and (g) of this Section.

22 For the purpose of determining whether a tax authorized  
23 under this Section is applicable, a retail sale by a producer  
24 of coal or other mineral mined in Illinois, is a sale at retail  
25 at the place where the coal or other mineral mined in Illinois  
26 is extracted from the earth. This paragraph does not apply to

1 coal or other mineral when it is delivered or shipped by the  
2 seller to the purchaser at a point outside Illinois so that the  
3 sale is exempt under the Federal Constitution as a sale in  
4 interstate or foreign commerce.

5 No tax shall be imposed or collected under this subsection  
6 on the sale of a motor vehicle in this State to a resident of  
7 another state if that motor vehicle will not be titled in this  
8 State.

9 Nothing in this Section shall be construed to authorize  
10 the Regional Transportation Authority to impose a tax upon the  
11 privilege of engaging in any business that under the  
12 Constitution of the United States may not be made the subject  
13 of taxation by this State.

14 (f) If a tax has been imposed under paragraph (e), a  
15 Regional Transportation Authority Service Occupation Tax shall  
16 also be imposed upon all persons engaged, in the metropolitan  
17 region in the business of making sales of service, who as an  
18 incident to making the sales of service, transfer tangible  
19 personal property within the metropolitan region, either in  
20 the form of tangible personal property or in the form of real  
21 estate as an incident to a sale of service. In Cook County, the  
22 tax rate shall be: (1) 1.25% of the serviceman's cost price of  
23 food prepared for immediate consumption and transferred  
24 incident to a sale of service subject to the service  
25 occupation tax by an entity licensed under the Hospital  
26 Licensing Act, the Nursing Home Care Act, the Specialized



1 Mental Health Rehabilitation Act of 2013, the ID/DD Community  
2 Care Act, or the MC/DD Act that is located in the metropolitan  
3 region; (2) 1.25% of the selling price of tangible personal  
4 property taxed at the 1% rate under the Service Occupation Tax  
5 Act (or at the 0% rate imposed under this amendatory Act of the  
6 102nd General Assembly); and (3) 1% of the selling price from  
7 other taxable sales of tangible personal property transferred.  
8 In DuPage, Kane, Lake, McHenry, and Will counties, the rate  
9 shall be 0.75% of the selling price of all tangible personal  
10 property transferred. The rate of tax imposed in DuPage, Kane,  
11 Lake, McHenry, and Will counties under this Section on sales  
12 of aviation fuel on or after December 1, 2019 shall, however,  
13 be 0.25% unless the Regional Transportation Authority in  
14 DuPage, Kane, Lake, McHenry, and Will counties has an  
15 "airport-related purpose" and the additional 0.50% of the  
16 0.75% tax on aviation fuel is expended for airport-related  
17 purposes. If there is no airport-related purpose to which  
18 aviation fuel tax revenue is dedicated, then aviation fuel is  
19 excluded from the additional 0.5% of the 0.75% tax.

20 The Board and DuPage, Kane, Lake, McHenry, and Will  
21 counties must comply with the certification requirements for  
22 airport-related purposes under Section 2-22 of the Retailers'  
23 Occupation Tax Act. For purposes of this Section,  
24 "airport-related purposes" has the meaning ascribed in Section  
25 6z-20.2 of the State Finance Act. This exclusion for aviation  
26 fuel only applies for so long as the revenue use requirements

1 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the  
2 Authority.

3 The tax imposed under this paragraph and all civil  
4 penalties that may be assessed as an incident thereof shall be  
5 collected and enforced by the State Department of Revenue. The  
6 Department shall have full power to administer and enforce  
7 this paragraph; to collect all taxes and penalties due  
8 hereunder; to dispose of taxes and penalties collected in the  
9 manner hereinafter provided; and to determine all rights to  
10 credit memoranda arising on account of the erroneous payment  
11 of tax or penalty hereunder. In the administration of and  
12 compliance with this paragraph, the Department and persons who  
13 are subject to this paragraph shall have the same rights,  
14 remedies, privileges, immunities, powers, and duties, and be  
15 subject to the same conditions, restrictions, limitations,  
16 penalties, exclusions, exemptions, and definitions of terms,  
17 and employ the same modes of procedure, as are prescribed in  
18 Sections 1a-1, 2, 2a, 3 through 3-50 (in respect to all  
19 provisions therein other than the State rate of tax), 4  
20 (except that the reference to the State shall be to the  
21 Authority), 5, 7, 8 (except that the jurisdiction to which the  
22 tax shall be a debt to the extent indicated in that Section 8  
23 shall be the Authority), 9 (except as to the disposition of  
24 taxes and penalties collected, and except that the returned  
25 merchandise credit for this tax may not be taken against any  
26 State tax, and except that the retailer's discount is not

1 allowed for taxes paid on aviation fuel that are subject to the  
2 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.  
3 47133), 10, 11, 12 (except the reference therein to Section 2b  
4 of the Retailers' Occupation Tax Act), 13 (except that any  
5 reference to the State shall mean the Authority), the first  
6 paragraph of Section 15, 16, 17, 18, 19, and 20 of the Service  
7 Occupation Tax Act and Section 3-7 of the Uniform Penalty and  
8 Interest Act, as fully as if those provisions were set forth  
9 herein.

10 Persons subject to any tax imposed under the authority  
11 granted in this paragraph may reimburse themselves for their  
12 serviceman's tax liability hereunder by separately stating the  
13 tax as an additional charge, that charge may be stated in  
14 combination in a single amount with State tax that servicemen  
15 are authorized to collect under the Service Use Tax Act, under  
16 any bracket schedules the Department may prescribe.

17 Whenever the Department determines that a refund should be  
18 made under this paragraph to a claimant instead of issuing a  
19 credit memorandum, the Department shall notify the State  
20 Comptroller, who shall cause the warrant to be drawn for the  
21 amount specified, and to the person named in the notification  
22 from the Department. The refund shall be paid by the State  
23 Treasurer out of the Regional Transportation Authority tax  
24 fund established under paragraph (n) of this Section or the  
25 Local Government Aviation Trust Fund, as appropriate.

26 Nothing in this paragraph shall be construed to authorize

1 the Authority to impose a tax upon the privilege of engaging in  
2 any business that under the Constitution of the United States  
3 may not be made the subject of taxation by the State.

4 (g) If a tax has been imposed under paragraph (e), a tax  
5 shall also be imposed upon the privilege of using in the  
6 metropolitan region, any item of tangible personal property  
7 that is purchased outside the metropolitan region at retail  
8 from a retailer, and that is titled or registered with an  
9 agency of this State's government. In Cook County, the tax  
10 rate shall be 1% of the selling price of the tangible personal  
11 property, as "selling price" is defined in the Use Tax Act. In  
12 DuPage, Kane, Lake, McHenry, and Will counties, the tax rate  
13 shall be 0.75% of the selling price of the tangible personal  
14 property, as "selling price" is defined in the Use Tax Act. The  
15 tax shall be collected from persons whose Illinois address for  
16 titling or registration purposes is given as being in the  
17 metropolitan region. The tax shall be collected by the  
18 Department of Revenue for the Regional Transportation  
19 Authority. The tax must be paid to the State, or an exemption  
20 determination must be obtained from the Department of Revenue,  
21 before the title or certificate of registration for the  
22 property may be issued. The tax or proof of exemption may be  
23 transmitted to the Department by way of the State agency with  
24 which, or the State officer with whom, the tangible personal  
25 property must be titled or registered if the Department and  
26 the State agency or State officer determine that this

1 procedure will expedite the processing of applications for  
2 title or registration.

3 The Department shall have full power to administer and  
4 enforce this paragraph; to collect all taxes, penalties, and  
5 interest due hereunder; to dispose of taxes, penalties, and  
6 interest collected in the manner hereinafter provided; and to  
7 determine all rights to credit memoranda or refunds arising on  
8 account of the erroneous payment of tax, penalty, or interest  
9 hereunder. In the administration of and compliance with this  
10 paragraph, the Department and persons who are subject to this  
11 paragraph shall have the same rights, remedies, privileges,  
12 immunities, powers, and duties, and be subject to the same  
13 conditions, restrictions, limitations, penalties, exclusions,  
14 exemptions, and definitions of terms and employ the same modes  
15 of procedure, as are prescribed in Sections 2 (except the  
16 definition of "retailer maintaining a place of business in  
17 this State"), 3 through 3-80 (except provisions pertaining to  
18 the State rate of tax, and except provisions concerning  
19 collection or refunding of the tax by retailers), 4, 11, 12,  
20 12a, 14, 15, 19 (except the portions pertaining to claims by  
21 retailers and except the last paragraph concerning refunds),  
22 20, 21, and 22 of the Use Tax Act, and are not inconsistent  
23 with this paragraph, as fully as if those provisions were set  
24 forth herein.

25 Whenever the Department determines that a refund should be  
26 made under this paragraph to a claimant instead of issuing a

1 credit memorandum, the Department shall notify the State  
2 Comptroller, who shall cause the order to be drawn for the  
3 amount specified, and to the person named in the notification  
4 from the Department. The refund shall be paid by the State  
5 Treasurer out of the Regional Transportation Authority tax  
6 fund established under paragraph (n) of this Section.

7 (h) The Authority may impose a replacement vehicle tax of  
8 \$50 on any passenger car as defined in Section 1-157 of the  
9 Illinois Vehicle Code purchased within the metropolitan region  
10 by or on behalf of an insurance company to replace a passenger  
11 car of an insured person in settlement of a total loss claim.  
12 The tax imposed may not become effective before the first day  
13 of the month following the passage of the ordinance imposing  
14 the tax and receipt of a certified copy of the ordinance by the  
15 Department of Revenue. The Department of Revenue shall collect  
16 the tax for the Authority in accordance with Sections 3-2002  
17 and 3-2003 of the Illinois Vehicle Code.

18 The Department shall immediately pay over to the State  
19 Treasurer, ex officio, as trustee, all taxes collected  
20 hereunder.

21 As soon as possible after the first day of each month,  
22 beginning January 1, 2011, upon certification of the  
23 Department of Revenue, the Comptroller shall order  
24 transferred, and the Treasurer shall transfer, to the STAR  
25 Bonds Revenue Fund the local sales tax increment, as defined  
26 in the Innovation Development and Economy Act, collected under

1 this Section during the second preceding calendar month for  
2 sales within a STAR bond district.

3 After the monthly transfer to the STAR Bonds Revenue Fund,  
4 on or before the 25th day of each calendar month, the  
5 Department shall prepare and certify to the Comptroller the  
6 disbursement of stated sums of money to the Authority. The  
7 amount to be paid to the Authority shall be the amount  
8 collected hereunder during the second preceding calendar month  
9 by the Department, less any amount determined by the  
10 Department to be necessary for the payment of refunds, and  
11 less any amounts that are transferred to the STAR Bonds  
12 Revenue Fund. Within 10 days after receipt by the Comptroller  
13 of the disbursement certification to the Authority provided  
14 for in this Section to be given to the Comptroller by the  
15 Department, the Comptroller shall cause the orders to be drawn  
16 for that amount in accordance with the directions contained in  
17 the certification.

18 (i) The Board may not impose any other taxes except as it  
19 may from time to time be authorized by law to impose.

20 (j) A certificate of registration issued by the State  
21 Department of Revenue to a retailer under the Retailers'  
22 Occupation Tax Act or under the Service Occupation Tax Act  
23 shall permit the registrant to engage in a business that is  
24 taxed under the tax imposed under paragraphs (b), (e), (f) or  
25 (g) of this Section and no additional registration shall be  
26 required under the tax. A certificate issued under the Use Tax

1 Act or the Service Use Tax Act shall be applicable with regard  
2 to any tax imposed under paragraph (c) of this Section.

3 (k) The provisions of any tax imposed under paragraph (c)  
4 of this Section shall conform as closely as may be practicable  
5 to the provisions of the Use Tax Act, including without  
6 limitation conformity as to penalties with respect to the tax  
7 imposed and as to the powers of the State Department of Revenue  
8 to promulgate and enforce rules and regulations relating to  
9 the administration and enforcement of the provisions of the  
10 tax imposed. The taxes shall be imposed only on use within the  
11 metropolitan region and at rates as provided in the paragraph.

12 (l) The Board in imposing any tax as provided in  
13 paragraphs (b) and (c) of this Section, shall, after seeking  
14 the advice of the State Department of Revenue, provide means  
15 for retailers, users or purchasers of motor fuel for purposes  
16 other than those with regard to which the taxes may be imposed  
17 as provided in those paragraphs to receive refunds of taxes  
18 improperly paid, which provisions may be at variance with the  
19 refund provisions as applicable under the Municipal Retailers  
20 Occupation Tax Act. The State Department of Revenue may  
21 provide for certificates of registration for users or  
22 purchasers of motor fuel for purposes other than those with  
23 regard to which taxes may be imposed as provided in paragraphs  
24 (b) and (c) of this Section to facilitate the reporting and  
25 nontaxability of the exempt sales or uses.

26 (m) Any ordinance imposing or discontinuing any tax under



1 this Section shall be adopted and a certified copy thereof  
2 filed with the Department on or before June 1, whereupon the  
3 Department of Revenue shall proceed to administer and enforce  
4 this Section on behalf of the Regional Transportation  
5 Authority as of September 1 next following such adoption and  
6 filing. Beginning January 1, 1992, an ordinance or resolution  
7 imposing or discontinuing the tax hereunder shall be adopted  
8 and a certified copy thereof filed with the Department on or  
9 before the first day of July, whereupon the Department shall  
10 proceed to administer and enforce this Section as of the first  
11 day of October next following such adoption and filing.  
12 Beginning January 1, 1993, an ordinance or resolution  
13 imposing, increasing, decreasing, or discontinuing the tax  
14 hereunder shall be adopted and a certified copy thereof filed  
15 with the Department, whereupon the Department shall proceed to  
16 administer and enforce this Section as of the first day of the  
17 first month to occur not less than 60 days following such  
18 adoption and filing. Any ordinance or resolution of the  
19 Authority imposing a tax under this Section and in effect on  
20 August 1, 2007 shall remain in full force and effect and shall  
21 be administered by the Department of Revenue under the terms  
22 and conditions and rates of tax established by such ordinance  
23 or resolution until the Department begins administering and  
24 enforcing an increased tax under this Section as authorized by  
25 Public Act 95-708. The tax rates authorized by Public Act  
26 95-708 are effective only if imposed by ordinance of the

1 Authority.

2 (n) Except as otherwise provided in this subsection (n),  
3 the State Department of Revenue shall, upon collecting any  
4 taxes as provided in this Section, pay the taxes over to the  
5 State Treasurer as trustee for the Authority. The taxes shall  
6 be held in a trust fund outside the State Treasury. If an  
7 airport-related purpose has been certified, taxes and  
8 penalties collected in DuPage, Kane, Lake, McHenry and Will  
9 counties on aviation fuel sold on or after December 1, 2019  
10 from the 0.50% of the 0.75% rate shall be immediately paid over  
11 by the Department to the State Treasurer, ex officio, as  
12 trustee, for deposit into the Local Government Aviation Trust  
13 Fund. The Department shall only pay moneys into the Local  
14 Government Aviation Trust Fund under this Act for so long as  
15 the revenue use requirements of 49 U.S.C. 47107(b) and 49  
16 U.S.C. 47133 are binding on the Authority. On or before the  
17 25th day of each calendar month, the State Department of  
18 Revenue shall prepare and certify to the Comptroller of the  
19 State of Illinois and to the Authority (i) the amount of taxes  
20 collected in each county other than Cook County in the  
21 metropolitan region, (not including, if an airport-related  
22 purpose has been certified, the taxes and penalties collected  
23 from the 0.50% of the 0.75% rate on aviation fuel sold on or  
24 after December 1, 2019 that are deposited into the Local  
25 Government Aviation Trust Fund) (ii) the amount of taxes  
26 collected within the City of Chicago, and (iii) the amount

1 collected in that portion of Cook County outside of Chicago,  
2 each amount less the amount necessary for the payment of  
3 refunds to taxpayers located in those areas described in items  
4 (i), (ii), and (iii), and less 1.5% of the remainder, which  
5 shall be transferred from the trust fund into the Tax  
6 Compliance and Administration Fund. The Department, at the  
7 time of each monthly disbursement to the Authority, shall  
8 prepare and certify to the State Comptroller the amount to be  
9 transferred into the Tax Compliance and Administration Fund  
10 under this subsection. Within 10 days after receipt by the  
11 Comptroller of the certification of the amounts, the  
12 Comptroller shall cause an order to be drawn for the transfer  
13 of the amount certified into the Tax Compliance and  
14 Administration Fund and the payment of two-thirds of the  
15 amounts certified in item (i) of this subsection to the  
16 Authority and one-third of the amounts certified in item (i)  
17 of this subsection to the respective counties other than Cook  
18 County and the amount certified in items (ii) and (iii) of this  
19 subsection to the Authority.

20 In addition to the disbursement required by the preceding  
21 paragraph, an allocation shall be made in July 1991 and each  
22 year thereafter to the Regional Transportation Authority. The  
23 allocation shall be made in an amount equal to the average  
24 monthly distribution during the preceding calendar year  
25 (excluding the 2 months of lowest receipts) and the allocation  
26 shall include the amount of average monthly distribution from

1 the Regional Transportation Authority Occupation and Use Tax  
2 Replacement Fund. The distribution made in July 1992 and each  
3 year thereafter under this paragraph and the preceding  
4 paragraph shall be reduced by the amount allocated and  
5 disbursed under this paragraph in the preceding calendar year.  
6 The Department of Revenue shall prepare and certify to the  
7 Comptroller for disbursement the allocations made in  
8 accordance with this paragraph.

9 (o) Failure to adopt a budget ordinance or otherwise to  
10 comply with Section 4.01 of this Act or to adopt a Five-year  
11 Capital Program or otherwise to comply with paragraph (b) of  
12 Section 2.01 of this Act shall not affect the validity of any  
13 tax imposed by the Authority otherwise in conformity with law.

14 (p) At no time shall a public transportation tax or motor  
15 vehicle parking tax authorized under paragraphs (b), (c), and  
16 (d) of this Section be in effect at the same time as any  
17 retailers' occupation, use or service occupation tax  
18 authorized under paragraphs (e), (f), and (g) of this Section  
19 is in effect.

20 Any taxes imposed under the authority provided in  
21 paragraphs (b), (c), and (d) shall remain in effect only until  
22 the time as any tax authorized by paragraph (e), (f), or (g) of  
23 this Section are imposed and becomes effective. Once any tax  
24 authorized by paragraph (e), (f), or (g) is imposed the Board  
25 may not reimpose taxes as authorized in paragraphs (b), (c),  
26 and (d) of the Section unless any tax authorized by paragraph

1 (e), (f), or (g) of this Section becomes ineffective by means  
2 other than an ordinance of the Board.

3 (q) Any existing rights, remedies and obligations  
4 (including enforcement by the Regional Transportation  
5 Authority) arising under any tax imposed under paragraph (b),  
6 (c), or (d) of this Section shall not be affected by the  
7 imposition of a tax under paragraph (e), (f), or (g) of this  
8 Section.

9 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;  
10 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-81, eff.  
11 7-12-19; 101-604, eff. 12-13-19.)

12 ARTICLE 55. TRANSFERS FROM THE GENERAL REVENUE FUND

13 Section 55-5. The State Finance Act is amended by adding  
14 Section 8g-2 as follows:

15 (30 ILCS 105/8g-2 new)

16 Sec. 8g-2. Transfers to the Local Government Distributive  
17 Fund. In recognition of the one-time inflationary pressures  
18 faced by local governments in fiscal year 2022, in addition to  
19 any other transfers that may be provided for by law, on the  
20 effective date of this amendatory Act of the 102nd General  
21 Assembly, or as soon thereafter as practical, but no later  
22 than June 30, 2022, the State Comptroller shall direct and the  
23 State Treasurer shall transfer the sum of \$100,000,000 from

1 the General Revenue Fund to the Local Government Distributive  
2 Fund.

3 ARTICLE 60. MOTOR FUEL

4 Section 60-3. The State Finance Act is amended by changing  
5 Section 6z-108 as follows:

6 (30 ILCS 105/6z-108)

7 Sec. 6z-108. Transportation Renewal Fund.

8 (a) The Transportation Renewal Fund is created as a  
9 special fund in the State treasury and shall receive Motor  
10 Fuel Tax revenues as directed by Sections 2a and ~~Section~~ 8b of  
11 the Motor Fuel Tax Law.

12 (b) Money in the Transportation Renewal Fund shall be used  
13 exclusively for transportation-related purposes as described  
14 in Section 11 of Article IX of the Illinois Constitution of  
15 1970.

16 (Source: P.A. 101-30, eff. 6-28-19.)

17 Section 60-5. The Motor Fuel Tax Law is amended by  
18 changing Sections 2, 8a, and 17 as follows:

19 (35 ILCS 505/2) (from Ch. 120, par. 418)

20 Sec. 2. A tax is imposed on the privilege of operating  
21 motor vehicles upon the public highways and recreational-type

1 watercraft upon the waters of this State.

2 (a) Prior to August 1, 1989, the tax is imposed at the rate  
3 of 13 cents per gallon on all motor fuel used in motor vehicles  
4 operating on the public highways and recreational type  
5 watercraft operating upon the waters of this State. Beginning  
6 on August 1, 1989 and until January 1, 1990, the rate of the  
7 tax imposed in this paragraph shall be 16 cents per gallon.  
8 Beginning January 1, 1990 and until July 1, 2019, the rate of  
9 tax imposed in this paragraph, including the tax on compressed  
10 natural gas, shall be 19 cents per gallon. Beginning July 1,  
11 2019 and until July 1, 2020, the rate of tax imposed in this  
12 paragraph shall be 38 cents per gallon. Beginning July 1, 2020  
13 and until July 1, 2021, the rate of tax imposed in this  
14 paragraph shall be 38.7 cents per gallon. Beginning July 1,  
15 2021 and until January 1, 2023, the rate of tax imposed in this  
16 paragraph shall be 39.2 cents per gallon. On January 1, 2023,  
17 the rate of tax imposed in this paragraph shall be increased by  
18 an amount equal to the percentage increase, if any, in the  
19 Consumer Price Index for All Urban Consumers for all items  
20 published by the United States Department of Labor for the 12  
21 months ending in September of 2022. On July 1, 2023, and on  
22 July 1 of each subsequent year, the rate of tax imposed in this  
23 paragraph shall be ~~and increased on July 1 of each subsequent~~  
24 ~~year~~ by an amount equal to the percentage increase, if any, in  
25 the Consumer Price Index for All Urban Consumers for all items  
26 published by the United States Department of Labor for the 12

1 months ending in March of the year in which the increase takes  
2 place each year. The rate shall be rounded to the nearest  
3 one-tenth of one cent.

4 (a-5) Beginning on July 1, 2022 and through December 31,  
5 2022, each retailer of motor fuel shall cause the following  
6 notice to be posted in a prominently visible place on each  
7 retail dispensing device that is used to dispense motor fuel  
8 in the State of Illinois: "As of July 1, 2022, the State of  
9 Illinois has suspended the inflation adjustment to the motor  
10 fuel tax through December 31, 2022. The price on this pump  
11 should reflect the suspension of the tax increase." The notice  
12 shall be printed in bold print on a sign that is no smaller  
13 than 4 inches by 8 inches. The sign shall be clearly visible to  
14 customers. Any retailer who fails to post or maintain a  
15 required sign through December 31, 2022 is guilty of a petty  
16 offense for which the fine shall be \$500 per day per each  
17 retail premises where a violation occurs.

18 (b) Until July 1, 2019, the tax on the privilege of  
19 operating motor vehicles which use diesel fuel, liquefied  
20 natural gas, or propane shall be the rate according to  
21 paragraph (a) plus an additional 2 1/2 cents per gallon.  
22 Beginning July 1, 2019, the tax on the privilege of operating  
23 motor vehicles which use diesel fuel, liquefied natural gas,  
24 or propane shall be the rate according to subsection (a) plus  
25 an additional 7.5 cents per gallon. "Diesel fuel" is defined  
26 as any product intended for use or offered for sale as a fuel



1 for engines in which the fuel is injected into the combustion  
2 chamber and ignited by pressure without electric spark.

3 (c) A tax is imposed upon the privilege of engaging in the  
4 business of selling motor fuel as a retailer or reseller on all  
5 motor fuel used in motor vehicles operating on the public  
6 highways and recreational type watercraft operating upon the  
7 waters of this State: (1) at the rate of 3 cents per gallon on  
8 motor fuel owned or possessed by such retailer or reseller at  
9 12:01 a.m. on August 1, 1989; and (2) at the rate of 3 cents  
10 per gallon on motor fuel owned or possessed by such retailer or  
11 reseller at 12:01 A.M. on January 1, 1990.

12 Retailers and resellers who are subject to this additional  
13 tax shall be required to inventory such motor fuel and pay this  
14 additional tax in a manner prescribed by the Department of  
15 Revenue.

16 The tax imposed in this paragraph (c) shall be in addition  
17 to all other taxes imposed by the State of Illinois or any unit  
18 of local government in this State.

19 (d) Except as provided in Section 2a, the collection of a  
20 tax based on gallonage of gasoline used for the propulsion of  
21 any aircraft is prohibited on and after October 1, 1979, and  
22 the collection of a tax based on gallonage of special fuel used  
23 for the propulsion of any aircraft is prohibited on and after  
24 December 1, 2019.

25 (e) The collection of a tax, based on gallonage of all  
26 products commonly or commercially known or sold as 1-K

1 kerosene, regardless of its classification or uses, is  
2 prohibited (i) on and after July 1, 1992 until December 31,  
3 1999, except when the 1-K kerosene is either: (1) delivered  
4 into bulk storage facilities of a bulk user, or (2) delivered  
5 directly into the fuel supply tanks of motor vehicles and (ii)  
6 on and after January 1, 2000. Beginning on January 1, 2000, the  
7 collection of a tax, based on gallonage of all products  
8 commonly or commercially known or sold as 1-K kerosene,  
9 regardless of its classification or uses, is prohibited except  
10 when the 1-K kerosene is delivered directly into a storage  
11 tank that is located at a facility that has withdrawal  
12 facilities that are readily accessible to and are capable of  
13 dispensing 1-K kerosene into the fuel supply tanks of motor  
14 vehicles. For purposes of this subsection (e), a facility is  
15 considered to have withdrawal facilities that are not "readily  
16 accessible to and capable of dispensing 1-K kerosene into the  
17 fuel supply tanks of motor vehicles" only if the 1-K kerosene  
18 is delivered from: (i) a dispenser hose that is short enough so  
19 that it will not reach the fuel supply tank of a motor vehicle  
20 or (ii) a dispenser that is enclosed by a fence or other  
21 physical barrier so that a vehicle cannot pull alongside the  
22 dispenser to permit fueling.

23 Any person who sells or uses 1-K kerosene for use in motor  
24 vehicles upon which the tax imposed by this Law has not been  
25 paid shall be liable for any tax due on the sales or use of 1-K  
26 kerosene.

1 (Source: P.A. 100-9, eff. 7-1-17; 101-10, eff. 6-5-19; 101-32,  
2 eff. 6-28-19; 101-604, eff. 12-13-19.)

3 (35 ILCS 505/8a) (from Ch. 120, par. 424a)

4 Sec. 8a. Deposit of proceeds. Until July 1, 2022 and  
5 beginning again on July 1, 2023, all ~~All~~ money received by the  
6 Department under Section 2a of this Act, except money received  
7 from taxes on aviation fuel sold or used on or after December  
8 1, 2019 and through December 31, 2020, shall be deposited in  
9 the Underground Storage Tank Fund ~~created by Section 57.11 of~~  
10 ~~the Environmental Protection Act, as now or hereafter amended.~~

11 All money received by the Department under Section 2a of this  
12 Act for aviation fuel sold or used on or after December 1,  
13 2019, shall be deposited into the State Aviation Program Fund.  
14 This exception for aviation fuel only applies for so long as  
15 the revenue use requirements of 49 U.S.C. 47107(b) and 49  
16 U.S.C. 47133 are binding on the State. For purposes of this  
17 Section, "aviation fuel" means jet fuel and aviation gasoline.  
18 Beginning on July 1, 2022 and through June 30, 2023, all money  
19 received by the Department under Section 2a shall be deposited  
20 in the Transportation Renewal Fund.

21 (Source: P.A. 101-10, eff. 6-5-19; 101-604, eff. 12-13-19.)

22 (35 ILCS 505/17) (from Ch. 120, par. 433)

23 Sec. 17. It is the purpose of Sections 2 and 13a of this  
24 Act to impose a tax upon the privilege of operating each motor

1 vehicle as defined in this Act upon the public highways and the  
2 waters of this State, such tax to be based upon the consumption  
3 of motor fuel in such motor vehicle, so far as the same may be  
4 done, under the Constitution and statutes of the United  
5 States, and the Constitution of the State of Illinois. It is  
6 the purpose of Section 2a of this Act to impose a tax upon the  
7 privilege of importing or receiving in this State fuel for  
8 sale or use, such tax to be used to fund the Underground  
9 Storage Tank Fund or the Transportation Renewal Fund. If any  
10 of the provisions of this Act include transactions which are  
11 not taxable or are in any other respect unconstitutional, it  
12 is the intent of the General Assembly that, so far as possible,  
13 the remaining provisions of the Act be given effect.

14 (Source: P.A. 86-125.)

15 Section 60-10. The Environmental Impact Fee Law is amended  
16 by changing Section 320 as follows:

17 (415 ILCS 125/320)

18 (Section scheduled to be repealed on January 1, 2025)

19 Sec. 320. Deposit of fee receipts. Except as otherwise  
20 provided in this paragraph, all money received by the  
21 Department under this Law shall be deposited in the  
22 Underground Storage Tank Fund ~~created by Section 57.11 of the~~  
23 ~~Environmental Protection Act~~. All money received for aviation  
24 fuel by the Department under this Law on or after December 1,

1 2019 and ending with returns due on January 20, 2021, shall be  
2 immediately paid over by the Department to the State Aviation  
3 Program Fund. The Department shall only pay such moneys into  
4 the State Aviation Program Fund under this Act for so long as  
5 the revenue use requirements of 49 U.S.C. 47107(b) and 49  
6 U.S.C. 47133 are binding on the State. For purposes of this  
7 Section, "aviation fuel" means jet fuel and aviation gasoline.  
8 Beginning July 1, 2022 and through June 30, 2023, all money  
9 received by the Department under this Law shall be deposited  
10 into the Transportation Renewal Fund.

11 (Source: P.A. 101-10, eff. 6-5-19; 101-604, eff. 12-13-19.)

12 ARTICLE 65. BREAST PUMPS

13 Section 65-5. The Use Tax Act is amended by changing  
14 Section 3-5 as follows:

15 (35 ILCS 105/3-5)

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

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

1 purpose of resale by the enterprise.

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

5 (3) Personal property purchased by a not-for-profit arts  
6 or cultural organization that establishes, by proof required  
7 by the Department by rule, that it has received an exemption  
8 under Section 501(c)(3) of the Internal Revenue Code and that  
9 is organized and operated primarily for the presentation or  
10 support of arts or cultural programming, activities, or  
11 services. These organizations include, but are not limited to,  
12 music and dramatic arts organizations such as symphony  
13 orchestras and theatrical groups, arts and cultural service  
14 organizations, local arts councils, visual arts organizations,  
15 and media arts organizations. On and after July 1, 2001 (the  
16 effective date of Public Act 92-35), however, an entity  
17 otherwise eligible for this exemption shall not make tax-free  
18 purchases unless it has an active identification number issued  
19 by the Department.

20 (4) Personal property purchased by a governmental body, by  
21 a corporation, society, association, foundation, or  
22 institution organized and operated exclusively for charitable,  
23 religious, or educational purposes, or by a not-for-profit  
24 corporation, society, association, foundation, institution, or  
25 organization that has no compensated officers or employees and  
26 that is organized and operated primarily for the recreation of

1 persons 55 years of age or older. A limited liability company  
2 may qualify for the exemption under this paragraph only if the  
3 limited liability company is organized and operated  
4 exclusively for educational purposes. On and after July 1,  
5 1987, however, no entity otherwise eligible for this exemption  
6 shall make tax-free purchases unless it has an active  
7 exemption identification number issued by the Department.

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

11 (6) Until July 1, 2003 and beginning again on September 1,  
12 2004 through August 30, 2014, graphic arts machinery and  
13 equipment, including repair and replacement parts, both new  
14 and used, and including that manufactured on special order,  
15 certified by the purchaser to be used primarily for graphic  
16 arts production, and including machinery and equipment  
17 purchased for lease. Equipment includes chemicals or chemicals  
18 acting as catalysts but only if the chemicals or chemicals  
19 acting as catalysts effect a direct and immediate change upon  
20 a graphic arts product. Beginning on July 1, 2017, graphic  
21 arts machinery and equipment is included in the manufacturing  
22 and assembling machinery and equipment exemption under  
23 paragraph (18).

24 (7) Farm chemicals.

25 (8) Legal tender, currency, medallions, or gold or silver  
26 coinage issued by the State of Illinois, the government of the

1 United States of America, or the government of any foreign  
2 country, and bullion.

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

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

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



1 of the tender is separately stated.

2 Farm machinery and equipment shall include precision  
3 farming equipment that is installed or purchased to be  
4 installed on farm machinery and equipment including, but not  
5 limited to, tractors, harvesters, sprayers, planters, seeders,  
6 or spreaders. Precision farming equipment includes, but is not  
7 limited to, soil testing sensors, computers, monitors,  
8 software, global positioning and mapping systems, and other  
9 such equipment.

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

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

25 Beginning July 1, 2013, fuel and petroleum products sold  
26 to or used by an air carrier, certified by the carrier to be

1 used for consumption, shipment, or storage in the conduct of  
2 its business as an air common carrier, for a flight that (i) is  
3 engaged in foreign trade or is engaged in trade between the  
4 United States and any of its possessions and (ii) transports  
5 at least one individual or package for hire from the city of  
6 origination to the city of final destination on the same  
7 aircraft, without regard to a change in the flight number of  
8 that aircraft.

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

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

1           (15) Photoprocessing machinery and equipment, including  
2 repair and replacement parts, both new and used, including  
3 that manufactured on special order, certified by the purchaser  
4 to be used primarily for photoprocessing, and including  
5 photoprocessing machinery and equipment purchased for lease.

6           (16) Until July 1, 2023, coal and aggregate exploration,  
7 mining, off-highway hauling, processing, maintenance, and  
8 reclamation equipment, including replacement parts and  
9 equipment, and including equipment purchased for lease, but  
10 excluding motor vehicles required to be registered under the  
11 Illinois Vehicle Code. The changes made to this Section by  
12 Public Act 97-767 apply on and after July 1, 2003, but no claim  
13 for credit or refund is allowed on or after August 16, 2013  
14 (the effective date of Public Act 98-456) for such taxes paid  
15 during the period beginning July 1, 2003 and ending on August  
16 16, 2013 (the effective date of Public Act 98-456).

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

23           (18) Manufacturing and assembling machinery and equipment  
24 used primarily in the process of manufacturing or assembling  
25 tangible personal property for wholesale or retail sale or  
26 lease, whether that sale or lease is made directly by the

1 manufacturer or by some other person, whether the materials  
2 used in the process are owned by the manufacturer or some other  
3 person, or whether that sale or lease is made apart from or as  
4 an incident to the seller's engaging in the service occupation  
5 of producing machines, tools, dies, jigs, patterns, gauges, or  
6 other similar items of no commercial value on special order  
7 for a particular purchaser. The exemption provided by this  
8 paragraph (18) includes production related tangible personal  
9 property, as defined in Section 3-50, purchased on or after  
10 July 1, 2019. The exemption provided by this paragraph (18)  
11 does not include machinery and equipment used in (i) the  
12 generation of electricity for wholesale or retail sale; (ii)  
13 the generation or treatment of natural or artificial gas for  
14 wholesale or retail sale that is delivered to customers  
15 through pipes, pipelines, or mains; or (iii) the treatment of  
16 water for wholesale or retail sale that is delivered to  
17 customers through pipes, pipelines, or mains. The provisions  
18 of Public Act 98-583 are declaratory of existing law as to the  
19 meaning and scope of this exemption. Beginning on July 1,  
20 2017, the exemption provided by this paragraph (18) includes,  
21 but is not limited to, graphic arts machinery and equipment,  
22 as defined in paragraph (6) of this Section.

23 (19) Personal property delivered to a purchaser or  
24 purchaser's donee inside Illinois when the purchase order for  
25 that personal property was received by a florist located  
26 outside Illinois who has a florist located inside Illinois

1 deliver the personal property.

2 (20) Semen used for artificial insemination of livestock  
3 for direct agricultural production.

4 (21) Horses, or interests in horses, registered with and  
5 meeting the requirements of any of the Arabian Horse Club  
6 Registry of America, Appaloosa Horse Club, American Quarter  
7 Horse Association, United States Trotting Association, or  
8 Jockey Club, as appropriate, used for purposes of breeding or  
9 racing for prizes. This item (21) is exempt from the  
10 provisions of Section 3-90, and the exemption provided for  
11 under this item (21) applies for all periods beginning May 30,  
12 1995, but no claim for credit or refund is allowed on or after  
13 January 1, 2008 for such taxes paid during the period  
14 beginning May 30, 2000 and ending on January 1, 2008.

15 (22) Computers and communications equipment utilized for  
16 any hospital purpose and equipment used in the diagnosis,  
17 analysis, or treatment of hospital patients purchased by a  
18 lessor who leases the equipment, under a lease of one year or  
19 longer executed or in effect at the time the lessor would  
20 otherwise be subject to the tax imposed by this Act, to a  
21 hospital that has been issued an active tax exemption  
22 identification number by the Department under Section 1g of  
23 the Retailers' Occupation Tax Act. If the equipment is leased  
24 in a manner that does not qualify for this exemption or is used  
25 in any other non-exempt manner, the lessor shall be liable for  
26 the tax imposed under this Act or the Service Use Tax Act, as

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

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

1 has not been paid by the lessor. If a lessor improperly  
2 collects any such amount from the lessee, the lessee shall  
3 have a legal right to claim a refund of that amount from the  
4 lessor. If, however, that amount is not refunded to the lessee  
5 for any reason, the lessor is liable to pay that amount to the  
6 Department.

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

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

1 Illinois when such repairs are initiated on facilities located  
2 in the declared disaster area within 6 months after the  
3 disaster.

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

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



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

15           (29) Beginning January 1, 2000 and through December 31,  
16 2001, new or used automatic vending machines that prepare and  
17 serve hot food and beverages, including coffee, soup, and  
18 other items, and replacement parts for these machines.  
19 Beginning January 1, 2002 and through June 30, 2003, machines  
20 and parts for machines used in commercial, coin-operated  
21 amusement and vending business if a use or occupation tax is  
22 paid on the gross receipts derived from the use of the  
23 commercial, coin-operated amusement and vending machines. This  
24 paragraph is exempt from the provisions of Section 3-90.

25           (30) Beginning January 1, 2001 and through June 30, 2016,  
26 food for human consumption that is to be consumed off the

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

12 (31) Beginning on August 2, 2001 (the effective date of  
13 Public Act 92-227), computers and communications equipment  
14 utilized for any hospital purpose and equipment used in the  
15 diagnosis, analysis, or treatment of hospital patients  
16 purchased by a lessor who leases the equipment, under a lease  
17 of one year or longer executed or in effect at the time the  
18 lessor would otherwise be subject to the tax imposed by this  
19 Act, to a hospital that has been issued an active tax exemption  
20 identification number by the Department under Section 1g of  
21 the Retailers' Occupation Tax Act. If the equipment is leased  
22 in a manner that does not qualify for this exemption or is used  
23 in any other nonexempt manner, the lessor shall be liable for  
24 the tax imposed under this Act or the Service Use Tax Act, as  
25 the case may be, based on the fair market value of the property  
26 at the time the nonqualifying use occurs. No lessor shall

1 collect or attempt to collect an amount (however designated)  
2 that purports to reimburse that lessor for the tax imposed by  
3 this Act or the Service Use Tax Act, as the case may be, if the  
4 tax has not been paid by the lessor. If a lessor improperly  
5 collects any such amount from the lessee, the lessee shall  
6 have a legal right to claim a refund of that amount from the  
7 lessor. If, however, that amount is not refunded to the lessee  
8 for any reason, the lessor is liable to pay that amount to the  
9 Department. This paragraph is exempt from the provisions of  
10 Section 3-90.

11 (32) Beginning on August 2, 2001 (the effective date of  
12 Public Act 92-227), personal property purchased by a lessor  
13 who leases the property, under a lease of one year or longer  
14 executed or in effect at the time the lessor would otherwise be  
15 subject to the tax imposed by this Act, to a governmental body  
16 that has been issued an active sales tax exemption  
17 identification number by the Department under Section 1g of  
18 the Retailers' Occupation Tax Act. If the property is leased  
19 in a manner that does not qualify for this exemption or used in  
20 any other nonexempt manner, the lessor shall be liable for the  
21 tax imposed under this Act or the Service Use Tax Act, as the  
22 case may be, based on the fair market value of the property at  
23 the time the nonqualifying use occurs. No lessor shall collect  
24 or attempt to collect an amount (however designated) that  
25 purports to reimburse that lessor for the tax imposed by this  
26 Act or the Service Use Tax Act, as the case may be, if the tax

1 has not been paid by the lessor. If a lessor improperly  
2 collects any such amount from the lessee, the lessee shall  
3 have a legal right to claim a refund of that amount from the  
4 lessor. If, however, that amount is not refunded to the lessee  
5 for any reason, the lessor is liable to pay that amount to the  
6 Department. This paragraph is exempt from the provisions of  
7 Section 3-90.

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

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

8           (35) Beginning January 1, 2010 and continuing through  
9 December 31, 2024, materials, parts, equipment, components,  
10 and furnishings incorporated into or upon an aircraft as part  
11 of the modification, refurbishment, completion, replacement,  
12 repair, or maintenance of the aircraft. This exemption  
13 includes consumable supplies used in the modification,  
14 refurbishment, completion, replacement, repair, and  
15 maintenance of aircraft, but excludes any materials, parts,  
16 equipment, components, and consumable supplies used in the  
17 modification, replacement, repair, and maintenance of aircraft  
18 engines or power plants, whether such engines or power plants  
19 are installed or uninstalled upon any such aircraft.  
20 "Consumable supplies" include, but are not limited to,  
21 adhesive, tape, sandpaper, general purpose lubricants,  
22 cleaning solution, latex gloves, and protective films. This  
23 exemption applies only to the use of qualifying tangible  
24 personal property by persons who modify, refurbish, complete,  
25 repair, replace, or maintain aircraft and who (i) hold an Air  
26 Agency Certificate and are empowered to operate an approved

1 repair station by the Federal Aviation Administration, (ii)  
2 have a Class IV Rating, and (iii) conduct operations in  
3 accordance with Part 145 of the Federal Aviation Regulations.  
4 The exemption does not include aircraft operated by a  
5 commercial air carrier providing scheduled passenger air  
6 service pursuant to authority issued under Part 121 or Part  
7 129 of the Federal Aviation Regulations. The changes made to  
8 this paragraph (35) by Public Act 98-534 are declarative of  
9 existing law. It is the intent of the General Assembly that the  
10 exemption under this paragraph (35) applies continuously from  
11 January 1, 2010 through December 31, 2024; however, no claim  
12 for credit or refund is allowed for taxes paid as a result of  
13 the disallowance of this exemption on or after January 1, 2015  
14 and prior to the effective date of this amendatory Act of the  
15 101st General Assembly.

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

1 hall. This exemption includes existing public-facilities  
2 corporations as provided in Section 11-65-25 of the Illinois  
3 Municipal Code. This paragraph is exempt from the provisions  
4 of Section 3-90.

5 (37) Beginning January 1, 2017 and through December 31,  
6 2026, menstrual pads, tampons, and menstrual cups.

7 (38) Merchandise that is subject to the Rental Purchase  
8 Agreement Occupation and Use Tax. The purchaser must certify  
9 that the item is purchased to be rented subject to a rental  
10 purchase agreement, as defined in the Rental Purchase  
11 Agreement Act, and provide proof of registration under the  
12 Rental Purchase Agreement Occupation and Use Tax Act. This  
13 paragraph is exempt from the provisions of Section 3-90.

14 (39) Tangible personal property purchased by a purchaser  
15 who is exempt from the tax imposed by this Act by operation of  
16 federal law. This paragraph is exempt from the provisions of  
17 Section 3-90.

18 (40) Qualified tangible personal property used in the  
19 construction or operation of a data center that has been  
20 granted a certificate of exemption by the Department of  
21 Commerce and Economic Opportunity, whether that tangible  
22 personal property is purchased by the owner, operator, or  
23 tenant of the data center or by a contractor or subcontractor  
24 of the owner, operator, or tenant. Data centers that would  
25 have qualified for a certificate of exemption prior to January  
26 1, 2020 had Public Act 101-31 been in effect may apply for and

1 obtain an exemption for subsequent purchases of computer  
2 equipment or enabling software purchased or leased to upgrade,  
3 supplement, or replace computer equipment or enabling software  
4 purchased or leased in the original investment that would have  
5 qualified.

6 The Department of Commerce and Economic Opportunity shall  
7 grant a certificate of exemption under this item (40) to  
8 qualified data centers as defined by Section 605-1025 of the  
9 Department of Commerce and Economic Opportunity Law of the  
10 Civil Administrative Code of Illinois.

11 For the purposes of this item (40):

12 "Data center" means a building or a series of  
13 buildings rehabilitated or constructed to house working  
14 servers in one physical location or multiple sites within  
15 the State of Illinois.

16 "Qualified tangible personal property" means:  
17 electrical systems and equipment; climate control and  
18 chilling equipment and systems; mechanical systems and  
19 equipment; monitoring and secure systems; emergency  
20 generators; hardware; computers; servers; data storage  
21 devices; network connectivity equipment; racks; cabinets;  
22 telecommunications cabling infrastructure; raised floor  
23 systems; peripheral components or systems; software;  
24 mechanical, electrical, or plumbing systems; battery  
25 systems; cooling systems and towers; temperature control  
26 systems; other cabling; and other data center



1 infrastructure equipment and systems necessary to operate  
2 qualified tangible personal property, including fixtures;  
3 and component parts of any of the foregoing, including  
4 installation, maintenance, repair, refurbishment, and  
5 replacement of qualified tangible personal property to  
6 generate, transform, transmit, distribute, or manage  
7 electricity necessary to operate qualified tangible  
8 personal property; and all other tangible personal  
9 property that is essential to the operations of a computer  
10 data center. The term "qualified tangible personal  
11 property" also includes building materials physically  
12 incorporated in to the qualifying data center. To document  
13 the exemption allowed under this Section, the retailer  
14 must obtain from the purchaser a copy of the certificate  
15 of eligibility issued by the Department of Commerce and  
16 Economic Opportunity.

17 This item (40) is exempt from the provisions of Section  
18 3-90.

19 (41) Beginning July 1, 2022, breast pumps, breast pump  
20 collection and storage supplies, and breast pump kits. This  
21 item (41) is exempt from the provisions of Section 3-90. As  
22 used in this item (41):

23 "Breast pump" means an electrically controlled or  
24 manually controlled pump device designed or marketed to be  
25 used to express milk from a human breast during lactation,  
26 including the pump device and any battery, AC adapter, or

1 other power supply unit that is used to power the pump  
2 device and is packaged and sold with the pump device at the  
3 time of sale.

4 "Breast pump collection and storage supplies" means  
5 items of tangible personal property designed or marketed  
6 to be used in conjunction with a breast pump to collect  
7 milk expressed from a human breast and to store collected  
8 milk until it is ready for consumption.

9 "Breast pump collection and storage supplies"  
10 includes, but is not limited to: breast shields and breast  
11 shield connectors; breast pump tubes and tubing adapters;  
12 breast pump valves and membranes; backflow protectors and  
13 backflow protector adaptors; bottles and bottle caps  
14 specific to the operation of the breast pump; and breast  
15 milk storage bags.

16 "Breast pump collection and storage supplies" does not  
17 include: (1) bottles and bottle caps not specific to the  
18 operation of the breast pump; (2) breast pump travel bags  
19 and other similar carrying accessories, including ice  
20 packs, labels, and other similar products; (3) breast pump  
21 cleaning supplies; (4) nursing bras, bra pads, breast  
22 shells, and other similar products; and (5) creams,  
23 ointments, and other similar products that relieve  
24 breastfeeding-related symptoms or conditions of the  
25 breasts or nipples, unless sold as part of a breast pump  
26 kit that is pre-packaged by the breast pump manufacturer

1       or distributor.

2           "Breast pump kit" means a kit that: (1) contains no  
3       more than a breast pump, breast pump collection and  
4       storage supplies, a rechargeable battery for operating the  
5       breast pump, a breastmilk cooler, bottle stands, ice  
6       packs, and a breast pump carrying case; and (2) is  
7       pre-packaged as a breast pump kit by the breast pump  
8       manufacturer or distributor.

9       (Source: P.A. 101-9, eff. 6-5-19; 101-31, eff. 6-28-19;  
10      101-81, eff. 7-12-19; 101-629, eff. 2-5-20; 102-16, eff.  
11      6-17-21.)

12           Section 65-10. The Service Use Tax Act is amended by  
13      changing Section 3-5 as follows:

14           (35 ILCS 110/3-5)

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

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

24           (2) Personal property purchased by a non-profit Illinois

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

3 (3) Personal property purchased by a not-for-profit arts  
4 or cultural organization that establishes, by proof required  
5 by the Department by rule, that it has received an exemption  
6 under Section 501(c)(3) of the Internal Revenue Code and that  
7 is organized and operated primarily for the presentation or  
8 support of arts or cultural programming, activities, or  
9 services. These organizations include, but are not limited to,  
10 music and dramatic arts organizations such as symphony  
11 orchestras and theatrical groups, arts and cultural service  
12 organizations, local arts councils, visual arts organizations,  
13 and media arts organizations. On and after July 1, 2001 (the  
14 effective date of Public Act 92-35), however, an entity  
15 otherwise eligible for this exemption shall not make tax-free  
16 purchases unless it has an active identification number issued  
17 by the Department.

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

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

1 primarily for graphic arts production. Equipment includes  
2 chemicals or chemicals acting as catalysts but only if the  
3 chemicals or chemicals acting as catalysts effect a direct and  
4 immediate change upon a graphic arts product. Beginning on  
5 July 1, 2017, graphic arts machinery and equipment is included  
6 in the manufacturing and assembling machinery and equipment  
7 exemption under Section 2 of this Act.

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

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

1 motor vehicle required to be licensed and units sold mounted  
2 on a motor vehicle required to be licensed if the selling price  
3 of the tender is separately stated.

4 Farm machinery and equipment shall include precision  
5 farming equipment that is installed or purchased to be  
6 installed on farm machinery and equipment including, but not  
7 limited to, tractors, harvesters, sprayers, planters, seeders,  
8 or spreaders. Precision farming equipment includes, but is not  
9 limited to, soil testing sensors, computers, monitors,  
10 software, global positioning and mapping systems, and other  
11 such equipment.

12 Farm machinery and equipment also includes computers,  
13 sensors, software, and related equipment used primarily in the  
14 computer-assisted operation of production agriculture  
15 facilities, equipment, and activities such as, but not limited  
16 to, the collection, monitoring, and correlation of animal and  
17 crop data for the purpose of formulating animal diets and  
18 agricultural chemicals. This item (7) is exempt from the  
19 provisions of Section 3-75.

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

1           Beginning July 1, 2013, fuel and petroleum products sold  
2 to or used by an air carrier, certified by the carrier to be  
3 used for consumption, shipment, or storage in the conduct of  
4 its business as an air common carrier, for a flight that (i) is  
5 engaged in foreign trade or is engaged in trade between the  
6 United States and any of its possessions and (ii) transports  
7 at least one individual or package for hire from the city of  
8 origination to the city of final destination on the same  
9 aircraft, without regard to a change in the flight number of  
10 that aircraft.

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

20           (10) Until July 1, 2003, oil field exploration, drilling,  
21 and production equipment, including (i) rigs and parts of  
22 rigs, rotary rigs, cable tool rigs, and workover rigs, (ii)  
23 pipe and tubular goods, including casing and drill strings,  
24 (iii) pumps and pump-jack units, (iv) storage tanks and flow  
25 lines, (v) any individual replacement part for oil field  
26 exploration, drilling, and production equipment, and (vi)

1 machinery and equipment purchased for lease; but excluding  
2 motor vehicles required to be registered under the Illinois  
3 Vehicle Code.

4 (11) Proceeds from the sale of photoprocessing machinery  
5 and equipment, including repair and replacement parts, both  
6 new and used, including that manufactured on special order,  
7 certified by the purchaser to be used primarily for  
8 photoprocessing, and including photoprocessing machinery and  
9 equipment purchased for lease.

10 (12) Until July 1, 2023, coal and aggregate exploration,  
11 mining, off-highway hauling, processing, maintenance, and  
12 reclamation equipment, including replacement parts and  
13 equipment, and including equipment purchased for lease, but  
14 excluding motor vehicles required to be registered under the  
15 Illinois Vehicle Code. The changes made to this Section by  
16 Public Act 97-767 apply on and after July 1, 2003, but no claim  
17 for credit or refund is allowed on or after August 16, 2013  
18 (the effective date of Public Act 98-456) for such taxes paid  
19 during the period beginning July 1, 2003 and ending on August  
20 16, 2013 (the effective date of Public Act 98-456).

21 (13) Semen used for artificial insemination of livestock  
22 for direct agricultural production.

23 (14) Horses, or interests in horses, registered with and  
24 meeting the requirements of any of the Arabian Horse Club  
25 Registry of America, Appaloosa Horse Club, American Quarter  
26 Horse Association, United States Trotting Association, or



1 Jockey Club, as appropriate, used for purposes of breeding or  
2 racing for prizes. This item (14) is exempt from the  
3 provisions of Section 3-75, and the exemption provided for  
4 under this item (14) applies for all periods beginning May 30,  
5 1995, but no claim for credit or refund is allowed on or after  
6 January 1, 2008 (the effective date of Public Act 95-88) for  
7 such taxes paid during the period beginning May 30, 2000 and  
8 ending on January 1, 2008 (the effective date of Public Act  
9 95-88).

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

1 been paid by the lessor. If a lessor improperly collects any  
2 such amount from the lessee, the lessee shall have a legal  
3 right to claim a refund of that amount from the lessor. If,  
4 however, that amount is not refunded to the lessee for any  
5 reason, the lessor is liable to pay that amount to the  
6 Department.

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

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

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

24           (19) Beginning July 1, 1999, game or game birds purchased  
25 at a "game breeding and hunting preserve area" as that term is  
26 used in the Wildlife Code. This paragraph is exempt from the

1 provisions of Section 3-75.

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

21 (21) Beginning January 1, 2000, personal property,  
22 including food, purchased through fundraising events for the  
23 benefit of a public or private elementary or secondary school,  
24 a group of those schools, or one or more school districts if  
25 the events are sponsored by an entity recognized by the school  
26 district that consists primarily of volunteers and includes

1 parents and teachers of the school children. This paragraph  
2 does not apply to fundraising events (i) for the benefit of  
3 private home instruction or (ii) for which the fundraising  
4 entity purchases the personal property sold at the events from  
5 another individual or entity that sold the property for the  
6 purpose of resale by the fundraising entity and that profits  
7 from the sale to the fundraising entity. This paragraph is  
8 exempt from the provisions of Section 3-75.

9 (22) Beginning January 1, 2000 and through December 31,  
10 2001, new or used automatic vending machines that prepare and  
11 serve hot food and beverages, including coffee, soup, and  
12 other items, and replacement parts for these machines.  
13 Beginning January 1, 2002 and through June 30, 2003, machines  
14 and parts for machines used in commercial, coin-operated  
15 amusement and vending business if a use or occupation tax is  
16 paid on the gross receipts derived from the use of the  
17 commercial, coin-operated amusement and vending machines. This  
18 paragraph is exempt from the provisions of Section 3-75.

19 (23) Beginning August 23, 2001 and through June 30, 2016,  
20 food for human consumption that is to be consumed off the  
21 premises where it is sold (other than alcoholic beverages,  
22 soft drinks, and food that has been prepared for immediate  
23 consumption) and prescription and nonprescription medicines,  
24 drugs, medical appliances, and insulin, urine testing  
25 materials, syringes, and needles used by diabetics, for human  
26 use, when purchased for use by a person receiving medical

1 assistance under Article V of the Illinois Public Aid Code who  
2 resides in a licensed long-term care facility, as defined in  
3 the Nursing Home Care Act, or in a licensed facility as defined  
4 in the ID/DD Community Care Act, the MC/DD Act, or the  
5 Specialized Mental Health Rehabilitation Act of 2013.

6 (24) Beginning on August 2, 2001 (the effective date of  
7 Public Act 92-227), computers and communications equipment  
8 utilized for any hospital purpose and equipment used in the  
9 diagnosis, analysis, or treatment of hospital patients  
10 purchased by a lessor who leases the equipment, under a lease  
11 of one year or longer executed or in effect at the time the  
12 lessor would otherwise be subject to the tax imposed by this  
13 Act, to a hospital that has been issued an active tax exemption  
14 identification number by the Department under Section 1g of  
15 the Retailers' Occupation Tax Act. If the equipment is leased  
16 in a manner that does not qualify for this exemption or is used  
17 in any other nonexempt manner, the lessor shall be liable for  
18 the tax imposed under this Act or the Use Tax Act, as the case  
19 may be, based on the fair market value of the property at the  
20 time the nonqualifying use occurs. No lessor shall collect or  
21 attempt to collect an amount (however designated) that  
22 purports to reimburse that lessor for the tax imposed by this  
23 Act or the Use Tax Act, as the case may be, if the tax has not  
24 been paid by the lessor. If a lessor improperly collects any  
25 such amount from the lessee, the lessee shall have a legal  
26 right to claim a refund of that amount from the lessor. If,

1 however, that amount is not refunded to the lessee for any  
2 reason, the lessor is liable to pay that amount to the  
3 Department. This paragraph is exempt from the provisions of  
4 Section 3-75.

5 (25) Beginning on August 2, 2001 (the effective date of  
6 Public Act 92-227), personal property purchased by a lessor  
7 who leases the property, under a lease of one year or longer  
8 executed or in effect at the time the lessor would otherwise be  
9 subject to the tax imposed by this Act, to a governmental body  
10 that has been issued an active tax exemption identification  
11 number by the Department under Section 1g of the Retailers'  
12 Occupation Tax Act. If the property is leased in a manner that  
13 does not qualify for this exemption or is used in any other  
14 nonexempt manner, the lessor shall be liable for the tax  
15 imposed under this Act or the Use Tax Act, as the case may be,  
16 based on the fair market value of the property at the time the  
17 nonqualifying use occurs. No lessor shall collect or attempt  
18 to collect an amount (however designated) that purports to  
19 reimburse that lessor for the tax imposed by this Act or the  
20 Use Tax Act, as the case may be, if the tax has not been paid  
21 by the lessor. If a lessor improperly collects any such amount  
22 from the lessee, the lessee shall have a legal right to claim a  
23 refund of that amount from the lessor. If, however, that  
24 amount is not refunded to the lessee for any reason, the lessor  
25 is liable to pay that amount to the Department. This paragraph  
26 is exempt from the provisions of Section 3-75.

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

8           (27) Beginning January 1, 2010 and continuing through  
9 December 31, 2024, materials, parts, equipment, components,  
10 and furnishings incorporated into or upon an aircraft as part  
11 of the modification, refurbishment, completion, replacement,  
12 repair, or maintenance of the aircraft. This exemption  
13 includes consumable supplies used in the modification,  
14 refurbishment, completion, replacement, repair, and  
15 maintenance of aircraft, but excludes any materials, parts,  
16 equipment, components, and consumable supplies used in the  
17 modification, replacement, repair, and maintenance of aircraft  
18 engines or power plants, whether such engines or power plants  
19 are installed or uninstalled upon any such aircraft.  
20 "Consumable supplies" include, but are not limited to,  
21 adhesive, tape, sandpaper, general purpose lubricants,  
22 cleaning solution, latex gloves, and protective films. This  
23 exemption applies only to the use of qualifying tangible  
24 personal property transferred incident to the modification,  
25 refurbishment, completion, replacement, repair, or maintenance  
26 of aircraft by persons who (i) hold an Air Agency Certificate



1 and are empowered to operate an approved repair station by the  
2 Federal Aviation Administration, (ii) have a Class IV Rating,  
3 and (iii) conduct operations in accordance with Part 145 of  
4 the Federal Aviation Regulations. The exemption does not  
5 include aircraft operated by a commercial air carrier  
6 providing scheduled passenger air service pursuant to  
7 authority issued under Part 121 or Part 129 of the Federal  
8 Aviation Regulations. The changes made to this paragraph (27)  
9 by Public Act 98-534 are declarative of existing law. It is the  
10 intent of the General Assembly that the exemption under this  
11 paragraph (27) applies continuously from January 1, 2010  
12 through December 31, 2024; however, no claim for credit or  
13 refund is allowed for taxes paid as a result of the  
14 disallowance of this exemption on or after January 1, 2015 and  
15 prior to the effective date of this amendatory Act of the 101st  
16 General Assembly.

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

1 connection with the development of the municipal convention  
2 hall. This exemption includes existing public-facilities  
3 corporations as provided in Section 11-65-25 of the Illinois  
4 Municipal Code. This paragraph is exempt from the provisions  
5 of Section 3-75.

6 (29) Beginning January 1, 2017 and through December 31,  
7 2026, menstrual pads, tampons, and menstrual cups.

8 (30) Tangible personal property transferred to a purchaser  
9 who is exempt from the tax imposed by this Act by operation of  
10 federal law. This paragraph is exempt from the provisions of  
11 Section 3-75.

12 (31) Qualified tangible personal property used in the  
13 construction or operation of a data center that has been  
14 granted a certificate of exemption by the Department of  
15 Commerce and Economic Opportunity, whether that tangible  
16 personal property is purchased by the owner, operator, or  
17 tenant of the data center or by a contractor or subcontractor  
18 of the owner, operator, or tenant. Data centers that would  
19 have qualified for a certificate of exemption prior to January  
20 1, 2020 had this amendatory Act of the 101st General Assembly  
21 been in effect, may apply for and obtain an exemption for  
22 subsequent purchases of computer equipment or enabling  
23 software purchased or leased to upgrade, supplement, or  
24 replace computer equipment or enabling software purchased or  
25 leased in the original investment that would have qualified.

26 The Department of Commerce and Economic Opportunity shall

1 grant a certificate of exemption under this item (31) to  
2 qualified data centers as defined by Section 605-1025 of the  
3 Department of Commerce and Economic Opportunity Law of the  
4 Civil Administrative Code of Illinois.

5 For the purposes of this item (31):

6 "Data center" means a building or a series of  
7 buildings rehabilitated or constructed to house working  
8 servers in one physical location or multiple sites within  
9 the State of Illinois.

10 "Qualified tangible personal property" means:  
11 electrical systems and equipment; climate control and  
12 chilling equipment and systems; mechanical systems and  
13 equipment; monitoring and secure systems; emergency  
14 generators; hardware; computers; servers; data storage  
15 devices; network connectivity equipment; racks; cabinets;  
16 telecommunications cabling infrastructure; raised floor  
17 systems; peripheral components or systems; software;  
18 mechanical, electrical, or plumbing systems; battery  
19 systems; cooling systems and towers; temperature control  
20 systems; other cabling; and other data center  
21 infrastructure equipment and systems necessary to operate  
22 qualified tangible personal property, including fixtures;  
23 and component parts of any of the foregoing, including  
24 installation, maintenance, repair, refurbishment, and  
25 replacement of qualified tangible personal property to  
26 generate, transform, transmit, distribute, or manage

1 electricity necessary to operate qualified tangible  
2 personal property; and all other tangible personal  
3 property that is essential to the operations of a computer  
4 data center. The term "qualified tangible personal  
5 property" also includes building materials physically  
6 incorporated in to the qualifying data center. To document  
7 the exemption allowed under this Section, the retailer  
8 must obtain from the purchaser a copy of the certificate  
9 of eligibility issued by the Department of Commerce and  
10 Economic Opportunity.

11 This item (31) is exempt from the provisions of Section  
12 3-75.

13 (32) Beginning July 1, 2022, breast pumps, breast pump  
14 collection and storage supplies, and breast pump kits. This  
15 item (32) is exempt from the provisions of Section 3-75. As  
16 used in this item (32):

17 "Breast pump" means an electrically controlled or  
18 manually controlled pump device designed or marketed to be  
19 used to express milk from a human breast during lactation,  
20 including the pump device and any battery, AC adapter, or  
21 other power supply unit that is used to power the pump  
22 device and is packaged and sold with the pump device at the  
23 time of sale.

24 "Breast pump collection and storage supplies" means  
25 items of tangible personal property designed or marketed  
26 to be used in conjunction with a breast pump to collect

1 milk expressed from a human breast and to store collected  
2 milk until it is ready for consumption.

3 "Breast pump collection and storage supplies"  
4 includes, but is not limited to: breast shields and breast  
5 shield connectors; breast pump tubes and tubing adapters;  
6 breast pump valves and membranes; backflow protectors and  
7 backflow protector adaptors; bottles and bottle caps  
8 specific to the operation of the breast pump; and breast  
9 milk storage bags.

10 "Breast pump collection and storage supplies" does not  
11 include: (1) bottles and bottle caps not specific to the  
12 operation of the breast pump; (2) breast pump travel bags  
13 and other similar carrying accessories, including ice  
14 packs, labels, and other similar products; (3) breast pump  
15 cleaning supplies; (4) nursing bras, bra pads, breast  
16 shells, and other similar products; and (5) creams,  
17 ointments, and other similar products that relieve  
18 breastfeeding-related symptoms or conditions of the  
19 breasts or nipples, unless sold as part of a breast pump  
20 kit that is pre-packaged by the breast pump manufacturer  
21 or distributor.

22 "Breast pump kit" means a kit that: (1) contains no  
23 more than a breast pump, breast pump collection and  
24 storage supplies, a rechargeable battery for operating the  
25 breast pump, a breastmilk cooler, bottle stands, ice  
26 packs, and a breast pump carrying case; and (2) is

1       pre-packaged as a breast pump kit by the breast pump  
2       manufacturer or distributor.

3       (Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;  
4       101-629, eff. 2-5-20; 102-16, eff. 6-17-21.)

5       Section 65-15. The Service Occupation Tax Act is amended  
6       by changing Section 3-5 as follows:

7       (35 ILCS 115/3-5)

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

10       (1) Personal property sold by a corporation, society,  
11       association, foundation, institution, or organization, other  
12       than a limited liability company, that is organized and  
13       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 purpose  
16       of resale by the enterprise.

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

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

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

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

15 (5) Until July 1, 2003 and beginning again on September 1,  
16 2004 through August 30, 2014, graphic arts machinery and  
17 equipment, including repair and replacement parts, both new  
18 and used, and including that manufactured on special order or  
19 purchased for lease, certified by the purchaser to be used  
20 primarily for graphic arts production. Equipment includes  
21 chemicals or chemicals acting as catalysts but only if the  
22 chemicals or chemicals acting as catalysts effect a direct and  
23 immediate change upon a graphic arts product. Beginning on  
24 July 1, 2017, graphic arts machinery and equipment is included  
25 in the manufacturing and assembling machinery and equipment  
26 exemption under Section 2 of this Act.

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

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

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



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

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

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

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

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

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

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

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

1           (12) Until July 1, 2023, coal and aggregate exploration,  
2 mining, off-highway hauling, processing, maintenance, and  
3 reclamation equipment, including replacement parts and  
4 equipment, and including equipment purchased for lease, but  
5 excluding motor vehicles required to be registered under the  
6 Illinois Vehicle Code. The changes made to this Section by  
7 Public Act 97-767 apply on and after July 1, 2003, but no claim  
8 for credit or refund is allowed on or after August 16, 2013  
9 (the effective date of Public Act 98-456) for such taxes paid  
10 during the period beginning July 1, 2003 and ending on August  
11 16, 2013 (the effective date of Public Act 98-456).

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

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

1           (15) Horses, or interests in horses, registered with and  
2 meeting the requirements of any of the Arabian Horse Club  
3 Registry of America, Appaloosa Horse Club, American Quarter  
4 Horse Association, United States Trotting Association, or  
5 Jockey Club, as appropriate, used for purposes of breeding or  
6 racing for prizes. This item (15) is exempt from the  
7 provisions of Section 3-55, and the exemption provided for  
8 under this item (15) applies for all periods beginning May 30,  
9 1995, but no claim for credit or refund is allowed on or after  
10 January 1, 2008 (the effective date of Public Act 95-88) for  
11 such taxes paid during the period beginning May 30, 2000 and  
12 ending on January 1, 2008 (the effective date of Public Act  
13 95-88).

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

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

1 Occupation Tax Act.

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

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

25 (20) Beginning July 1, 1999, game or game birds sold at a  
26 "game breeding and hunting preserve area" as that term is used

1 in the Wildlife Code. This paragraph is exempt from the  
2 provisions of Section 3-55.

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

22 (22) Beginning January 1, 2000, personal property,  
23 including food, purchased through fundraising events for the  
24 benefit of a public or private elementary or secondary school,  
25 a group of those schools, or one or more school districts if  
26 the events are sponsored by an entity recognized by the school

1 district that consists primarily of volunteers and includes  
2 parents and teachers of the school children. This paragraph  
3 does not apply to fundraising events (i) for the benefit of  
4 private home instruction or (ii) for which the fundraising  
5 entity purchases the personal property sold at the events from  
6 another individual or entity that sold the property for the  
7 purpose of resale by the fundraising entity and that profits  
8 from the sale to the fundraising entity. This paragraph is  
9 exempt from the provisions of Section 3-55.

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

20 (24) Beginning on August 2, 2001 (the effective date of  
21 Public Act 92-227), computers and communications equipment  
22 utilized for any hospital purpose and equipment used in the  
23 diagnosis, analysis, or treatment of hospital patients sold to  
24 a lessor who leases the equipment, under a lease of one year or  
25 longer executed or in effect at the time of the purchase, to a  
26 hospital that has been issued an active tax exemption

1 identification number by the Department under Section 1g of  
2 the Retailers' Occupation Tax Act. This paragraph is exempt  
3 from the provisions of Section 3-55.

4 (25) Beginning on August 2, 2001 (the effective date of  
5 Public Act 92-227), personal property sold to a lessor who  
6 leases the property, under a lease of one year or longer  
7 executed or in effect at the time of the purchase, to a  
8 governmental body that has been issued an active tax exemption  
9 identification number by the Department under Section 1g of  
10 the Retailers' Occupation Tax Act. This paragraph is exempt  
11 from the provisions of Section 3-55.

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



1 this paragraph (26). The permit issued under this paragraph  
2 (26) shall authorize the holder, to the extent and in the  
3 manner specified in the rules adopted under this Act, to  
4 purchase tangible personal property from a retailer exempt  
5 from the taxes imposed by this Act. Taxpayers shall maintain  
6 all necessary books and records to substantiate the use and  
7 consumption of all such tangible personal property outside of  
8 the State of Illinois.

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

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

1 hall. This exemption includes existing public-facilities  
2 corporations as provided in Section 11-65-25 of the Illinois  
3 Municipal Code. This paragraph is exempt from the provisions  
4 of Section 3-55.

5 (29) Beginning January 1, 2010 and continuing through  
6 December 31, 2024, materials, parts, equipment, components,  
7 and furnishings incorporated into or upon an aircraft as part  
8 of the modification, refurbishment, completion, replacement,  
9 repair, or maintenance of the aircraft. This exemption  
10 includes consumable supplies used in the modification,  
11 refurbishment, completion, replacement, repair, and  
12 maintenance of aircraft, but excludes any materials, parts,  
13 equipment, components, and consumable supplies used in the  
14 modification, replacement, repair, and maintenance of aircraft  
15 engines or power plants, whether such engines or power plants  
16 are installed or uninstalled upon any such aircraft.  
17 "Consumable supplies" include, but are not limited to,  
18 adhesive, tape, sandpaper, general purpose lubricants,  
19 cleaning solution, latex gloves, and protective films. This  
20 exemption applies only to the transfer of qualifying tangible  
21 personal property incident to the modification, refurbishment,  
22 completion, replacement, repair, or maintenance of an aircraft  
23 by persons who (i) hold an Air Agency Certificate and are  
24 empowered to operate an approved repair station by the Federal  
25 Aviation Administration, (ii) have a Class IV Rating, and  
26 (iii) conduct operations in accordance with Part 145 of the

1 Federal Aviation Regulations. The exemption does not include  
2 aircraft operated by a commercial air carrier providing  
3 scheduled passenger air service pursuant to authority issued  
4 under Part 121 or Part 129 of the Federal Aviation  
5 Regulations. The changes made to this paragraph (29) by Public  
6 Act 98-534 are declarative of existing law. It is the intent of  
7 the General Assembly that the exemption under this paragraph  
8 (29) applies continuously from January 1, 2010 through  
9 December 31, 2024; however, no claim for credit or refund is  
10 allowed for taxes paid as a result of the disallowance of this  
11 exemption on or after January 1, 2015 and prior to the  
12 effective date of this amendatory Act of the 101st General  
13 Assembly.

14 (30) Beginning January 1, 2017 and through December 31,  
15 2026, menstrual pads, tampons, and menstrual cups.

16 (31) Tangible personal property transferred to a purchaser  
17 who is exempt from tax by operation of federal law. This  
18 paragraph is exempt from the provisions of Section 3-55.

19 (32) Qualified tangible personal property used in the  
20 construction or operation of a data center that has been  
21 granted a certificate of exemption by the Department of  
22 Commerce and Economic Opportunity, whether that tangible  
23 personal property is purchased by the owner, operator, or  
24 tenant of the data center or by a contractor or subcontractor  
25 of the owner, operator, or tenant. Data centers that would  
26 have qualified for a certificate of exemption prior to January

1 1, 2020 had this amendatory Act of the 101st General Assembly  
2 been in effect, may apply for and obtain an exemption for  
3 subsequent purchases of computer equipment or enabling  
4 software purchased or leased to upgrade, supplement, or  
5 replace computer equipment or enabling software purchased or  
6 leased in the original investment that would have qualified.

7 The Department of Commerce and Economic Opportunity shall  
8 grant a certificate of exemption under this item (32) to  
9 qualified data centers as defined by Section 605-1025 of the  
10 Department of Commerce and Economic Opportunity Law of the  
11 Civil Administrative Code of Illinois.

12 For the purposes of this item (32):

13 "Data center" means a building or a series of  
14 buildings rehabilitated or constructed to house working  
15 servers in one physical location or multiple sites within  
16 the State of Illinois.

17 "Qualified tangible personal property" means:  
18 electrical systems and equipment; climate control and  
19 chilling equipment and systems; mechanical systems and  
20 equipment; monitoring and secure systems; emergency  
21 generators; hardware; computers; servers; data storage  
22 devices; network connectivity equipment; racks; cabinets;  
23 telecommunications cabling infrastructure; raised floor  
24 systems; peripheral components or systems; software;  
25 mechanical, electrical, or plumbing systems; battery  
26 systems; cooling systems and towers; temperature control

1 systems; other cabling; and other data center  
2 infrastructure equipment and systems necessary to operate  
3 qualified tangible personal property, including fixtures;  
4 and component parts of any of the foregoing, including  
5 installation, maintenance, repair, refurbishment, and  
6 replacement of qualified tangible personal property to  
7 generate, transform, transmit, distribute, or manage  
8 electricity necessary to operate qualified tangible  
9 personal property; and all other tangible personal  
10 property that is essential to the operations of a computer  
11 data center. The term "qualified tangible personal  
12 property" also includes building materials physically  
13 incorporated in to the qualifying data center. To document  
14 the exemption allowed under this Section, the retailer  
15 must obtain from the purchaser a copy of the certificate  
16 of eligibility issued by the Department of Commerce and  
17 Economic Opportunity.

18 This item (32) is exempt from the provisions of Section  
19 3-55.

20 (33) Beginning July 1, 2022, breast pumps, breast pump  
21 collection and storage supplies, and breast pump kits. This  
22 item (33) is exempt from the provisions of Section 3-55. As  
23 used in this item (33):

24 "Breast pump" means an electrically controlled or  
25 manually controlled pump device designed or marketed to be  
26 used to express milk from a human breast during lactation,

1 including the pump device and any battery, AC adapter, or  
2 other power supply unit that is used to power the pump  
3 device and is packaged and sold with the pump device at the  
4 time of sale.

5 "Breast pump collection and storage supplies" means  
6 items of tangible personal property designed or marketed  
7 to be used in conjunction with a breast pump to collect  
8 milk expressed from a human breast and to store collected  
9 milk until it is ready for consumption.

10 "Breast pump collection and storage supplies"  
11 includes, but is not limited to: breast shields and breast  
12 shield connectors; breast pump tubes and tubing adapters;  
13 breast pump valves and membranes; backflow protectors and  
14 backflow protector adaptors; bottles and bottle caps  
15 specific to the operation of the breast pump; and breast  
16 milk storage bags.

17 "Breast pump collection and storage supplies" does not  
18 include: (1) bottles and bottle caps not specific to the  
19 operation of the breast pump; (2) breast pump travel bags  
20 and other similar carrying accessories, including ice  
21 packs, labels, and other similar products; (3) breast pump  
22 cleaning supplies; (4) nursing bras, bra pads, breast  
23 shells, and other similar products; and (5) creams,  
24 ointments, and other similar products that relieve  
25 breastfeeding-related symptoms or conditions of the  
26 breasts or nipples, unless sold as part of a breast pump

1       kit that is pre-packaged by the breast pump manufacturer  
2       or distributor.

3       "Breast pump kit" means a kit that: (1) contains no  
4       more than a breast pump, breast pump collection and  
5       storage supplies, a rechargeable battery for operating the  
6       breast pump, a breastmilk cooler, bottle stands, ice  
7       packs, and a breast pump carrying case; and (2) is  
8       pre-packaged as a breast pump kit by the breast pump  
9       manufacturer or distributor.

10       (Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;  
11       101-629, eff. 2-5-20; 102-16, eff. 6-17-21.)

12       Section 65-20. The Retailers' Occupation Tax Act is  
13       amended by changing Section 2-5 as follows:

14       (35 ILCS 120/2-5)

15       Sec. 2-5. Exemptions. Gross receipts from proceeds from  
16       the sale of the following tangible personal property are  
17       exempt from the tax imposed by this Act:

18             (1) Farm chemicals.

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

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

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

24 Farm machinery and equipment also includes computers,  
25 sensors, software, and related equipment used primarily in  
26 the computer-assisted operation of production agriculture



1 facilities, equipment, and activities such as, but not  
2 limited to, the collection, monitoring, and correlation of  
3 animal and crop data for the purpose of formulating animal  
4 diets and agricultural chemicals. This item (2) is exempt  
5 from the provisions of Section 2-70.

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

13 (4) Until July 1, 2003 and beginning again September  
14 1, 2004 through August 30, 2014, graphic arts machinery  
15 and equipment, including repair and replacement parts,  
16 both new and used, and including that manufactured on  
17 special order or purchased for lease, certified by the  
18 purchaser to be used primarily for graphic arts  
19 production. Equipment includes chemicals or chemicals  
20 acting as catalysts but only if the chemicals or chemicals  
21 acting as catalysts effect a direct and immediate change  
22 upon a graphic arts product. Beginning on July 1, 2017,  
23 graphic arts machinery and equipment is included in the  
24 manufacturing and assembling machinery and equipment  
25 exemption under paragraph (14).

26 (5) A motor vehicle that is used for automobile

1           renting, as defined in the Automobile Renting Occupation  
2           and Use Tax Act. This paragraph is exempt from the  
3           provisions of Section 2-70.

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

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

10          (8) Personal property sold to an Illinois county fair  
11          association for use in conducting, operating, or promoting  
12          the county fair.

13          (9) Personal property sold to a not-for-profit arts or  
14          cultural organization that establishes, by proof required  
15          by the Department by rule, that it has received an  
16          exemption under Section 501(c)(3) of the Internal Revenue  
17          Code and that is organized and operated primarily for the  
18          presentation or support of arts or cultural programming,  
19          activities, or services. These organizations include, but  
20          are not limited to, music and dramatic arts organizations  
21          such as symphony orchestras and theatrical groups, arts  
22          and cultural service organizations, local arts councils,  
23          visual arts organizations, and media arts organizations.  
24          On and after July 1, 2001 (the effective date of Public Act  
25          92-35), however, an entity otherwise eligible for this  
26          exemption shall not make tax-free purchases unless it has

1 an active identification number issued by the Department.

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

9 (11) Personal property sold to a governmental body, to  
10 a corporation, society, association, foundation, or  
11 institution organized and operated exclusively for  
12 charitable, religious, or educational purposes, or to a  
13 not-for-profit corporation, society, association,  
14 foundation, institution, or organization that has no  
15 compensated officers or employees and that is organized  
16 and operated primarily for the recreation of persons 55  
17 years of age or older. A limited liability company may  
18 qualify for the exemption under this paragraph only if the  
19 limited liability company is organized and operated  
20 exclusively for educational purposes. On and after July 1,  
21 1987, however, no entity otherwise eligible for this  
22 exemption shall make tax-free purchases unless it has an  
23 active identification number issued by the Department.

24 (12) (Blank).

25 (12-5) On and after July 1, 2003 and through June 30,  
26 2004, motor vehicles of the second division with a gross

1 vehicle weight in excess of 8,000 pounds that are subject  
2 to the commercial distribution fee imposed under Section  
3 3-815.1 of the Illinois Vehicle Code. Beginning on July 1,  
4 2004 and through June 30, 2005, the use in this State of  
5 motor vehicles of the second division: (i) with a gross  
6 vehicle weight rating in excess of 8,000 pounds; (ii) that  
7 are subject to the commercial distribution fee imposed  
8 under Section 3-815.1 of the Illinois Vehicle Code; and  
9 (iii) that are primarily used for commercial purposes.  
10 Through June 30, 2005, this exemption applies to repair  
11 and replacement parts added after the initial purchase of  
12 such a motor vehicle if that motor vehicle is used in a  
13 manner that would qualify for the rolling stock exemption  
14 otherwise provided for in this Act. For purposes of this  
15 paragraph, "used for commercial purposes" means the  
16 transportation of persons or property in furtherance of  
17 any commercial or industrial enterprise whether for-hire  
18 or not.

19 (13) Proceeds from sales to owners, lessors, or  
20 shippers of tangible personal property that is utilized by  
21 interstate carriers for hire for use as rolling stock  
22 moving in interstate commerce and equipment operated by a  
23 telecommunications provider, licensed as a common carrier  
24 by the Federal Communications Commission, which is  
25 permanently installed in or affixed to aircraft moving in  
26 interstate commerce.

1           (14) Machinery and equipment that will be used by the  
2 purchaser, or a lessee of the purchaser, primarily in the  
3 process of manufacturing or assembling tangible personal  
4 property for wholesale or retail sale or lease, whether  
5 the sale or lease is made directly by the manufacturer or  
6 by some other person, whether the materials used in the  
7 process are owned by the manufacturer or some other  
8 person, or whether the sale or lease is made apart from or  
9 as an incident to the seller's engaging in the service  
10 occupation of producing machines, tools, dies, jigs,  
11 patterns, gauges, or other similar items of no commercial  
12 value on special order for a particular purchaser. The  
13 exemption provided by this paragraph (14) does not include  
14 machinery and equipment used in (i) the generation of  
15 electricity for wholesale or retail sale; (ii) the  
16 generation or treatment of natural or artificial gas for  
17 wholesale or retail sale that is delivered to customers  
18 through pipes, pipelines, or mains; or (iii) the treatment  
19 of water for wholesale or retail sale that is delivered to  
20 customers through pipes, pipelines, or mains. The  
21 provisions of Public Act 98-583 are declaratory of  
22 existing law as to the meaning and scope of this  
23 exemption. Beginning on July 1, 2017, the exemption  
24 provided by this paragraph (14) includes, but is not  
25 limited to, graphic arts machinery and equipment, as  
26 defined in paragraph (4) of this Section.

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

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

13          (17) Tangible personal property sold to a common  
14          carrier by rail or motor that receives the physical  
15          possession of the property in Illinois and that transports  
16          the property, or shares with another common carrier in the  
17          transportation of the property, out of Illinois on a  
18          standard uniform bill of lading showing the seller of the  
19          property as the shipper or consignor of the property to a  
20          destination outside Illinois, for use outside Illinois.

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

25          (19) Until July 1, 2003, oil field exploration,  
26          drilling, and production equipment, including (i) rigs and

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

9 (20) Photoprocessing machinery and equipment,  
10 including repair and replacement parts, both new and used,  
11 including that manufactured on special order, certified by  
12 the purchaser to be used primarily for photoprocessing,  
13 and including photoprocessing machinery and equipment  
14 purchased for lease.

15 (21) Until July 1, 2023, coal and aggregate  
16 exploration, mining, off-highway hauling, processing,  
17 maintenance, and reclamation equipment, including  
18 replacement parts and equipment, and including equipment  
19 purchased for lease, but excluding motor vehicles required  
20 to be registered under the Illinois Vehicle Code. The  
21 changes made to this Section by Public Act 97-767 apply on  
22 and after July 1, 2003, but no claim for credit or refund  
23 is allowed on or after August 16, 2013 (the effective date  
24 of Public Act 98-456) for such taxes paid during the  
25 period beginning July 1, 2003 and ending on August 16,  
26 2013 (the effective date of Public Act 98-456).

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

8           Beginning July 1, 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 that (i) is engaged in foreign trade or is engaged  
13 in trade between the United States and any of its  
14 possessions and (ii) transports at least one individual or  
15 package for hire from the city of origination to the city  
16 of final destination on the same aircraft, without regard  
17 to a change in the flight number of that aircraft.

18           (23) A transaction in which the purchase order is  
19 received by a florist who is located outside Illinois, but  
20 who has a florist located in Illinois deliver the property  
21 to the purchaser or the purchaser's donee in Illinois.

22           (24) Fuel consumed or used in the operation of ships,  
23 barges, or vessels that are used primarily in or for the  
24 transportation of property or the conveyance of persons  
25 for hire on rivers bordering on this State if the fuel is  
26 delivered by the seller to the purchaser's barge, ship, or



1 vessel while it is afloat upon that bordering river.

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

15 (25-5) The exemption under item (25) does not apply if  
16 the state in which the motor vehicle will be titled does  
17 not allow a reciprocal exemption for a motor vehicle sold  
18 and delivered in that state to an Illinois resident but  
19 titled in Illinois. The tax collected under this Act on  
20 the sale of a motor vehicle in this State to a resident of  
21 another state that does not allow a reciprocal exemption  
22 shall be imposed at a rate equal to the state's rate of tax  
23 on taxable property in the state in which the purchaser is  
24 a resident, except that the tax shall not exceed the tax  
25 that would otherwise be imposed under this Act. At the  
26 time of the sale, the purchaser shall execute a statement,

1 signed under penalty of perjury, of his or her intent to  
2 title the vehicle in the state in which the purchaser is a  
3 resident within 30 days after the sale and of the fact of  
4 the payment to the State of Illinois of tax in an amount  
5 equivalent to the state's rate of tax on taxable property  
6 in his or her state of residence and shall submit the  
7 statement to the appropriate tax collection agency in his  
8 or her state of residence. In addition, the retailer must  
9 retain a signed copy of the statement in his or her  
10 records. Nothing in this item shall be construed to  
11 require the removal of the vehicle from this state  
12 following the filing of an intent to title the vehicle in  
13 the purchaser's state of residence if the purchaser titles  
14 the vehicle in his or her state of residence within 30 days  
15 after the date of sale. The tax collected under this Act in  
16 accordance with this item (25-5) shall be proportionately  
17 distributed as if the tax were collected at the 6.25%  
18 general rate imposed under this Act.

19 (25-7) Beginning on July 1, 2007, no tax is imposed  
20 under this Act on the sale of an aircraft, as defined in  
21 Section 3 of the Illinois Aeronautics Act, if all of the  
22 following conditions are met:

23 (1) the aircraft leaves this State within 15 days  
24 after the later of either the issuance of the final  
25 billing for the sale of the aircraft, or the  
26 authorized approval for return to service, completion

1 of the maintenance record entry, and completion of the  
2 test flight and ground test for inspection, as  
3 required by 14 C.F.R. 91.407;

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

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

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

18 "Based in this State" means hangared, stored, or  
19 otherwise used, excluding post-sale customizations as  
20 defined in this Section, for 10 or more days in each  
21 12-month period immediately following the date of the sale  
22 of the aircraft.

23 "Registered in this State" means an aircraft  
24 registered with the Department of Transportation,  
25 Aeronautics Division, or titled or registered with the  
26 Federal Aviation Administration to an address located in

1           this State.

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

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

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

20          (28) Computers and communications equipment utilized  
21          for any hospital purpose and equipment used in the  
22          diagnosis, analysis, or treatment of hospital patients  
23          sold to a lessor who leases the equipment, under a lease of  
24          one year or longer executed or in effect at the time of the  
25          purchase, to a hospital that has been issued an active tax  
26          exemption identification number by the Department under

1 Section 1g of this Act.

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

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

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

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

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

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

1 individuals to follow a trade or to pursue a manual,  
2 technical, mechanical, industrial, business, or commercial  
3 occupation.

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

19 (35) Beginning January 1, 2000 and through December  
20 31, 2001, new or used automatic vending machines that  
21 prepare and serve hot food and beverages, including  
22 coffee, soup, and other items, and replacement parts for  
23 these machines. Beginning January 1, 2002 and through June  
24 30, 2003, machines and parts for machines used in  
25 commercial, coin-operated amusement and vending business  
26 if a use or occupation tax is paid on the gross receipts

1 derived from the use of the commercial, coin-operated  
2 amusement and vending machines. This paragraph is exempt  
3 from the provisions of Section 2-70.

4 (35-5) Beginning August 23, 2001 and through June 30,  
5 2016, food for human consumption that is to be consumed  
6 off the premises where it is sold (other than alcoholic  
7 beverages, soft drinks, and food that has been prepared  
8 for immediate consumption) and prescription and  
9 nonprescription medicines, drugs, medical appliances, and  
10 insulin, urine testing materials, syringes, and needles  
11 used by diabetics, for human use, when purchased for use  
12 by a person receiving medical assistance under Article V  
13 of the Illinois Public Aid Code who resides in a licensed  
14 long-term care facility, as defined in the Nursing Home  
15 Care Act, or a licensed facility as defined in the ID/DD  
16 Community Care Act, the MC/DD Act, or the Specialized  
17 Mental Health Rehabilitation Act of 2013.

18 (36) Beginning August 2, 2001, computers and  
19 communications equipment utilized for any hospital purpose  
20 and equipment used in the diagnosis, analysis, or  
21 treatment of hospital patients sold to a lessor who leases  
22 the equipment, under a lease of one year or longer  
23 executed or in effect at the time of the purchase, to a  
24 hospital that has been issued an active tax exemption  
25 identification number by the Department under Section 1g  
26 of this Act. This paragraph is exempt from the provisions



1 of Section 2-70.

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

9 (38) Beginning on January 1, 2002 and through June 30,  
10 2016, tangible personal property purchased from an  
11 Illinois retailer by a taxpayer engaged in centralized  
12 purchasing activities in Illinois who will, upon receipt  
13 of the property in Illinois, temporarily store the  
14 property in Illinois (i) for the purpose of subsequently  
15 transporting it outside this State for use or consumption  
16 thereafter solely outside this State or (ii) for the  
17 purpose of being processed, fabricated, or manufactured  
18 into, attached to, or incorporated into other tangible  
19 personal property to be transported outside this State and  
20 thereafter used or consumed solely outside this State. The  
21 Director of Revenue shall, pursuant to rules adopted in  
22 accordance with the Illinois Administrative Procedure Act,  
23 issue a permit to any taxpayer in good standing with the  
24 Department who is eligible for the exemption under this  
25 paragraph (38). The permit issued under this paragraph  
26 (38) shall authorize the holder, to the extent and in the

1 manner specified in the rules adopted under this Act, to  
2 purchase tangible personal property from a retailer exempt  
3 from the taxes imposed by this Act. Taxpayers shall  
4 maintain all necessary books and records to substantiate  
5 the use and consumption of all such tangible personal  
6 property outside of the State of Illinois.

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

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

1 or uninstalled upon any such aircraft. "Consumable  
2 supplies" include, but are not limited to, adhesive, tape,  
3 sandpaper, general purpose lubricants, cleaning solution,  
4 latex gloves, and protective films. This exemption applies  
5 only to the sale of qualifying tangible personal property  
6 to persons who modify, refurbish, complete, replace, or  
7 maintain an aircraft and who (i) hold an Air Agency  
8 Certificate and are empowered to operate an approved  
9 repair station by the Federal Aviation Administration,  
10 (ii) have a Class IV Rating, and (iii) conduct operations  
11 in accordance with Part 145 of the Federal Aviation  
12 Regulations. The exemption does not include aircraft  
13 operated by a commercial air carrier providing scheduled  
14 passenger air service pursuant to authority issued under  
15 Part 121 or Part 129 of the Federal Aviation Regulations.  
16 The changes made to this paragraph (40) by Public Act  
17 98-534 are declarative of existing law. It is the intent  
18 of the General Assembly that the exemption under this  
19 paragraph (40) applies continuously from January 1, 2010  
20 through December 31, 2024; however, no claim for credit or  
21 refund is allowed for taxes paid as a result of the  
22 disallowance of this exemption on or after January 1, 2015  
23 and prior to the effective date of this amendatory Act of  
24 the 101st General Assembly.

25 (41) Tangible personal property sold to a  
26 public-facilities corporation, as described in Section

1 11-65-10 of the Illinois Municipal Code, for purposes of  
2 constructing or furnishing a municipal convention hall,  
3 but only if the legal title to the municipal convention  
4 hall is transferred to the municipality without any  
5 further consideration by or on behalf of the municipality  
6 at the time of the completion of the municipal convention  
7 hall or upon the retirement or redemption of any bonds or  
8 other debt instruments issued by the public-facilities  
9 corporation in connection with the development of the  
10 municipal convention hall. This exemption includes  
11 existing public-facilities corporations as provided in  
12 Section 11-65-25 of the Illinois Municipal Code. This  
13 paragraph is exempt from the provisions of Section 2-70.

14 (42) Beginning January 1, 2017 and through December  
15 31, 2026, menstrual pads, tampons, and menstrual cups.

16 (43) Merchandise that is subject to the Rental  
17 Purchase Agreement Occupation and Use Tax. The purchaser  
18 must certify that the item is purchased to be rented  
19 subject to a rental purchase agreement, as defined in the  
20 Rental Purchase Agreement Act, and provide proof of  
21 registration under the Rental Purchase Agreement  
22 Occupation and Use Tax Act. This paragraph is exempt from  
23 the provisions of Section 2-70.

24 (44) Qualified tangible personal property used in the  
25 construction or operation of a data center that has been  
26 granted a certificate of exemption by the Department of

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

13 The Department of Commerce and Economic Opportunity  
14 shall grant a certificate of exemption under this item  
15 (44) to qualified data centers as defined by Section  
16 605-1025 of the Department of Commerce and Economic  
17 Opportunity Law of the Civil Administrative Code of  
18 Illinois.

19 For the purposes of this item (44):

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

24 "Qualified tangible personal property" means:  
25 electrical systems and equipment; climate control and  
26 chilling equipment and systems; mechanical systems and

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

26 This item (44) is exempt from the provisions of

1 Section 2-70.

2 (45) Beginning January 1, 2020 and through December  
3 31, 2020, sales of tangible personal property made by a  
4 marketplace seller over a marketplace for which tax is due  
5 under this Act but for which use tax has been collected and  
6 remitted to the Department by a marketplace facilitator  
7 under Section 2d of the Use Tax Act are exempt from tax  
8 under this Act. A marketplace seller claiming this  
9 exemption shall maintain books and records demonstrating  
10 that the use tax on such sales has been collected and  
11 remitted by a marketplace facilitator. Marketplace sellers  
12 that have properly remitted tax under this Act on such  
13 sales may file a claim for credit as provided in Section 6  
14 of this Act. No claim is allowed, however, for such taxes  
15 for which a credit or refund has been issued to the  
16 marketplace facilitator under the Use Tax Act, or for  
17 which the marketplace facilitator has filed a claim for  
18 credit or refund under the Use Tax Act.

19 (46) Beginning July 1, 2022, breast pumps, breast pump  
20 collection and storage supplies, and breast pump kits.  
21 This item (46) is exempt from the provisions of Section  
22 2-70. As used in this item (46):

23 "Breast pump" means an electrically controlled or  
24 manually controlled pump device designed or marketed to be  
25 used to express milk from a human breast during lactation,  
26 including the pump device and any battery, AC adapter, or

1 other power supply unit that is used to power the pump  
2 device and is packaged and sold with the pump device at the  
3 time of sale.

4 "Breast pump collection and storage supplies" means  
5 items of tangible personal property designed or marketed  
6 to be used in conjunction with a breast pump to collect  
7 milk expressed from a human breast and to store collected  
8 milk until it is ready for consumption.

9 "Breast pump collection and storage supplies"  
10 includes, but is not limited to: breast shields and breast  
11 shield connectors; breast pump tubes and tubing adapters;  
12 breast pump valves and membranes; backflow protectors and  
13 backflow protector adaptors; bottles and bottle caps  
14 specific to the operation of the breast pump; and breast  
15 milk storage bags.

16 "Breast pump collection and storage supplies" does not  
17 include: (1) bottles and bottle caps not specific to the  
18 operation of the breast pump; (2) breast pump travel bags  
19 and other similar carrying accessories, including ice  
20 packs, labels, and other similar products; (3) breast pump  
21 cleaning supplies; (4) nursing bras, bra pads, breast  
22 shells, and other similar products; and (5) creams,  
23 ointments, and other similar products that relieve  
24 breastfeeding-related symptoms or conditions of the  
25 breasts or nipples, unless sold as part of a breast pump  
26 kit that is pre-packaged by the breast pump manufacturer



1       or distributor.

2           "Breast pump kit" means a kit that: (1) contains no  
3       more than a breast pump, breast pump collection and  
4       storage supplies, a rechargeable battery for operating the  
5       breast pump, a breastmilk cooler, bottle stands, ice  
6       packs, and a breast pump carrying case; and (2) is  
7       pre-packaged as a breast pump kit by the breast pump  
8       manufacturer or distributor.

9       (Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;  
10      101-629, eff. 2-5-20; 102-16, eff. 6-17-21; 102-634, eff.  
11      8-27-21; revised 11-9-21.)

12                                   ARTICLE 70. INCOME TAX REFUND

13           Section 70-5. The Illinois Administrative Procedure Act is  
14      amended by adding Section 5-45.22 as follows:

15           (5 ILCS 100/5-45.22 new)

16           Sec. 5-45.22. Emergency rulemaking. To provide for the  
17       expeditious and timely implementation of this amendatory Act  
18       of the 102nd General Assembly, emergency rules implementing  
19       Section 212.1 of the Illinois Income Tax Act may be adopted in  
20       accordance with Section 5-45 by the Department of Revenue. The  
21       adoption of emergency rules authorized by Section 5-45 and  
22       this Section is deemed to be necessary for the public  
23       interest, safety, and welfare.

1           This Section is repealed one year after the effective date  
2           of this amendatory Act of the 102nd General Assembly.

3           Section 70-10. The State Finance Act is amended by  
4           changing Section 8g-1 as follows:

5           (30 ILCS 105/8g-1)

6           Sec. 8g-1. Fund transfers.

7           (a) (Blank).

8           (b) (Blank).

9           (c) (Blank).

10          (d) (Blank).

11          (e) (Blank).

12          (f) (Blank).

13          (g) (Blank).

14          (h) (Blank).

15          (i) (Blank).

16          (j) (Blank).

17          (k) (Blank).

18          (l) (Blank).

19          (m) (Blank).

20          (n) (Blank).

21          (o) (Blank).

22          (p) (Blank).

23          (q) (Blank).

24          (r) (Blank).

1 (s) (Blank).

2 (t) (Blank).

3 (u) In addition to any other transfers that may be  
4 provided for by law, on July 1, 2021, or as soon thereafter as  
5 practical, only as directed by the Director of the Governor's  
6 Office of Management and Budget, the State Comptroller shall  
7 direct and the State Treasurer shall transfer the sum of  
8 \$5,000,000 from the General Revenue Fund to the DoIT Special  
9 Projects Fund, and on June 1, 2022, or as soon thereafter as  
10 practical, but no later than June 30, 2022, the State  
11 Comptroller shall direct and the State Treasurer shall  
12 transfer the sum so transferred from the DoIT Special Projects  
13 Fund to the General Revenue Fund.

14 (v) In addition to any other transfers that may be  
15 provided for by law, on July 1, 2021, or as soon thereafter as  
16 practical, the State Comptroller shall direct and the State  
17 Treasurer shall transfer the sum of \$500,000 from the General  
18 Revenue Fund to the Governor's Administrative Fund.

19 (w) In addition to any other transfers that may be  
20 provided for by law, on July 1, 2021, or as soon thereafter as  
21 practical, the State Comptroller shall direct and the State  
22 Treasurer shall transfer the sum of \$500,000 from the General  
23 Revenue Fund to the Grant Accountability and Transparency  
24 Fund.

25 (x) In addition to any other transfers that may be  
26 provided for by law, at a time or times during Fiscal Year 2022

1 as directed by the Governor, the State Comptroller shall  
2 direct and the State Treasurer shall transfer up to a total of  
3 \$20,000,000 from the General Revenue Fund to the Illinois  
4 Sports Facilities Fund to be credited to the Advance Account  
5 within the Fund.

6 (y) In addition to any other transfers that may be  
7 provided for by law, on June 15, 2021, or as soon thereafter as  
8 practical, but no later than June 30, 2021, the State  
9 Comptroller shall direct and the State Treasurer shall  
10 transfer the sum of \$100,000,000 from the General Revenue Fund  
11 to the Technology Management Revolving Fund.

12 (z) In addition to any other transfers that may be  
13 provided by law, on the effective date of this amendatory Act  
14 of the 102nd General Assembly, or as soon thereafter as  
15 practical, but no later than June 30, 2022, the State  
16 Comptroller shall direct and the State Treasurer shall  
17 transfer the sum of \$175,000,000 from the General Revenue Fund  
18 to the Income Tax Refund Fund. Moneys from this transfer shall  
19 be used for the purpose of one-time rebate payments provided  
20 under Section 212.1 of the Illinois Income Tax Act.

21 (aa) In addition to any other transfers that may be  
22 provided by law, beginning on the effective date of this  
23 amendatory Act of the 102nd General Assembly and until  
24 December 31, 2022, at the direction of the Department of  
25 Revenue, the State Comptroller shall direct and the State  
26 Treasurer shall transfer from the General Revenue Fund to the

1 Income Tax Refund Fund any amounts needed beyond those  
2 transferred in subsection (z) to make payments of the one-time  
3 rebate payments provided under Section 212.1 of the Illinois  
4 Income Tax Act.

5 (Source: P.A. 101-10, eff. 6-5-19; 101-636, eff. 6-10-20;  
6 102-16, eff. 6-17-21.)

7 Section 70-15. The Illinois Income Tax Act is amended by  
8 changing Section 901 and by adding Section 212.1 as follows:

9 (35 ILCS 5/212.1 new)

10 Sec. 212.1. Fiscal Year 2023 individual income tax  
11 rebates.

12 (a) Each taxpayer who files an individual income tax  
13 return under this Act, on or before October 17, 2022, for the  
14 taxable year that began on January 1, 2021 and received a  
15 credit under subsection (a) of Section 212 is entitled to a  
16 one-time rebate under this Section. The amount of the rebate  
17 shall be \$100 for single filers and \$200 for spouses filing a  
18 joint return, plus an additional \$50 for each person who is  
19 claimed as a dependent on the taxpayer's federal income tax  
20 return for the taxable year that began on January 1, 2021. A  
21 taxpayer who files an individual income tax return under this  
22 Act for the taxable year that began on January 1, 2021, and who  
23 is claimed as a dependent on another individual's return for  
24 that year, is ineligible for the rebate provided under this

1 Section. Spouses who qualify for a rebate under this Section  
2 and who file a joint return shall be treated as a single  
3 taxpayer for the purposes of the rebate under this Section.  
4 For a part-year resident, the amount of the rebate under this  
5 Section shall be in proportion to the amount of the taxpayer's  
6 income that is attributable to this State for the taxable year  
7 that began on January 1, 2021. Taxpayers who were  
8 non-residents for the taxable year that began on January 1,  
9 2021 are not entitled to a rebate under this Section.

10 (b) As soon as practical after the effective date of this  
11 amendatory Act of the 102nd General Assembly, the Department  
12 shall examine each individual income tax return filed for the  
13 taxable year that began on January 1, 2021 for the purpose of  
14 granting rebates under this Section. Based on those  
15 examinations, the Department shall submit a voucher to the  
16 State Comptroller and the State Treasurer for the amount of  
17 each rebate under this Section. Those vouchers shall be issued  
18 no later than August 1, 2022. Except as provided in subsection  
19 (c), payment shall be made to the taxpayer no later than  
20 October 1, 2022 by a warrant drawn on the State treasury by the  
21 State Comptroller and countersigned by the State Treasurer.

22 (c) Notwithstanding the provisions of subsection (b), if a  
23 qualified taxpayer has been granted an extension for the  
24 filing of his or her Illinois income tax return for the taxable  
25 year beginning on January 1, 2021, then the voucher for  
26 payment shall be issued no later than 60 days after the

1 extended return is accepted by the Department, and payment  
2 shall be made to the taxpayer within 30 days after the voucher  
3 is received by the State Comptroller. If the taxpayer files an  
4 amended return indicating that he or she is entitled to a  
5 rebate under this Section that he or she did not receive, or  
6 indicating that he or she did not receive the full rebate  
7 amount to which he or she is entitled, then the rebate shall be  
8 processed in the same manner as a claim for refund under  
9 Article 9. If the taxpayer files an amended return indicating  
10 that he or she received a rebate under this Section to which he  
11 or she is not entitled, then the Department shall issue a  
12 notice of deficiency as provided in Article 9.

13 (d) The Department shall make the rebate payments  
14 authorized by this Section from the Income Tax Refund Fund.

15 (e) The amount of a rebate under this Section shall not be  
16 included in the taxpayer's income or resources for the  
17 purposes of determining eligibility or benefit level in any  
18 means-tested benefit program administered by a governmental  
19 entity unless required by federal law.

20 (f) Nothing in this Section prevents a taxpayer from  
21 receiving the earned income tax credit and the rebate under  
22 this Section for the same taxable year.

23 (g) Notwithstanding any other law to the contrary, the  
24 rebates shall not be subject to offset by the Comptroller  
25 against any liability owed either to the State or to any unit  
26 of local government.

1       (h) The Department shall adopt rules for the  
2 implementation of this Section, including emergency rules  
3 under Section 5-45 of the Illinois Administrative Procedure  
4 Act.

5       (i) This Section is repealed one year after the effective  
6 date of this amendatory Act of the 102nd General Assembly.

7       (35 ILCS 5/901)

8       Sec. 901. Collection authority.

9       (a) In general. The Department shall collect the taxes  
10 imposed by this Act. The Department shall collect certified  
11 past due child support amounts under Section 2505-650 of the  
12 Department of Revenue Law of the Civil Administrative Code of  
13 Illinois. Except as provided in subsections (b), (c), (e),  
14 (f), (g), and (h) of this Section, money collected pursuant to  
15 subsections (a) and (b) of Section 201 of this Act shall be  
16 paid into the General Revenue Fund in the State treasury;  
17 money collected pursuant to subsections (c) and (d) of Section  
18 201 of this Act shall be paid into the Personal Property Tax  
19 Replacement Fund, a special fund in the State Treasury; and  
20 money collected under Section 2505-650 of the Department of  
21 Revenue Law of the Civil Administrative Code of Illinois shall  
22 be paid into the Child Support Enforcement Trust Fund, a  
23 special fund outside the State Treasury, or to the State  
24 Disbursement Unit established under Section 10-26 of the  
25 Illinois Public Aid Code, as directed by the Department of



1 Healthcare and Family Services.

2 (b) Local Government Distributive Fund. Beginning August  
3 1, 2017, the Treasurer shall transfer each month from the  
4 General Revenue Fund to the Local Government Distributive Fund  
5 an amount equal to the sum of: (i) 6.06% (10% of the ratio of  
6 the 3% individual income tax rate prior to 2011 to the 4.95%  
7 individual income tax rate after July 1, 2017) of the net  
8 revenue realized from the tax imposed by subsections (a) and  
9 (b) of Section 201 of this Act upon individuals, trusts, and  
10 estates during the preceding month; (ii) 6.85% (10% of the  
11 ratio of the 4.8% corporate income tax rate prior to 2011 to  
12 the 7% corporate income tax rate after July 1, 2017) of the net  
13 revenue realized from the tax imposed by subsections (a) and  
14 (b) of Section 201 of this Act upon corporations during the  
15 preceding month; and (iii) beginning February 1, 2022, 6.06%  
16 of the net revenue realized from the tax imposed by subsection  
17 (p) of Section 201 of this Act upon electing pass-through  
18 entities. Net revenue realized for a month shall be defined as  
19 the revenue from the tax imposed by subsections (a) and (b) of  
20 Section 201 of this Act which is deposited in the General  
21 Revenue Fund, the Education Assistance Fund, the Income Tax  
22 Surcharge Local Government Distributive Fund, the Fund for the  
23 Advancement of Education, and the Commitment to Human Services  
24 Fund during the month minus the amount paid out of the General  
25 Revenue Fund in State warrants during that same month as  
26 refunds to taxpayers for overpayment of liability under the

1 tax imposed by subsections (a) and (b) of Section 201 of this  
2 Act.

3 Notwithstanding any provision of law to the contrary,  
4 beginning on July 6, 2017 (the effective date of Public Act  
5 100-23), those amounts required under this subsection (b) to  
6 be transferred by the Treasurer into the Local Government  
7 Distributive Fund from the General Revenue Fund shall be  
8 directly deposited into the Local Government Distributive Fund  
9 as the revenue is realized from the tax imposed by subsections  
10 (a) and (b) of Section 201 of this Act.

11 (c) Deposits Into Income Tax Refund Fund.

12 (1) Beginning on January 1, 1989 and thereafter, the  
13 Department shall deposit a percentage of the amounts  
14 collected pursuant to subsections (a) and (b)(1), (2), and  
15 (3) of Section 201 of this Act into a fund in the State  
16 treasury known as the Income Tax Refund Fund. Beginning  
17 with State fiscal year 1990 and for each fiscal year  
18 thereafter, the percentage deposited into the Income Tax  
19 Refund Fund during a fiscal year shall be the Annual  
20 Percentage. For fiscal year 2011, the Annual Percentage  
21 shall be 8.75%. For fiscal year 2012, the Annual  
22 Percentage shall be 8.75%. For fiscal year 2013, the  
23 Annual Percentage shall be 9.75%. For fiscal year 2014,  
24 the Annual Percentage shall be 9.5%. For fiscal year 2015,  
25 the Annual Percentage shall be 10%. For fiscal year 2018,  
26 the Annual Percentage shall be 9.8%. For fiscal year 2019,

1 the Annual Percentage shall be 9.7%. For fiscal year 2020,  
2 the Annual Percentage shall be 9.5%. For fiscal year 2021,  
3 the Annual Percentage shall be 9%. For fiscal year 2022,  
4 the Annual Percentage shall be 9.25%. For all other fiscal  
5 years, the Annual Percentage shall be calculated as a  
6 fraction, the numerator of which shall be the amount of  
7 refunds approved for payment by the Department during the  
8 preceding fiscal year as a result of overpayment of tax  
9 liability under subsections (a) and (b) (1), (2), and (3)  
10 of Section 201 of this Act plus the amount of such refunds  
11 remaining approved but unpaid at the end of the preceding  
12 fiscal year, minus the amounts transferred into the Income  
13 Tax Refund Fund from the Tobacco Settlement Recovery Fund,  
14 and the denominator of which shall be the amounts which  
15 will be collected pursuant to subsections (a) and (b) (1),  
16 (2), and (3) of Section 201 of this Act during the  
17 preceding fiscal year; except that in State fiscal year  
18 2002, the Annual Percentage shall in no event exceed 7.6%.  
19 The Director of Revenue shall certify the Annual  
20 Percentage to the Comptroller on the last business day of  
21 the fiscal year immediately preceding the fiscal year for  
22 which it is to be effective.

23 (2) Beginning on January 1, 1989 and thereafter, the  
24 Department shall deposit a percentage of the amounts  
25 collected pursuant to subsections (a) and (b) (6), (7), and  
26 (8), (c) and (d) of Section 201 of this Act into a fund in

1 the State treasury known as the Income Tax Refund Fund.  
2 Beginning with State fiscal year 1990 and for each fiscal  
3 year thereafter, the percentage deposited into the Income  
4 Tax Refund Fund during a fiscal year shall be the Annual  
5 Percentage. For fiscal year 2011, the Annual Percentage  
6 shall be 17.5%. For fiscal year 2012, the Annual  
7 Percentage shall be 17.5%. For fiscal year 2013, the  
8 Annual Percentage shall be 14%. For fiscal year 2014, the  
9 Annual Percentage shall be 13.4%. For fiscal year 2015,  
10 the Annual Percentage shall be 14%. For fiscal year 2018,  
11 the Annual Percentage shall be 17.5%. For fiscal year  
12 2019, the Annual Percentage shall be 15.5%. For fiscal  
13 year 2020, the Annual Percentage shall be 14.25%. For  
14 fiscal year 2021, the Annual Percentage shall be 14%. For  
15 fiscal year 2022, the Annual Percentage shall be 15%. For  
16 all other fiscal years, the Annual Percentage shall be  
17 calculated as a fraction, the numerator of which shall be  
18 the amount of refunds approved for payment by the  
19 Department during the preceding fiscal year as a result of  
20 overpayment of tax liability under subsections (a) and  
21 (b) (6), (7), and (8), (c) and (d) of Section 201 of this  
22 Act plus the amount of such refunds remaining approved but  
23 unpaid at the end of the preceding fiscal year, and the  
24 denominator of which shall be the amounts which will be  
25 collected pursuant to subsections (a) and (b) (6), (7), and  
26 (8), (c) and (d) of Section 201 of this Act during the

1 preceding fiscal year; except that in State fiscal year  
2 2002, the Annual Percentage shall in no event exceed 23%.  
3 The Director of Revenue shall certify the Annual  
4 Percentage to the Comptroller on the last business day of  
5 the fiscal year immediately preceding the fiscal year for  
6 which it is to be effective.

7 (3) The Comptroller shall order transferred and the  
8 Treasurer shall transfer from the Tobacco Settlement  
9 Recovery Fund to the Income Tax Refund Fund (i)  
10 \$35,000,000 in January, 2001, (ii) \$35,000,000 in January,  
11 2002, and (iii) \$35,000,000 in January, 2003.

12 (d) Expenditures from Income Tax Refund Fund.

13 (1) Beginning January 1, 1989, money in the Income Tax  
14 Refund Fund shall be expended exclusively for the purpose  
15 of paying refunds resulting from overpayment of tax  
16 liability under Section 201 of this Act and for making  
17 transfers pursuant to this subsection (d), except that in  
18 State fiscal years 2022 and 2023, money in the Income Tax  
19 Refund Fund shall also be used to pay one-time rebate  
20 payments as provided under Section 212.1.

21 (2) The Director shall order payment of refunds  
22 resulting from overpayment of tax liability under Section  
23 201 of this Act from the Income Tax Refund Fund only to the  
24 extent that amounts collected pursuant to Section 201 of  
25 this Act and transfers pursuant to this subsection (d) and  
26 item (3) of subsection (c) have been deposited and

1 retained in the Fund.

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

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

26 (4.5) As soon as possible after the end of fiscal year

1 1999 and of each fiscal year thereafter, the Director  
2 shall order transferred and the State Treasurer and State  
3 Comptroller shall transfer from the Income Tax Refund Fund  
4 to the General Revenue Fund any surplus remaining in the  
5 Income Tax Refund Fund as of the end of such fiscal year;  
6 excluding for fiscal years 2000, 2001, and 2002 amounts  
7 attributable to transfers under item (3) of subsection (c)  
8 less refunds resulting from the earned income tax credit  
9 and excluding for fiscal year 2022 amounts attributable to  
10 transfers authorized by this amendatory Act of the 102nd  
11 General Assembly under subsections (z) and (aa) of Section  
12 8g-1 of the State Finance Act.

13 (5) This Act shall constitute an irrevocable and  
14 continuing appropriation from the Income Tax Refund Fund  
15 for the purpose of paying refunds upon the order of the  
16 Director in accordance with the provisions of this Section  
17 and for the purpose of paying one-time rebate payments  
18 provided under Section 212.1.

19 (e) Deposits into the Education Assistance Fund and the  
20 Income Tax Surcharge Local Government Distributive Fund. On  
21 July 1, 1991, and thereafter, of the amounts collected  
22 pursuant to subsections (a) and (b) of Section 201 of this Act,  
23 minus deposits into the Income Tax Refund Fund, the Department  
24 shall deposit 7.3% into the Education Assistance Fund in the  
25 State Treasury. Beginning July 1, 1991, and continuing through  
26 January 31, 1993, of the amounts collected pursuant to

1 subsections (a) and (b) of Section 201 of the Illinois Income  
2 Tax Act, minus deposits into the Income Tax Refund Fund, the  
3 Department shall deposit 3.0% into the Income Tax Surcharge  
4 Local Government Distributive Fund in the State Treasury.  
5 Beginning February 1, 1993 and continuing through June 30,  
6 1993, of the amounts collected pursuant to subsections (a) and  
7 (b) of Section 201 of the Illinois Income Tax Act, minus  
8 deposits into the Income Tax Refund Fund, the Department shall  
9 deposit 4.4% into the Income Tax Surcharge Local Government  
10 Distributive Fund in the State Treasury. Beginning July 1,  
11 1993, and continuing through June 30, 1994, of the amounts  
12 collected under subsections (a) and (b) of Section 201 of this  
13 Act, minus deposits into the Income Tax Refund Fund, the  
14 Department shall deposit 1.475% into the Income Tax Surcharge  
15 Local Government Distributive Fund in the State Treasury.

16 (f) Deposits into the Fund for the Advancement of  
17 Education. Beginning February 1, 2015, the Department shall  
18 deposit the following portions of the revenue realized from  
19 the tax imposed upon individuals, trusts, and estates by  
20 subsections (a) and (b) of Section 201 of this Act, minus  
21 deposits into the Income Tax Refund Fund, into the Fund for the  
22 Advancement of Education:

23 (1) beginning February 1, 2015, and prior to February  
24 1, 2025, 1/30; and

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

26 If the rate of tax imposed by subsection (a) and (b) of



1 Section 201 is reduced pursuant to Section 201.5 of this Act,  
2 the Department shall not make the deposits required by this  
3 subsection (f) on or after the effective date of the  
4 reduction.

5 (g) Deposits into the Commitment to Human Services Fund.  
6 Beginning February 1, 2015, the Department shall deposit the  
7 following portions of the revenue realized from the tax  
8 imposed upon individuals, trusts, and estates by subsections  
9 (a) and (b) of Section 201 of this Act, minus deposits into the  
10 Income Tax Refund Fund, into the Commitment to Human Services  
11 Fund:

12 (1) beginning February 1, 2015, and prior to February  
13 1, 2025, 1/30; and

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

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

20 (h) Deposits into the Tax Compliance and Administration  
21 Fund. Beginning on the first day of the first calendar month to  
22 occur on or after August 26, 2014 (the effective date of Public  
23 Act 98-1098), each month the Department shall pay into the Tax  
24 Compliance and Administration Fund, to be used, subject to  
25 appropriation, to fund additional auditors and compliance  
26 personnel at the Department, an amount equal to 1/12 of 5% of

1 the cash receipts collected during the preceding fiscal year  
2 by the Audit Bureau of the Department from the tax imposed by  
3 subsections (a), (b), (c), and (d) of Section 201 of this Act,  
4 net of deposits into the Income Tax Refund Fund made from those  
5 cash receipts.

6 (Source: P.A. 101-8, see Section 99 for effective date;  
7 101-10, eff. 6-5-19; 101-81, eff. 7-12-19; 101-636, eff.  
8 6-10-20; 102-16, eff. 6-17-21; 102-558, eff. 8-20-21; 102-658,  
9 eff. 8-27-21; revised 10-19-21.)

10 ARTICLE 75. LIVE THEATER CREDIT

11 Section 75-5. The Illinois Income Tax Act is amended by  
12 changing Section 222 as follows:

13 (35 ILCS 5/222)

14 Sec. 222. Live theater production credit.

15 (a) For tax years beginning on or after January 1, 2012 and  
16 beginning prior to January 1, 2029 ~~January 1, 2022~~, a taxpayer  
17 who has received a tax credit award under the Live Theater  
18 Production Tax Credit Act is entitled to a credit against the  
19 taxes imposed under subsections (a) and (b) of Section 201 of  
20 this Act in an amount determined under that Act by the  
21 Department of Commerce and Economic Opportunity.

22 (b) If the taxpayer is a partnership, limited liability  
23 partnership, limited liability company, or Subchapter S

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

6 (c) A sale, assignment, or transfer of the tax credit  
7 award may be made by the taxpayer earning the credit within one  
8 year after the credit is awarded in accordance with rules  
9 adopted by the Department of Commerce and Economic  
10 Opportunity.

11 (d) The Department of Revenue, in cooperation with the  
12 Department of Commerce and Economic Opportunity, shall adopt  
13 rules to enforce and administer the provisions of this  
14 Section.

15 (e) The tax credit award may not be carried back. If the  
16 amount of the credit exceeds the tax liability for the year,  
17 the excess may be carried forward and applied to the tax  
18 liability of the 5 tax years following the excess credit year.  
19 The tax credit award shall be applied to the earliest year for  
20 which there is a tax liability. If there are credits from more  
21 than one tax year that are available to offset liability, the  
22 earlier credit shall be applied first. In no event may a credit  
23 under this Section reduce the taxpayer's liability to less  
24 than zero.

25 (Source: P.A. 100-415, eff. 1-1-18.)

1 Section 75-10. The Live Theater Production Tax Credit Act  
2 is amended by changing Sections 10-10 and 10-20 as follows:

3 (35 ILCS 17/10-10)

4 Sec. 10-10. Definitions. As used in this Act:

5 "Accredited theater production" means a for-profit live  
6 stage presentation in a qualified production facility, as  
7 defined in this Section, that is either (i) a pre-Broadway  
8 production, ~~or~~ (ii) a long-run production for which the  
9 aggregate Illinois labor and marketing expenditures exceed  
10 \$100,000, or (iii) a commercial Broadway touring show.

11 "Commercial Broadway touring show" means a production  
12 playing in 3 or more markets across North America and  
13 recognized as a commercial Broadway touring show by the  
14 Broadway League, the national trade association for the  
15 Broadway industry.

16 "Pre-Broadway production" means a live stage production  
17 that, in its original or adaptive version, is performed in a  
18 qualified production facility having a presentation scheduled  
19 for Broadway's Theater District in New York City within 12  
20 months after its Illinois presentation.

21 "Long-run production" means a live stage production that  
22 is performed in a qualified production facility for longer  
23 than 8 weeks, with at least 6 performances per week, and  
24 includes a production that spans the end of one tax year and  
25 the commencement of a new tax year that, in combination, meets

1 the criteria set forth in this definition making it a long-run  
2 production eligible for a theater tax credit award in each tax  
3 year or portion thereof.

4 "Accredited theater production certificate" means a  
5 certificate issued by the Department certifying that the  
6 production is an accredited theater production that meets the  
7 guidelines of this Act.

8 "Applicant" means a taxpayer that is a theater producer,  
9 owner, licensee, operator, or presenter that is presenting or  
10 has presented a live stage presentation located within the  
11 State of Illinois who:

12 (1) owns or licenses the theatrical rights of the  
13 stage presentation for the Illinois production period; or

14 (2) has contracted or will contract directly with the  
15 owner or licensee of the theatrical rights or a person  
16 acting on behalf of the owner or licensee to provide live  
17 performances of the production.

18 An applicant that directly or indirectly owns, controls,  
19 or operates multiple qualified production facilities shall be  
20 presumed to be and considered for the purposes of this Act to  
21 be a single applicant; provided, however, that as to each of  
22 the applicant's qualified production facilities, the applicant  
23 shall be eligible to separately and contemporaneously (i)  
24 apply for and obtain accredited theater production  
25 certificates, (ii) stage accredited theater productions, and  
26 (iii) apply for and receive a tax credit award certificate for

1 each of the applicant's accredited theater productions  
2 performed at each of the applicant's qualified production  
3 facilities.

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

6 "Director" means the Director of the Department.

7 "Illinois labor expenditure" means gross salary or wages  
8 including, but not limited to, taxes, benefits, and any other  
9 consideration incurred or paid to non-talent employees of the  
10 applicant for services rendered to and on behalf of the  
11 accredited theater production. To qualify as an Illinois labor  
12 expenditure, the expenditure must be:

13 (1) incurred or paid by the applicant on or after the  
14 effective date of the Act for services related to any  
15 portion of an accredited theater production from its  
16 pre-production stages, including, but not limited to, the  
17 writing of the script, casting, hiring of service  
18 providers, purchases from vendors, marketing, advertising,  
19 public relations, load in, rehearsals, performances, other  
20 accredited theater production related activities, and load  
21 out;

22 (2) directly attributable to the accredited theater  
23 production;

24 (3) limited to the first \$100,000 of wages incurred or  
25 paid to each employee of an accredited theater production  
26 in each tax year;

1 (4) included in the federal income tax basis of the  
2 property;

3 (5) paid in the tax year for which the applicant is  
4 claiming the tax credit award, or no later than 60 days  
5 after the end of the tax year;

6 (6) paid to persons residing in Illinois at the time  
7 payments were made; and

8 (7) reasonable in the circumstances.

9 "Illinois production spending" means any and all expenses  
10 directly or indirectly incurred relating to an accredited  
11 theater production presented in any qualified production  
12 facility of the applicant, including, but not limited to,  
13 expenditures for:

14 (1) national marketing, public relations, and the  
15 creation and placement of print, electronic, television,  
16 billboard, and other forms of advertising; and

17 (2) the construction and fabrication of scenic  
18 materials and elements; provided, however, that the  
19 maximum amount of expenditures attributable to the  
20 construction and fabrication of scenic materials and  
21 elements eligible for a tax credit award shall not exceed  
22 \$500,000 per applicant per production in any single tax  
23 year.

24 "Qualified production facility" means a facility located  
25 in the State in which live theatrical productions are, or are  
26 intended to be, exclusively presented that contains at least

1 one stage, a seating capacity of 1,200 or more seats, and  
2 dressing rooms, storage areas, and other ancillary amenities  
3 necessary for the accredited theater production.

4 "Tax credit award" means the issuance to a taxpayer by the  
5 Department of a tax credit award in conformance with Sections  
6 10-40 and 10-45 of this Act.

7 "Tax year" means a calendar year for the period January 1  
8 to and including December 31.

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

10 (35 ILCS 17/10-20)

11 Sec. 10-20. Tax credit award. Subject to the conditions  
12 set forth in this Act, an applicant is entitled to a tax credit  
13 award as approved by the Department for qualifying Illinois  
14 labor expenditures and Illinois production spending for each  
15 tax year in which the applicant is awarded an accredited  
16 theater production certificate issued by the Department. The  
17 amount of tax credits awarded pursuant to this Act shall not  
18 exceed (i) \$2,000,000 in any fiscal year prior to State fiscal  
19 year 2023 and (ii) \$4,000,000 per fiscal year beginning in  
20 State fiscal year 2023; provided, however, that beginning in  
21 State fiscal year 2023, \$2,000,000 of the \$4,000,000 cap shall  
22 be reserved for applicants that are operators of qualified  
23 production facilities solely in connection with the  
24 presentation of commercial Broadway touring shows. Credits  
25 shall be awarded on a first-come, first-served basis.



1 Notwithstanding the foregoing, if the amount of credits  
2 applied for in any fiscal year exceeds the amount authorized  
3 to be awarded under this Section, the excess credit amount  
4 shall be awarded in the next fiscal year in which credits  
5 remain available for award and shall be treated as having been  
6 applied for on the first day of that fiscal year.

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

8 ARTICLE 99. EFFECTIVE DATE

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