



Rep. Michael J. Zalewski

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10200HB1497ham003

LRB102 03513 HLH 38884 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 10. EDGE-SUNSET

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

8 (35 ILCS 10/5-77)

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

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

13 ARTICLE 15. EDGE-STARTUPS

1 Section 15-5. The Economic Development for a Growing
2 Economy Tax Credit Act is amended by changing Sections 5-5,
3 5-15, and 5-20 as follows:

4 (35 ILCS 10/5-5)

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

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

8 "Applicant" means a Taxpayer that is operating a business
9 located or that the Taxpayer plans to locate within the State
10 of Illinois and that is engaged in interstate or intrastate
11 commerce for the purpose of manufacturing, processing,
12 assembling, warehousing, or distributing products, conducting
13 research and development, providing tourism services, or
14 providing services in interstate commerce, office industries,
15 or agricultural processing, but excluding retail, retail food,
16 health, or professional services. "Applicant" does not include
17 a Taxpayer who closes or substantially reduces an operation at
18 one location in the State and relocates substantially the same
19 operation to another location in the State. This does not
20 prohibit a Taxpayer from expanding its operations at another
21 location in the State, provided that existing operations of a
22 similar nature located within the State are not closed or
23 substantially reduced. This also does not prohibit a Taxpayer
24 from moving its operations from one location in the State to
25 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 in which the business is located, or in the case
4 of a business located in an incorporated area of the county,
5 within the county in which the business is located, after
6 conferring with the chief elected official of the municipality
7 or county and taking into consideration any evidence offered
8 by the municipality or county regarding the ability to
9 accommodate expansion within the municipality or county.

10 "Credit" means the amount agreed to between the Department
11 and Applicant under this Act, but not to exceed the lesser of:
12 (1) the sum of (i) 50% of the Incremental Income Tax
13 attributable to New Employees at the Applicant's project and
14 (ii) 10% of the training costs of New Employees; or (2) 100% of
15 the Incremental Income Tax attributable to New Employees at
16 the Applicant's project. However, if the project is located in
17 an underserved area, then the amount of the Credit may not
18 exceed the lesser of: (1) the sum of (i) 75% of the Incremental
19 Income Tax attributable to New Employees at the Applicant's
20 project and (ii) 10% of the training costs of New Employees; or
21 (2) 100% of the Incremental Income Tax attributable to New
22 Employees at the Applicant's project. If an Applicant agrees
23 to hire the required number of New Employees, then the maximum
24 amount of the Credit for that Applicant may be increased by an
25 amount not to exceed 25% of the Incremental Income Tax
26 attributable to retained employees at the Applicant's project;

1 provided that, in order to receive the increase for retained
2 employees, the Applicant must provide the additional evidence
3 required under paragraph (3) of subsection (b) of Section
4 5-25.

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

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

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

19 "Incremental Income Tax" means the total amount withheld
20 during the taxable year from the compensation of New Employees
21 and, if applicable, retained employees under Article 7 of the
22 Illinois Income Tax Act arising from employment at a project
23 that is the subject of an Agreement.

24 "New Construction EDGE Agreement" means the Agreement
25 between a Taxpayer and the Department under the provisions of
26 Section 5-51 of this Act.

1 "New Construction EDGE Credit" means an amount agreed to
2 between the Department and the Applicant under this Act as
3 part of a New Construction EDGE Agreement that does not exceed
4 50% of the Incremental Income Tax attributable to New
5 Construction EDGE Employees at the Applicant's project;
6 however, if the New Construction EDGE Project is located in an
7 underserved area, then the amount of the New Construction EDGE
8 Credit may not exceed 75% of the Incremental Income Tax
9 attributable to New Construction EDGE Employees at the
10 Applicant's New Construction EDGE Project.

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

15 "New Construction EDGE Incremental Income Tax" means the
16 total amount withheld during the taxable year from the
17 compensation of New Construction EDGE Employees.

18 "New Construction EDGE Project" means the building of a
19 Taxpayer's structure or building, or making improvements of
20 any kind to real property. "New Construction EDGE Project"
21 does not include the routine operation, routine repair, or
22 routine maintenance of existing structures, buildings, or real
23 property.

24 "New Employee" means:

25 (a) A Full-time Employee first employed by a Taxpayer
26 in the project that is the subject of an Agreement and who

1 is hired after the Taxpayer enters into the tax credit
2 Agreement.

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

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

8 (2) an employee of the Taxpayer who was previously
9 employed in Illinois by a Related Member of the
10 Taxpayer and whose employment was shifted to the
11 Taxpayer after the Taxpayer entered into the tax
12 credit Agreement; or

13 (3) a child, grandchild, parent, or spouse, other
14 than a spouse who is legally separated from the
15 individual, of any individual who has a direct or an
16 indirect ownership interest of at least 5% in the
17 profits, capital, or value of the Taxpayer.

18 (c) Notwithstanding paragraph (1) of subsection (b),
19 an employee may be considered a New Employee under the
20 Agreement if the employee performs a job that was
21 previously performed by an employee who was:

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

23 and

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

25 (d) Notwithstanding subsection (a), the Department may
26 award Credit to an Applicant with respect to an employee

1 hired prior to the date of the Agreement if:

2 (1) the Applicant is in receipt of a letter from
3 the Department stating an intent to enter into a
4 credit Agreement;

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

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

10 "Noncompliance Date" means, in the case of a Taxpayer that
11 is not complying with the requirements of the Agreement or the
12 provisions of this Act, the day following the last date upon
13 which the Taxpayer was in compliance with the requirements of
14 the Agreement and the provisions of this Act, as determined by
15 the Director, pursuant to Section 5-65.

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

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

22 "Related Member" means a person that, with respect to the
23 Taxpayer during any portion of the taxable year, is any one of
24 the following:

25 (1) An individual stockholder, if the stockholder and
26 the members of the stockholder's family (as defined in

1 Section 318 of the Internal Revenue Code) own directly,
2 indirectly, beneficially, or constructively, in the
3 aggregate, at least 50% of the value of the Taxpayer's
4 outstanding stock.

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

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

19 (4) A corporation and any party related to that
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
24 corporation and all such related parties own in the
25 aggregate at least 50% of the profits, capital, stock, or
26 value of the Taxpayer.

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

7 "Startup taxpayer" means a corporation, partnership, or
8 other entity incorporated or organized no more than 5 years
9 before the filing of an application for an Agreement that has
10 never had any Illinois income tax liability, excluding any
11 Illinois income tax liability of a Related Member which shall
12 not be attributed to the startup taxpayer.

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

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

17 (1) the area has a poverty rate of at least 20%
18 according to the latest American Community Survey ~~federal~~
19 ~~decennial census;~~

20 (2) 35% or more of the families with children in the
21 area are living below 130% of the poverty line, according
22 to the latest American Community Survey ~~75% or more of the~~
23 ~~children in the area participate in the federal free lunch~~
24 ~~program according to reported statistics from the State~~
25 ~~Board of Education;~~

26 (3) at least 20% of the households in the area receive

1 assistance under the Supplemental Nutrition Assistance
2 Program (SNAP); or

3 (4) the area has an average unemployment rate, as
4 determined by the Illinois Department of Employment
5 Security, that is more than 120% of the national
6 unemployment average, as determined by the U.S. Department
7 of Labor, for a period of at least 2 consecutive calendar
8 years preceding the date of the application.

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

10 (35 ILCS 10/5-15)

11 Sec. 5-15. Tax Credit Awards. Subject to the conditions
12 set forth in this Act, a Taxpayer is entitled to a Credit
13 against or, as described in subsection (g) of this Section, a
14 payment towards taxes imposed pursuant to subsections (a) and
15 (b) of Section 201 of the Illinois Income Tax Act that may be
16 imposed on the Taxpayer for a taxable year beginning on or
17 after January 1, 1999, if the Taxpayer is awarded a Credit by
18 the Department under this Act for that taxable year.

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

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

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

1 (d) The Credit shall not exceed the Incremental Income Tax
2 attributable to the project that is the subject of the
3 Agreement.

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

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

16 (1) The election under this subsection (f) may be made
17 only by a Taxpayer that (i) is primarily engaged in one of
18 the following business activities: water purification and
19 treatment, motor vehicle metal stamping, automobile
20 manufacturing, automobile and light duty motor vehicle
21 manufacturing, motor vehicle manufacturing, light truck
22 and utility vehicle manufacturing, heavy duty truck
23 manufacturing, motor vehicle body manufacturing, cable
24 television infrastructure design or manufacturing, or
25 wireless telecommunication or computing terminal device
26 design or manufacturing for use on public networks and

1 (ii) meets the following criteria:

2 (A) the Taxpayer (i) had an Illinois net loss or an
3 Illinois net loss deduction under Section 207 of the
4 Illinois Income Tax Act for the taxable year in which
5 the Credit is awarded, (ii) employed a minimum of
6 1,000 full-time employees in this State during the
7 taxable year in which the Credit is awarded, (iii) has
8 an Agreement under this Act on December 14, 2009 (the
9 effective date of Public Act 96-834), and (iv) is in
10 compliance with all provisions of that Agreement;

11 (B) the Taxpayer (i) had an Illinois net loss or an
12 Illinois net loss deduction under Section 207 of the
13 Illinois Income Tax Act for the taxable year in which
14 the Credit is awarded, (ii) employed a minimum of
15 1,000 full-time employees in this State during the
16 taxable year in which the Credit is awarded, and (iii)
17 has applied for an Agreement within 365 days after
18 December 14, 2009 (the effective date of Public Act
19 96-834);

20 (C) the Taxpayer (i) had an Illinois net operating
21 loss carryforward under Section 207 of the Illinois
22 Income Tax Act in a taxable year ending during
23 calendar year 2008, (ii) has applied for an Agreement
24 within 150 days after the effective date of this
25 amendatory Act of the 96th General Assembly, (iii)
26 creates at least 400 new jobs in Illinois, (iv)

1 retains at least 2,000 jobs in Illinois that would
2 have been at risk of relocation out of Illinois over a
3 10-year period, and (v) makes a capital investment of
4 at least \$75,000,000;

5 (D) the Taxpayer (i) had an Illinois net operating
6 loss carryforward under Section 207 of the Illinois
7 Income Tax Act in a taxable year ending during
8 calendar year 2009, (ii) has applied for an Agreement
9 within 150 days after the effective date of this
10 amendatory Act of the 96th General Assembly, (iii)
11 creates at least 150 new jobs, (iv) retains at least
12 1,000 jobs in Illinois that would have been at risk of
13 relocation out of Illinois over a 10-year period, and
14 (v) makes a capital investment of at least
15 \$57,000,000; or

16 (E) the Taxpayer (i) employed at least 2,500
17 full-time employees in the State during the year in
18 which the Credit is awarded, (ii) commits to make at
19 least \$500,000,000 in combined capital improvements
20 and project costs under the Agreement, (iii) applies
21 for an Agreement between January 1, 2011 and June 30,
22 2011, (iv) executes an Agreement for the Credit during
23 calendar year 2011, and (v) was incorporated no more
24 than 5 years before the filing of an application for an
25 Agreement.

26 (1.5) The election under this subsection (f) may also

1 be made by a Taxpayer for any Credit awarded pursuant to an
2 agreement that was executed between January 1, 2011 and
3 June 30, 2011, if the Taxpayer (i) is primarily engaged in
4 the manufacture of inner tubes or tires, or both, from
5 natural and synthetic rubber, (ii) employs a minimum of
6 2,400 full-time employees in Illinois at the time of
7 application, (iii) creates at least 350 full-time jobs and
8 retains at least 250 full-time jobs in Illinois that would
9 have been at risk of being created or retained outside of
10 Illinois, and (iv) makes a capital investment of at least
11 \$200,000,000 at the project location.

12 (1.6) The election under this subsection (f) may also
13 be made by a Taxpayer for any Credit awarded pursuant to an
14 agreement that was executed within 150 days after the
15 effective date of this amendatory Act of the 97th General
16 Assembly, if the Taxpayer (i) is primarily engaged in the
17 operation of a discount department store, (ii) maintains
18 its corporate headquarters in Illinois, (iii) employs a
19 minimum of 4,250 full-time employees at its corporate
20 headquarters in Illinois at the time of application, (iv)
21 retains at least 4,250 full-time jobs in Illinois that
22 would have been at risk of being relocated outside of
23 Illinois, (v) had a minimum of \$40,000,000,000 in total
24 revenue in 2010, and (vi) makes a capital investment of at
25 least \$300,000,000 at the project location.

26 (1.7) Notwithstanding any other provision of law, the

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

15 (1.8) Notwithstanding any other provision of law, the
16 election under this subsection (f) may also be made by a
17 startup taxpayer for any Credit awarded pursuant to an
18 Agreement that was executed or applied for on or after the
19 effective date of this amendatory Act of the 102nd General
20 Assembly, if the startup taxpayer, without considering any
21 Related Member or other investor, (i) has never had any
22 Illinois income tax liability and (ii) was incorporated or
23 organized no more than 5 years before the filing of an
24 application for an Agreement. Any such election under this
25 paragraph (1.8) shall be effective unless and until such
26 startup taxpayer has any Illinois income tax liability.

1 This election under this paragraph (1.8) shall
2 automatically terminate when the startup taxpayer has any
3 Illinois income tax liability at the end of any taxable
4 year during the term of the Agreement. Thereafter, the
5 startup taxpayer may receive a Credit, taking into account
6 any benefits previously enjoyed or received by way of the
7 election under this paragraph (1.8), so long as the
8 startup taxpayer remains in compliance with the terms and
9 conditions of the Agreement.

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

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

18 (4) If a Taxpayer who meets the requirements of
19 subparagraph (A) of paragraph (1) of this subsection (f)
20 elects to claim the Credit against its withholdings as
21 provided in this subsection (f), then, on and after the
22 date of the election, the terms of the Agreement between
23 the Taxpayer and the Department may not be further amended
24 during the term of the Agreement.

25 (g) A pass-through entity that has been awarded a credit
26 under this Act, its shareholders, or its partners may treat

1 some or all of the credit awarded pursuant to this Act as a tax
2 payment for purposes of the Illinois Income Tax Act. The term
3 "tax payment" means a payment as described in Article 6 or
4 Article 8 of the Illinois Income Tax Act or a composite payment
5 made by a pass-through entity on behalf of any of its
6 shareholders or partners to satisfy such shareholders' or
7 partners' taxes imposed pursuant to subsections (a) and (b) of
8 Section 201 of the Illinois Income Tax Act. In no event shall
9 the amount of the award credited pursuant to this Act exceed
10 the Illinois income tax liability of the pass-through entity
11 or its shareholders or partners for the taxable year.

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

13 (35 ILCS 10/5-20)

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

16 (a) Any Taxpayer proposing a project located or planned to
17 be located in Illinois may request consideration for
18 designation of its project, by formal written letter of
19 request or by formal application to the Department, in which
20 the Applicant states its intent to make at least a specified
21 level of investment and intends to hire or retain a specified
22 number of full-time employees at a designated location in
23 Illinois. As circumstances require, the Department may require
24 a formal application from an Applicant and a formal letter of
25 request for assistance.

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

3 (1) if the Applicant has more than 100 employees,
4 involve an investment of at least \$2,500,000 in capital
5 improvements to be placed in service within the State as a
6 direct result of the project; if the Applicant has 100 or
7 fewer employees, then there is no capital investment
8 requirement;

9 (1.5) if the Applicant has more than 100 employees,
10 employ a number of new employees in the State equal to the
11 lesser of (A) 10% of the number of full-time employees
12 employed by the applicant world-wide on the date the
13 application is filed with the Department or (B) 50 New
14 Employees; and, if the Applicant has 100 or fewer
15 employees, employ a number of new employees in the State
16 equal to the lesser of (A) 5% of the number of full-time
17 employees employed by the applicant world-wide on the date
18 the application is filed with the Department or (B) 50 New
19 Employees;

20 (1.6) if the Applicant is a startup taxpayer, the
21 employees employed by Related Members shall not be
22 attributed to the Applicant for purposes of determining
23 the capital investment or job creation requirements under
24 this subsection (b);

25 (2) (blank);

26 (3) (blank); and

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

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

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

8 ARTICLE 20. EARNED INCOME TAX CREDIT

9 Section 20-5. The Illinois Income Tax Act is amended by
10 changing Sections 212 as follows:

11 (35 ILCS 5/212)

12 Sec. 212. Earned income tax credit.

13 (a) With respect to the federal earned income tax credit
14 allowed for the taxable year under Section 32 of the federal
15 Internal Revenue Code, 26 U.S.C. 32, each individual taxpayer
16 is entitled to a credit against the tax imposed by subsections
17 (a) and (b) of Section 201 in an amount equal to (i) 5% of the
18 federal tax credit for each taxable year beginning on or after
19 January 1, 2000 and ending prior to December 31, 2012, (ii)
20 7.5% of the federal tax credit for each taxable year beginning
21 on or after January 1, 2012 and ending prior to December 31,
22 2013, (iii) 10% of the federal tax credit for each taxable year
23 beginning on or after January 1, 2013 and beginning prior to

1 January 1, 2017, (iv) 14% of the federal tax credit for each
2 taxable year beginning on or after January 1, 2017 and
3 beginning prior to January 1, 2018, ~~and~~ (v) 18% of the federal
4 tax credit for each taxable year beginning on or after January
5 1, 2018 and beginning prior to January 1, 2023, and (vi) 20% of
6 the federal tax credit for each taxable year beginning on or
7 after January 1, 2023.

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

11 (b) For taxable years beginning before January 1, 2003, in
12 no event shall a credit under this Section reduce the
13 taxpayer's liability to less than zero. For each taxable year
14 beginning on or after January 1, 2003, if the amount of the
15 credit exceeds the income tax liability for the applicable tax
16 year, then the excess credit shall be refunded to the
17 taxpayer. The amount of a refund shall not be included in the
18 taxpayer's income or resources for the purposes of determining
19 eligibility or benefit level in any means-tested benefit
20 program administered by a governmental entity unless required
21 by federal law.

22 (b-5) For taxable years beginning on or after January 1,
23 2023, each individual taxpayer who has attained the age of 18
24 during the taxable year but has not yet attained the age of 25
25 is entitled to the credit under paragraph (a) based on the
26 federal tax credit for which the taxpayer would have been

1 eligible without regard to any age requirements that would
2 otherwise apply to individuals without a qualifying child in
3 Section 32(c)(1)(A)(ii) of the federal Internal Revenue Code.

4 (b-10) For taxable years beginning on or after January 1,
5 2023, each individual taxpayer who has attained the age of 65
6 or older during the taxable year is entitled to the credit
7 under paragraph (a) based on the federal tax credit for which
8 the taxpayer would have been eligible without regard to any
9 age requirements that would otherwise apply to individuals
10 without a qualifying child in Section 32(c)(1)(A)(ii) of the
11 federal Internal Revenue Code.

12 (b-15) For taxable years beginning on or after January 1,
13 2023, each individual taxpayer filing a return using an
14 individual taxpayer identification number (ITIN) as prescribed
15 under Section 6109 of the Internal Revenue Code, other than a
16 Social Security number issued pursuant to Section 205(c)(2)(A)
17 of the Social Security Act, is entitled to the credit under
18 paragraph (a) based on the federal tax credit for which they
19 would have been eligible without applying the restrictions
20 regarding social security numbers in Section 32(m) of the
21 federal Internal Revenue Code.

22 (c) This Section is exempt from the provisions of Section
23 250.

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

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

3 (35 ILCS 5/225)

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

13 The credit may not be carried back and may not reduce the
14 taxpayer's liability to less than zero. If the amount of the
15 credit exceeds the tax liability for the year, the excess may
16 be carried forward and applied to the tax liability of the 5
17 taxable years following the excess credit year. The tax credit
18 shall be applied to the earliest year for which there is a tax
19 liability. If there are credits for more than one year that are
20 available to offset a liability, the earlier credit shall be
21 applied first.

22 For purposes of this Section, the term "materials and
23 supplies" means amounts paid for instructional materials or
24 supplies that are designated for classroom use in any

1 qualified school. For purposes of this Section, the term
2 "qualified school" means a public school or non-public school
3 located in Illinois.

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

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

10 ARTICLE 30. ELECTRIC VEHICLES

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

14 (20 ILCS 686/10)

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

16 "Advanced battery" means a battery that consists of a
17 battery cell that can be integrated into a module, pack, or
18 system to be used in energy storage applications, including a
19 battery used in an electric vehicle or the electric grid.

20 "Advanced battery component" means a component of an
21 advanced battery, including materials, enhancements,
22 enclosures, anodes, cathodes, electrolytes, cells, and other
23 associated technologies that comprise an advanced battery.

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

3 "Applicant" means a taxpayer that (i) operates a business
4 in Illinois or is planning to locate a business within the
5 State of Illinois and (ii) is engaged in interstate or
6 intrastate commerce for the purpose of manufacturing electric
7 vehicles, electric vehicle component parts, or electric
8 vehicle power supply equipment. "Applicant" does not include a
9 taxpayer who closes or substantially reduces by more than 50%
10 operations at one location in the State and relocates
11 substantially the same operation to another location in the
12 State. This does not prohibit a Taxpayer from expanding its
13 operations at another location in the State. This also does
14 not prohibit a Taxpayer from moving its operations from one
15 location in the State to another location in the State for the
16 purpose of expanding the operation, provided that the
17 Department determines that expansion cannot reasonably be
18 accommodated within the municipality or county in which the
19 business is located, or, in the case of a business located in
20 an incorporated area of the county, within the county in which
21 the business is located, after conferring with the chief
22 elected official of the municipality or county and taking into
23 consideration any evidence offered by the municipality or
24 county regarding the ability to accommodate expansion within
25 the municipality or county.

26 "Battery raw materials" means the raw and processed form

1 of a mineral, metal, chemical, or other material used in an
2 advanced battery component.

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

6 "Battery recycling and reuse manufacturer" means a
7 manufacturer that is primarily engaged in the recovery,
8 retrieval, processing, recycling, or recirculating of battery
9 raw materials for new use in electric vehicle batteries.

10 "Capital improvements" means the purchase, renovation,
11 rehabilitation, or construction of permanent tangible land,
12 buildings, structures, equipment, and furnishings in an
13 approved project sited in Illinois and expenditures for goods
14 or services that are normally capitalized, including
15 organizational costs and research and development costs
16 incurred in Illinois. For land, buildings, structures, and
17 equipment that are leased, the lease must equal or exceed the
18 term of the agreement, and the cost of the property shall be
19 determined from the present value, using the corporate
20 interest rate prevailing at the time of the application, of
21 the lease payments.

22 "Credit" means either a "REV Illinois Credit" or a "REV
23 Construction Jobs Credit" agreed to between the Department and
24 applicant under this Act.

25 "Department" means the Department of Commerce and Economic
26 Opportunity.

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

3 "Electric vehicle" means a vehicle that is exclusively
4 powered by and refueled by electricity, including electricity
5 generated through a hydrogen fuel cells or solar technology
6 ~~must be plugged in to charge or utilize a pre charged battery,~~
7 ~~and is permitted to operate on public roadways.~~ "Electric
8 vehicle" does not include hybrid electric vehicles, electric
9 bicycles, or ~~and~~ extended-range electric vehicles that are
10 also equipped with conventional fueled propulsion or auxiliary
11 engines.

12 "Electric vehicle manufacturer" means a new or existing
13 manufacturer that is primarily focused on reequipping,
14 expanding, or establishing a manufacturing facility in
15 Illinois that produces electric vehicles as defined in this
16 Section.

17 "Electric vehicle component parts manufacturer" means a
18 new or existing manufacturer that is primarily focused on
19 reequipping, expanding, or establishing a manufacturing
20 facility in Illinois that produces advanced battery components
21 or key components that directly support the electric functions
22 of electric vehicles, as defined by this Section.

23 "Electric vehicle power supply equipment" means the
24 equipment used specifically for the purpose of delivering
25 electricity to an electric vehicle, including hydrogen fuel
26 cells or solar refueling infrastructure.

1 "Electric vehicle power supply manufacturer" means a new
2 or existing manufacturer that is focused on reequipping,
3 expanding, or establishing a manufacturing facility in
4 Illinois that produces electric vehicle power supply equipment
5 used for the purpose of delivering electricity to an electric
6 vehicle, including hydrogen fuel cell or solar refueling
7 infrastructure.

8 "Energy Transition Area" means a county with less than
9 100,000 people or a municipality that contains one or more of
10 the following:

11 (1) a fossil fuel plant that was retired from service
12 or has significant reduced service within 6 years before
13 the time of the application or will be retired or have
14 service significantly reduced within 6 years following the
15 time of the application; or

16 (2) a coal mine that was closed or had operations
17 significantly reduced within 6 years before the time of
18 the application or is anticipated to be closed or have
19 operations significantly reduced within 6 years following
20 the time of the application.

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

1 service of the applicant for consideration for at least 35
2 hours each week.

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

8 "Institution of higher education" or "institution" means
9 any accredited public or private university, college,
10 community college, business, technical, or vocational school,
11 or other accredited educational institution offering degrees
12 and instruction beyond the secondary school level.

13 "Minority person" means a minority person as defined in
14 the Business Enterprise for Minorities, Women, and Persons
15 with Disabilities Act.

16 "New employee" means a newly-hired full-time employee
17 employed to work at the project site and whose work is directly
18 related to the project.

19 "Noncompliance date" means, in the case of a taxpayer that
20 is not complying with the requirements of the agreement or the
21 provisions of this Act, the day following the last date upon
22 which the taxpayer was in compliance with the requirements of
23 the agreement and the provisions of this Act, as determined by
24 the Director, pursuant to Section 70.

25 "Pass-through entity" means an entity that is exempt from
26 the tax under subsection (b) or (c) of Section 205 of the

1 Illinois Income Tax Act.

2 "Placed in service" means the state or condition of
3 readiness, availability for a specifically assigned function,
4 and the facility is constructed and ready to conduct its
5 facility operations to manufacture goods.

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

9 "Program" means the Reimagining Electric Vehicles in
10 Illinois Program (the REV Illinois Program) established in
11 this Act.

12 "Project" or "REV Illinois Project" means a for-profit
13 economic development activity for the manufacture of electric
14 vehicles, electric vehicle component parts, or electric
15 vehicle power supply equipment which is designated by the
16 Department as a REV Illinois Project and is the subject of an
17 agreement.

18 "Recycling facility" means a location at which the
19 taxpayer disposes of batteries and other component parts in
20 manufacturing of electric vehicles, electric vehicle component
21 parts, or electric vehicle power supply equipment.

22 "Related member" means a person that, with respect to the
23 taxpayer during any portion of the taxable year, is any one of
24 the following:

25 (1) An individual stockholder, if the stockholder and
26 the members of the stockholder's family (as defined in

1 Section 318 of the Internal Revenue Code) own directly,
2 indirectly, beneficially, or constructively, in the
3 aggregate, at least 50% of the value of the taxpayer's
4 outstanding stock.

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

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

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

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

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

6 "Retained employee" means a full-time employee employed by
7 the taxpayer prior to the term of the Agreement who continues
8 to be employed during the term of the agreement whose job
9 duties are directly and substantially related to the project.
10 For purposes of this definition, "directly and substantially
11 related to the project" means at least two-thirds of the
12 employee's job duties must be directly related to the project
13 and the employee must devote at least two-thirds of his or her
14 time to the project. The term "retained employee" does not
15 include any individual who has a direct or an indirect
16 ownership interest of at least 5% in the profits, equity,
17 capital, or value of the taxpayer or a child, grandchild,
18 parent, or spouse, other than a spouse who is legally
19 separated from the individual, of any individual who has a
20 direct or indirect ownership of at least 5% in the profits,
21 equity, capital, or value of the taxpayer.

22 "REV Illinois credit" means a credit agreed to between the
23 Department and the applicant under this Act that is based on
24 the incremental income tax attributable to new employees and,
25 if applicable, retained employees, and on training costs for
26 such employees at the applicant's project.

1 "REV construction jobs credit" means a credit agreed to
2 between the Department and the applicant under this Act that
3 is based on the incremental income tax attributable to
4 construction wages paid in connection with construction of the
5 project facilities.

6 "Statewide baseline" means the total number of full-time
7 employees of the applicant and any related member employed by
8 such entities at the time of application for incentives under
9 this Act.

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

13 "Training costs" means costs incurred to upgrade the
14 technological skills of full-time employees in Illinois and
15 includes: curriculum development; training materials
16 (including scrap product costs); trainee domestic travel
17 expenses; instructor costs (including wages, fringe benefits,
18 tuition and domestic travel expenses); rent, purchase or lease
19 of training equipment; and other usual and customary training
20 costs. "Training costs" do not include costs associated with
21 travel outside the United States (unless the Taxpayer receives
22 prior written approval for the travel by the Director based on
23 a showing of substantial need or other proof the training is
24 not reasonably available within the United States), wages and
25 fringe benefits of employees during periods of training, or
26 administrative cost related to full-time employees of the

1 taxpayer.

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

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

6 (20 ILCS 686/20)

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

8 (a) The Reimagining Electric Vehicles in Illinois (REV
9 Illinois) Program is hereby established and shall be
10 administered by the Department. The Program will provide
11 financial incentives to any one or more of the following: (1)
12 eligible manufacturers of electric vehicles, electric vehicle
13 component parts, and electric vehicle power supply equipment;
14 (2) battery recycling and reuse manufacturers; or (3) battery
15 raw materials refining service providers.

16 (b) Any taxpayer planning a project to be located in
17 Illinois may request consideration for designation of its
18 project as a REV Illinois Project, by formal written letter of
19 request or by formal application to the Department, in which
20 the applicant states its intent to make at least a specified
21 level of investment and intends to hire a specified number of
22 full-time employees at a designated location in Illinois. As
23 circumstances require, the Department shall require a formal
24 application from an applicant and a formal letter of request
25 for assistance.

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

3 (1) for an electric vehicle manufacturer:

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

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

9 (C) create at least 500 new full-time employee
10 jobs; or

11 (2) for an electric vehicle component parts
12 manufacturer:

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

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

17 (C) to be placed in service within the State
18 within a 60-month period after approval of the
19 application; and

20 (D) create at least 150 new full-time employee
21 jobs; or

22 (3) for an electric vehicle manufacturer, an electric
23 vehicle power supply equipment manufacturer ~~Manufacturer~~,
24 an ~~or~~ electric vehicle component part manufacturer that
25 does not qualify ~~quality~~ under paragraph (2) above, a
26 battery recycling and reuse manufacturer, or a battery raw

1 materials refining service provider:

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

4 (B) for electric vehicle component part
5 manufacturers, manufacture one or more parts that are
6 primarily used for electric vehicle manufacturing;

7 (C) to be placed in service within the State
8 within a 48-month period after approval of the
9 application; and

10 (D) create at least 50 new full-time employee
11 jobs; or

12 (4) for an electric vehicle manufacturer or electric
13 vehicle component parts manufacturer with existing
14 operations within Illinois that intends to convert or
15 expand, in whole or in part, the existing facility from
16 traditional manufacturing to primarily electric vehicle
17 manufacturing, electric vehicle component parts
18 manufacturing, or electric vehicle power supply equipment
19 manufacturing:

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

22 (B) to be placed in service within the State
23 within a 60-month period after approval of the
24 application; and

25 (C) create the lesser of 75 new full-time employee
26 jobs or new full-time employee jobs equivalent to 10%

1 of the Statewide baseline applicable to the taxpayer
2 and any related member at the time of application.

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

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

- 22 (1) BREEAM for New Construction or BREEAM In-Use;
- 23 (2) ENERGY STAR;
- 24 (3) Envision;
- 25 (4) ISO 50001 - energy management;
- 26 (5) LEED for Building Design and Construction or LEED

1 for Building Operations and Maintenance;

2 (6) Green Globes for New Construction or Green Globes
3 for Existing Buildings; or

4 (7) UL 3223.

5 (f) Each applicant must outline its hiring plan and
6 commitment to recruit and hire full-time employee positions at
7 the project site. The hiring plan may include a partnership
8 with an institution of higher education to provide
9 internships, including, but not limited to, internships
10 supported by the Clean Jobs Workforce Network Program, or
11 full-time permanent employment for students at the project
12 site. Additionally, the applicant may create or utilize
13 participants from apprenticeship programs that are approved by
14 and registered with the United States Department of Labor's
15 Bureau of Apprenticeship and Training. The Applicant may apply
16 for apprenticeship education expense credits in accordance
17 with the provisions set forth in 14 Ill. Admin. Code 522. Each
18 applicant is required to report annually, on or before April
19 15, on the diversity of its workforce in accordance with
20 Section 50 of this Act. For existing facilities of applicants
21 under paragraph (3) of subsection (b) above, if the taxpayer
22 expects a reduction in force due to its transition to
23 manufacturing electric vehicle, electric vehicle component
24 parts, or electric vehicle power supply equipment, the plan
25 submitted under this Section must outline the taxpayer's plan
26 to assist with retraining its workforce aligned with the

1 taxpayer's adoption of new technologies and anticipated
2 efforts to retrain employees through employment opportunities
3 within the taxpayer's workforce.

4 (g) Each applicant must demonstrate a contractual or other
5 relationship with a recycling facility, or demonstrate its own
6 recycling capabilities, at the time of application and report
7 annually a continuing contractual or other relationship with a
8 recycling facility and the percentage of batteries used in
9 electric vehicles recycled throughout the term of the
10 agreement.

11 (h) A taxpayer may not enter into more than one agreement
12 under this Act with respect to a single address or location for
13 the same period of time. Also, a taxpayer may not enter into an
14 agreement under this Act with respect to a single address or
15 location for the same period of time for which the taxpayer
16 currently holds an active agreement under the Economic
17 Development for a Growing Economy Tax Credit Act. This
18 provision does not preclude the applicant from entering into
19 an additional agreement after the expiration or voluntary
20 termination of an earlier agreement under this Act or under
21 the Economic Development for a Growing Economy Tax Credit Act
22 to the extent that the taxpayer's application otherwise
23 satisfies the terms and conditions of this Act and is approved
24 by the Department. An applicant with an existing agreement
25 under the Economic Development for a Growing Economy Tax
26 Credit Act may submit an application for an agreement under

1 this Act after it terminates any existing agreement under the
2 Economic Development for a Growing Economy Tax Credit Act with
3 respect to the same address or location.

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

5 ARTICLE 35. RIVER EDGE

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

8 (65 ILCS 115/10-3)

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

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

12 "River Edge Redevelopment Zone" means an area of the State
13 certified by the Department as a River Edge Redevelopment Zone
14 pursuant to this Act.

15 "Designated zone organization" means an association or
16 entity: (1) the members of which are substantially all
17 residents of the River Edge Redevelopment Zone or of the
18 municipality in which the River Edge Redevelopment Zone is
19 located; (2) the board of directors of which is elected by the
20 members of the organization; (3) that satisfies the criteria
21 set forth in Section 501(c) (3) or 501(c) (4) of the Internal
22 Revenue Code; and (4) that exists primarily for the purpose of
23 performing within the zone, for the benefit of the residents

1 and businesses thereof, any of the functions set forth in
2 Section 8 of this Act.

3 "Incremental income tax" means the total amount withheld
4 during the taxable year from the compensation of River Edge
5 Construction Jobs Employees.

6 "Agency" means: each officer, board, commission, and
7 agency created by the Constitution, in the executive branch of
8 State government, other than the State Board of Elections;
9 each officer, department, board, commission, agency,
10 institution, authority, university, and body politic and
11 corporate of the State; each administrative unit or corporate
12 outgrowth of the State government that is created by or
13 pursuant to statute, other than units of local government and
14 their officers, school districts, and boards of election
15 commissioners; and each administrative unit or corporate
16 outgrowth of the above and as may be created by executive order
17 of the Governor. No entity is an "agency" for the purposes of
18 this Act unless the entity is authorized by law to make rules
19 or regulations.

20 "River Edge construction jobs credit" means an amount
21 equal to 50% of the incremental income tax attributable to
22 River Edge construction employees employed on a River Edge
23 construction jobs project. However, the amount may equal 75%
24 of the incremental income tax attributable to River Edge
25 construction employees employed on a River Edge construction
26 jobs project located in an underserved area. The total

1 aggregate amount of credits awarded under the Blue Collar Jobs
2 Act (Article 20 of this amendatory Act of the 101st General
3 Assembly) shall not exceed \$20,000,000 in any State fiscal
4 year.

5 "River Edge construction jobs employee" means a laborer or
6 worker who is employed by an Illinois contractor or
7 subcontractor in the actual construction work on the site of a
8 River Edge construction jobs project.

9 "River Edge construction jobs project" means building a
10 structure or building, or making improvements of any kind to
11 real property, in a River Edge Redevelopment Zone that is
12 built or improved in the course of completing a qualified
13 rehabilitation plan. "River Edge construction jobs project"
14 does not include the routine operation, routine repair, or
15 routine maintenance of existing structures, buildings, or real
16 property.

17 "Rule" means each agency statement of general
18 applicability that implements, applies, interprets, or
19 prescribes law or policy, but does not include (i) statements
20 concerning only the internal management of an agency and not
21 affecting private rights or procedures available to persons or
22 entities outside the agency, (ii) intra-agency memoranda, or
23 (iii) the prescription of standardized forms.

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

26 (1) the area has a poverty rate of at least 20%.

1 according to the latest American Community Survey ~~federal~~
2 ~~decennial census~~;

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

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

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

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

19 ARTICLE 40. FILM PRODUCTION TAX CREDIT

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

22 (35 ILCS 5/213)

23 Sec. 213. Film production services credit. For tax years

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

12 A transfer of this credit may be made by the taxpayer
13 earning the credit within one year after the credit is awarded
14 in accordance with rules adopted by the Department of Commerce
15 and Economic Opportunity. Beginning July 1, 2023, if a credit
16 is transferred under this Section by the taxpayer, then the
17 transferor taxpayer shall pay to the Department of Commerce
18 and Economic Opportunity, upon notification of a transfer,
19 2.5% of the transferred credit amount eligible for nonresident
20 wages, as described in Section 10 of the Film Production
21 Services Tax Credit Act of 2008, and an additional 0.25% of the
22 total amount of the transferred credit that is not calculated
23 on nonresident wages, which shall be deposited into the
24 Illinois Production Workforce Development Fund.

25 The Department, in cooperation with the Department of
26 Commerce and Economic Opportunity, must prescribe rules to

1 enforce and administer the provisions of this Section. This
2 Section is exempt from the provisions of Section 250 of this
3 Act.

4 The credit may not be carried back. If the amount of the
5 credit exceeds the tax liability for the year, the excess may
6 be carried forward and applied to the tax liability of the 5
7 taxable years following the excess credit year. The credit
8 shall be applied to the earliest year for which there is a tax
9 liability. If there are credits from more than one tax year
10 that are available to offset a liability, the earlier credit
11 shall be applied first. In no event shall a credit under this
12 Section reduce the taxpayer's liability to less than zero.

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

14 Section 40-10. The Film Production Services Tax Credit Act
15 of 2008 is amended by changing Section 10 and by adding Section
16 46 as follows:

17 (35 ILCS 16/10)

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

19 "Accredited production" means: (i) for productions
20 commencing before May 1, 2006, a film, video, or television
21 production that has been certified by the Department in which
22 the aggregate Illinois labor expenditures included in the cost
23 of the production, in the period that ends 12 months after the
24 time principal filming or taping of the production began,

1 exceed \$100,000 for productions of 30 minutes or longer, or
2 \$50,000 for productions of less than 30 minutes; and (ii) for
3 productions commencing on or after May 1, 2006, a film, video,
4 or television production that has been certified by the
5 Department in which the Illinois production spending included
6 in the cost of production in the period that ends 12 months
7 after the time principal filming or taping of the production
8 began exceeds \$100,000 for productions of 30 minutes or longer
9 or exceeds \$50,000 for productions of less than 30 minutes.

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

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

13 (2) is a talk show;

14 (3) is a production in respect of a game,
15 questionnaire, or contest;

16 (4) is a sports event or activity;

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

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

19 (7) is a production produced by a film production
20 company if records, as required by 18 U.S.C. 2257, are to
21 be maintained by that film production company with respect
22 to any performer portrayed in that single media or
23 multimedia program; or

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

26 "Accredited animated production" means an accredited

1 production in which movement and characters' performances are
2 created using a frame-by-frame technique and a significant
3 number of major characters are animated. Motion capture by
4 itself is not an animation technique.

5 "Accredited production certificate" means a certificate
6 issued by the Department certifying that the production is an
7 accredited production that meets the guidelines of this Act.

8 "Applicant" means a taxpayer that is a film production
9 company that is operating or has operated an accredited
10 production located within the State of Illinois and that (i)
11 owns the copyright in the accredited production throughout the
12 Illinois production period or (ii) has contracted directly
13 with the owner of the copyright in the accredited production
14 or a person acting on behalf of the owner to provide services
15 for the production, where the owner of the copyright is not an
16 eligible production corporation.

17 "Credit" means:

18 (1) for an accredited production approved by the
19 Department on or before January 1, 2005 and commencing
20 before May 1, 2006, the amount equal to 25% of the Illinois
21 labor expenditure approved by the Department. The
22 applicant is deemed to have paid, on its balance due day
23 for the year, an amount equal to 25% of its qualified
24 Illinois labor expenditure for the tax year. For Illinois
25 labor expenditures generated by the employment of
26 residents of geographic areas of high poverty or high

1 unemployment, as determined by the Department, in an
2 accredited production commencing before May 1, 2006 and
3 approved by the Department after January 1, 2005, the
4 applicant shall receive an enhanced credit of 10% in
5 addition to the 25% credit; and

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

8 (i) 20% of the Illinois production spending for
9 the taxable year; plus

10 (ii) 15% of the Illinois labor expenditures
11 generated by the employment of residents of geographic
12 areas of high poverty or high unemployment, as
13 determined by the Department; and

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

16 (i) 30% of the Illinois production spending for
17 the taxable year; plus

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

22 "Department" means the Department of Commerce and Economic
23 Opportunity.

24 "Director" means the Director of Commerce and Economic
25 Opportunity.

26 "Illinois labor expenditure" means salary or wages paid to

1 employees of the applicant for services on the accredited
2 production.

3 To qualify as an Illinois labor expenditure, the
4 expenditure must be:

5 (1) Reasonable in the circumstances.

6 (2) Included in the federal income tax basis of the
7 property.

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

10 (4) Incurred for the production stages of the
11 accredited production, from the final script stage to the
12 end of the post-production stage.

13 (5) Limited to the first \$25,000 of wages paid or
14 incurred to each employee of a production commencing
15 before May 1, 2006 and the first \$100,000 of wages paid or
16 incurred to each employee of a production commencing on or
17 after May 1, 2006 and prior to July 1, 2022. For
18 productions commencing on or after July 1, 2022, limited
19 to the first \$200,000 of wages paid or incurred to each
20 nonresident or resident employee of a production company
21 or loan out company that provides in-State services to a
22 production, whether those wages are paid or incurred by
23 the production company, loan out company, or both, subject
24 to withholding payments provided for in Article 7 of the
25 Illinois Income Tax Act. For purposes of calculating
26 Illinois labor expenditures for a television series, the

1 nonresident wage limitations provided under this
2 subparagraph are applied to the entire season.

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

6 (7) Directly attributable to the accredited
7 production.

8 (8) (Blank).

9 (9) Prior to July 1, 2022, paid ~~Paid~~ to persons
10 resident in Illinois at the time the payments were made.
11 For a production commencing on or after July 1, 2022, paid
12 to persons resident in Illinois and nonresidents at the
13 time the payments were made. For purposes of this
14 subparagraph, only wages paid to nonresidents working in
15 the following positions shall be considered Illinois labor
16 expenditures: Writer, Director, Director of Photography,
17 Production Designer, Costume Designer, Production
18 Accountant, VFX Supervisor, Editor, Composer, and Actor,
19 subject to the limitations set forth under this
20 subparagraph. For an accredited Illinois production
21 spending of \$25,000,000 or less, no more than 2
22 nonresident actors' wages shall qualify as an Illinois
23 labor expenditure. For an accredited production with
24 Illinois production spending of more than \$25,000,000, no
25 more than 4 nonresident actor's wages shall qualify as
26 Illinois labor expenditures. The Department may not award

1 more than \$20,000,000 in credits under this Act based on
2 the labor expenditures for nonresident employees in any
3 State fiscal year.

4 (10) Paid for services rendered in Illinois.

5 "Illinois production spending" means the expenses incurred
6 by the applicant for an accredited production, including,
7 without limitation, all of the following:

8 (1) expenses to purchase, from vendors within
9 Illinois, tangible personal property that is used in the
10 accredited production;

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

13 (3) for a production commencing before July 1, 2022,
14 the compensation, not to exceed \$100,000 for any one
15 employee, for contractual or salaried employees who are
16 Illinois residents performing services with respect to the
17 accredited production. For a production commencing on or
18 after July 1, 2022, the compensation, not to exceed
19 \$200,000 for any one employee, for contractual or salaried
20 employees who are Illinois residents or nonresident
21 employees, subject to the limitations set forth under
22 Section 10 of this Act.

23 "Loan out company" means a personal service corporation or
24 other entity that is under contract with the taxpayer to
25 provide specified individual personnel, such as artists, crew,
26 actors, producers, or directors for the performance of

1 services used directly in a production. "Loan out company"
2 does not include entities contracted with by the taxpayer to
3 provide goods or ancillary contractor services such as
4 catering, construction, trailers, equipment, or
5 transportation.

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

10 Rulemaking authority to implement Public Act 95-1006, if
11 any, is conditioned on the rules being adopted in accordance
12 with all provisions of the Illinois Administrative Procedure
13 Act and all rules and procedures of the Joint Committee on
14 Administrative Rules; any purported rule not so adopted, for
15 whatever reason, is unauthorized.

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

17 (35 ILCS 16/46 new)

18 Sec. 46. Illinois Production Workforce Development Fund.

19 (a) The Illinois Production Workforce Development Fund is
20 created as a special fund in the State Treasury. Beginning
21 July 1, 2022, amounts paid to the Department of Commerce and
22 Economic Opportunity pursuant to Section 213 of the Illinois
23 Income Tax Act shall be deposited into the Fund. The Fund shall
24 be used exclusively to provide grants to community-based
25 organizations, labor organizations, private and public

1 universities, community colleges, and other organizations and
2 institutions that may be deemed appropriate by the Department
3 to administer workforce training programs that support efforts
4 to recruit, hire, promote, retain, develop, and train a
5 diverse and inclusive workforce in the film industry.

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

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

23 (d) Of the appropriated funds in a given fiscal year, 50%
24 of the appropriated funds shall be reserved for organizations
25 that meet one of the following criteria. The organization is:
26 (1) a minority-owned business, as defined by the Business

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

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

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

20 (g) By June 30 of each fiscal year, the Department must
21 submit to the General Assembly a report that includes the
22 following information: (1) an identification of the
23 organizations and institutions that received funding to
24 administer workforce training programs during the fiscal year;
25 (2) the number of total persons trained and the number of
26 persons trained per workforce training program in the fiscal

1 year; and (3) in the aggregate, per organization, the number
2 of persons identified as a minority person or that reside in an
3 underserved area that received training in the fiscal year.

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

6 (30 ILCS 105/5.970 new)

7 Sec. 5.970. The Illinois Production Workforce Development
8 Fund.

9 ARTICLE 45. PROPERTY TAX REBATE

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

12 (5 ILCS 100/5-45.21 new)

13 Sec. 5-45.21. Emergency rulemaking; residential real
14 estate tax rebate. To provide for the expeditious and timely
15 implementation of Section 208.5 of the Illinois Income Tax
16 Act, emergency rules implementing the residential real estate
17 tax rebate described in that Section may be adopted in
18 accordance with Section 5-45 by the Department of Revenue. The
19 adoption of emergency rules authorized by Section 5-45 and
20 this Section is deemed to be necessary for the public
21 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 45-10. The State Finance Act is amended by adding
4 Section 5.971 as follows:

5 (30 ILCS 105/5.971 new)

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

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

10 (35 ILCS 5/208.5 new)

11 Sec. 208.5. Residential real estate tax rebate.

12 (a) The Department shall pay a one-time rebate to every
13 individual taxpayer who files with the Department, on or
14 before October 17, 2022, an Illinois income tax return for tax
15 year 2021 and who qualifies, in that tax year, under rules
16 adopted by the Department, for the income tax credit provided
17 under Section 208 of this Act. The amount of the one-time
18 rebate provided under this Section shall be the lesser of: (1)
19 the amount of the credit allowed to the taxpayer under Section
20 208 for tax year 2021, including any amounts that would
21 otherwise reduce a taxpayer's liability to less than zero, or
22 (2) \$300 per principal residence. The Department shall develop

1 a process to claim a rebate for taxpayers who otherwise would
2 be eligible for the rebate under this Section but who did not
3 have an obligation to file a 2021 Illinois income tax return
4 because their exemption allowance exceeded their Illinois base
5 income.

6 (b) On the effective date of this amendatory Act of the
7 102nd General Assembly, or as soon thereafter as practical,
8 but no later than June 30, 2022, the State Comptroller shall
9 direct and the State Treasurer shall transfer the sum of
10 \$470,000,000 from the General Revenue Fund to the Property Tax
11 Rebate Fund.

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

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

24 (e) The Property Tax Rebate Fund is hereby created as a
25 special fund in the State Treasury. The one-time rebate
26 payments provided under this Section shall be paid from the

1 Property Tax Rebate Fund. This subsection shall constitute an
2 irrevocable and continuing appropriation of all amounts
3 necessary to provide the one-time rebate payments described in
4 this Section.

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

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

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

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

21 ARTICLE 50. GROCERIES

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

1 (30 ILCS 105/5.972 new)

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

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

7 (30 ILCS 105/6z-17) (from Ch. 127, par. 142z-17)

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

9 (a) After deducting the amount transferred to the Tax
10 Compliance and Administration Fund under subsection (b), of
11 the money paid into the State and Local Sales Tax Reform Fund:

12 (i) subject to appropriation to the Department of Revenue,
13 Municipalities having 1,000,000 or more inhabitants shall
14 receive 20% and may expend such amount to fund and establish a
15 program for developing and coordinating public and private
16 resources targeted to meet the affordable housing needs of
17 low-income and very low-income households within such
18 municipality, (ii) 10% shall be transferred into the Regional
19 Transportation Authority Occupation and Use Tax Replacement
20 Fund, a special fund in the State treasury which is hereby
21 created, (iii) until July 1, 2013, subject to appropriation to
22 the Department of Transportation, the Madison County Mass
23 Transit District shall receive .6%, and beginning on July 1,
24 2013, subject to appropriation to the Department of Revenue,

1 0.6% shall be distributed each month out of the Fund to the
2 Madison County Mass Transit District, (iv) the following
3 amounts, plus any cumulative deficiency in such transfers for
4 prior months, shall be transferred monthly into the Build
5 Illinois Fund and credited to the Build Illinois Bond Account
6 therein:

7 Fiscal Year	Amount
8 1990	\$2,700,000
9 1991	1,850,000
10 1992	2,750,000
11 1993	2,950,000

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

1 fund and establish a program for developing and coordinating
2 public and private resources targeted to meet the affordable
3 housing needs of low-income and very low-income households
4 within such municipality.

5 Moneys transferred from the Grocery Tax Replacement Fund
6 to the State and Local Sales Tax Reform Fund under Section
7 6z-130 shall be treated under this Section in the same manner
8 as if they had been remitted with the return on which they were
9 reported.

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

1 under this subsection (b) shall be used, subject to
2 appropriation, to fund additional auditors and compliance
3 personnel at the Department of Revenue.

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

5 (30 ILCS 105/6z-18) (from Ch. 127, par. 142z-18)

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

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

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

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

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

21 For the purpose of determining allocation to the local
22 government unit, a retail sale by a producer of coal or other
23 mineral mined in Illinois is a sale at retail at the place
24 where the coal or other mineral mined in Illinois is extracted
25 from the earth. This paragraph does not apply to coal or other
26 mineral when it is delivered or shipped by the seller to the

1 purchaser at a point outside Illinois so that the sale is
2 exempt under the United States Constitution as a sale in
3 interstate or foreign commerce.

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

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
18 during the second preceding calendar month for sales within a
19 STAR bond district and deposited into the Local Government Tax
20 Fund, less 3% of that amount, which shall be transferred into
21 the Tax Compliance and Administration Fund and shall be used
22 by the Department, subject to appropriation, to cover the
23 costs of the Department in administering the Innovation
24 Development and Economy Act.

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

25 When certifying the amount of monthly disbursement to a
26 municipality or county under this Section, the Department

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

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

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

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

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

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

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

4 (b) On the effective date of this amendatory Act of the
5 102nd General Assembly, or as soon thereafter as practical,
6 but no later than June 30, 2022, the State Comptroller shall
7 direct and the State Treasurer shall transfer the sum of
8 \$225,000,000 from the General Revenue Fund to the Grocery Tax
9 Replacement Fund.

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

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

1 State Treasurer shall transfer the amounts certified by the
2 Director from the General Revenue Fund to the Grocery Tax
3 Replacement Fund.

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

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

1 reduction had been taxed at the 1% rate during the period of
2 the reduction.

3 (g) The State Comptroller shall direct and the State
4 Treasurer shall transfer the remaining balance in the Grocery
5 Tax Replacement Fund to the General Revenue Fund on December
6 1, 2023, or as soon thereafter as practical. Upon completion
7 of the transfer, the Grocery Tax Replacement Fund is
8 dissolved.

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

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

12 (35 ILCS 105/3-10)

13 Sec. 3-10. Rate of tax. Unless otherwise provided in this
14 Section, the tax imposed by this Act is at the rate of 6.25% of
15 either the selling price or the fair market value, if any, of
16 the tangible personal property. In all cases where property
17 functionally used or consumed is the same as the property that
18 was purchased at retail, then the tax is imposed on the selling
19 price of the property. In all cases where property
20 functionally used or consumed is a by-product or waste product
21 that has been refined, manufactured, or produced from property
22 purchased at retail, then the tax is imposed on the lower of
23 the fair market value, if any, of the specific property so used
24 in this State or on the selling price of the property purchased

1 at retail. For purposes of this Section "fair market value"
2 means the price at which property would change hands between a
3 willing buyer and a willing seller, neither being under any
4 compulsion to buy or sell and both having reasonable knowledge
5 of the relevant facts. The fair market value shall be
6 established by Illinois sales by the taxpayer of the same
7 property as that functionally used or consumed, or if there
8 are no such sales by the taxpayer, then comparable sales or
9 purchases of property of like kind and character in Illinois.

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

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

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

26 With respect to majority blended ethanol fuel, the tax

1 imposed by this Act does not apply to the proceeds of sales
2 made on or after July 1, 2003 and on or before December 31,
3 2023 but applies to 100% of the proceeds of sales made
4 thereafter.

5 With respect to biodiesel blends with no less than 1% and
6 no more than 10% biodiesel, the tax imposed by this Act applies
7 to (i) 80% of the proceeds of sales made on or after July 1,
8 2003 and on or before December 31, 2018 and (ii) 100% of the
9 proceeds of sales made thereafter. If, at any time, however,
10 the tax under this Act on sales of biodiesel blends with no
11 less than 1% and no more than 10% biodiesel is imposed at the
12 rate of 1.25%, then the tax imposed by this Act applies to 100%
13 of the proceeds of sales of biodiesel blends with no less than
14 1% and no more than 10% biodiesel made during that time.

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

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

1 to food for human consumption that is to be consumed off the
2 premises where it is sold (other than alcoholic beverages,
3 food consisting of or infused with adult use cannabis, soft
4 drinks, and food that has been prepared for immediate
5 consumption), the tax is imposed at the rate of 0%.

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

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

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

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

1 flour or requires refrigeration.

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

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

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

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

24 As used in this Section, "adult use cannabis" means
25 cannabis subject to tax under the Cannabis Cultivation
26 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law

1 and does not include cannabis subject to tax under the
2 Compassionate Use of Medical Cannabis Program Act.

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

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

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

1 portion of taxes paid on aviation fuel that is subject to the
2 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
3 47133. When determining the discount allowed under this
4 Section, retailers shall include the amount of tax that would
5 have been due at the 1% rate but for the 0% rate imposed under
6 this amendatory Act of the 102nd General Assembly. In the case
7 of retailers who report and pay the tax on a transaction by
8 transaction basis, as provided in this Section, such discount
9 shall be taken with each such tax remittance instead of when
10 such retailer files his periodic return. The discount allowed
11 under this Section is allowed only for returns that are filed
12 in the manner required by this Act. The Department may
13 disallow the discount for retailers whose certificate of
14 registration is revoked at the time the return is filed, but
15 only if the Department's decision to revoke the certificate of
16 registration has become final. A retailer need not remit that
17 part of any tax collected by him to the extent that he is
18 required to remit and does remit the tax imposed by the
19 Retailers' Occupation Tax Act, with respect to the sale of the
20 same property.

21 Where such tangible personal property is sold under a
22 conditional sales contract, or under any other form of sale
23 wherein the payment of the principal sum, or a part thereof, is
24 extended beyond the close of the period for which the return is
25 filed, the retailer, in collecting the tax (except as to motor
26 vehicles, watercraft, aircraft, and trailers that are required

1 to be registered with an agency of this State), may collect for
2 each tax return period, only the tax applicable to that part of
3 the selling price actually received during such tax return
4 period.

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

26 On and after January 1, 2018, except for returns for motor

1 vehicles, watercraft, aircraft, and trailers that are required
2 to be registered with an agency of this State, with respect to
3 retailers whose annual gross receipts average \$20,000 or more,
4 all returns required to be filed pursuant to this Act shall be
5 filed electronically. Retailers who demonstrate that they do
6 not have access to the Internet or demonstrate hardship in
7 filing electronically may petition the Department to waive the
8 electronic filing requirement.

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

16 1. The name of the seller;

17 2. The address of the principal place of business from
18 which he engages in the business of selling tangible
19 personal property at retail in this State;

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

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

- 1 5. The amount of tax due;
- 2 5-5. The signature of the taxpayer; and
- 3 6. Such other reasonable information as the Department
- 4 may require.

5 Each retailer required or authorized to collect the tax

6 imposed by this Act on aviation fuel sold at retail in this

7 State during the preceding calendar month shall, instead of

8 reporting and paying tax on aviation fuel as otherwise

9 required by this Section, report and pay such tax on a separate

10 aviation fuel tax return. The requirements related to the

11 return shall be as otherwise provided in this Section.

12 Notwithstanding any other provisions of this Act to the

13 contrary, retailers collecting tax on aviation fuel shall file

14 all aviation fuel tax returns and shall make all aviation fuel

15 tax payments by electronic means in the manner and form

16 required by the Department. For purposes of this Section,

17 "aviation fuel" means jet fuel and aviation gasoline.

18 If a taxpayer fails to sign a return within 30 days after

19 the proper notice and demand for signature by the Department,

20 the return shall be considered valid and any amount shown to be

21 due on the return shall be deemed assessed.

22 Notwithstanding any other provision of this Act to the

23 contrary, retailers subject to tax on cannabis shall file all

24 cannabis tax returns and shall make all cannabis tax payments

25 by electronic means in the manner and form required by the

26 Department.

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

1 the Service Occupation Tax Act, and the Service Use Tax Act was
2 \$20,000 or more during the preceding 4 complete calendar
3 quarters, he shall file a return with the Department each
4 month by the 20th day of the month next following the month
5 during which such tax liability is incurred and shall make
6 payment to the Department on or before the 7th, 15th, 22nd and
7 last day of the month during which such liability is incurred.
8 If the month during which such tax liability is incurred began
9 prior to January 1, 1985, each payment shall be in an amount
10 equal to 1/4 of the taxpayer's actual liability for the month
11 or an amount set by the Department not to exceed 1/4 of the
12 average monthly liability of the taxpayer to the Department
13 for the preceding 4 complete calendar quarters (excluding the
14 month of highest liability and the month of lowest liability
15 in such 4 quarter period). If the month during which such tax
16 liability is incurred begins on or after January 1, 1985, and
17 prior to January 1, 1987, each payment shall be in an amount
18 equal to 22.5% of the taxpayer's actual liability for the
19 month or 27.5% of the taxpayer's liability for the same
20 calendar month of the preceding year. If the month during
21 which such tax liability is incurred begins on or after
22 January 1, 1987, and prior to January 1, 1988, each payment
23 shall be in an amount equal to 22.5% of the taxpayer's actual
24 liability for the month or 26.25% of the taxpayer's liability
25 for the same calendar month of the preceding year. If the month
26 during which such tax liability is incurred begins on or after

1 January 1, 1988, and prior to January 1, 1989, or begins on or
2 after January 1, 1996, each payment shall be in an amount equal
3 to 22.5% of the taxpayer's actual liability for the month or
4 25% of the taxpayer's liability for the same calendar month of
5 the preceding year. If the month during which such tax
6 liability is incurred begins on or after January 1, 1989, and
7 prior to January 1, 1996, each payment shall be in an amount
8 equal to 22.5% of the taxpayer's actual liability for the
9 month or 25% of the taxpayer's liability for the same calendar
10 month of the preceding year or 100% of the taxpayer's actual
11 liability for the quarter monthly reporting period. The amount
12 of such quarter monthly payments shall be credited against the
13 final tax liability of the taxpayer's return for that month.
14 Before October 1, 2000, once applicable, the requirement of
15 the making of quarter monthly payments to the Department shall
16 continue until such taxpayer's average monthly liability to
17 the Department during the preceding 4 complete calendar
18 quarters (excluding the month of highest liability and the
19 month of lowest liability) is less than \$9,000, or until such
20 taxpayer's average monthly liability to the Department as
21 computed for each calendar quarter of the 4 preceding complete
22 calendar quarter period is less than \$10,000. However, if a
23 taxpayer can show the Department that a substantial change in
24 the taxpayer's business has occurred which causes the taxpayer
25 to anticipate that his average monthly tax liability for the
26 reasonably foreseeable future will fall below the \$10,000

1 threshold stated above, then such taxpayer may petition the
2 Department for change in such taxpayer's reporting status. On
3 and after October 1, 2000, once applicable, the requirement of
4 the making of quarter monthly payments to the Department shall
5 continue until such taxpayer's average monthly liability to
6 the Department during the preceding 4 complete calendar
7 quarters (excluding the month of highest liability and the
8 month of lowest liability) is less than \$19,000 or until such
9 taxpayer's average monthly liability to the Department as
10 computed for each calendar quarter of the 4 preceding complete
11 calendar quarter period is less than \$20,000. However, if a
12 taxpayer can show the Department that a substantial change in
13 the taxpayer's business has occurred which causes the taxpayer
14 to anticipate that his average monthly tax liability for the
15 reasonably foreseeable future will fall below the \$20,000
16 threshold stated above, then such taxpayer may petition the
17 Department for a change in such taxpayer's reporting status.
18 The Department shall change such taxpayer's reporting status
19 unless it finds that such change is seasonal in nature and not
20 likely to be long term. Quarter monthly payment status shall
21 be determined under this paragraph as if the rate reduction to
22 0% in this amendatory Act of the 102nd General Assembly on food
23 for human consumption that is to be consumed off the premises
24 where it is sold (other than alcoholic beverages, food
25 consisting of or infused with adult use cannabis, soft drinks,
26 and food that has been prepared for immediate consumption) had

1 not occurred. For quarter monthly payments due under this
2 paragraph on or after July 1, 2023 and through June 30, 2024,
3 "25% of the taxpayer's liability for the same calendar month
4 of the preceding year" shall be determined as if the rate
5 reduction to 0% in this amendatory Act of the 102nd General
6 Assembly had not occurred. If any such quarter monthly payment
7 is not paid at the time or in the amount required by this
8 Section, then the taxpayer shall be liable for penalties and
9 interest on the difference between the minimum amount due and
10 the amount of such quarter monthly payment actually and timely
11 paid, except insofar as the taxpayer has previously made
12 payments for that month to the Department in excess of the
13 minimum payments previously due as provided in this Section.
14 The Department shall make reasonable rules and regulations to
15 govern the quarter monthly payment amount and quarter monthly
16 payment dates for taxpayers who file on other than a calendar
17 monthly basis.

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

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

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

1 given year being due by October 20 of such year, and with the
2 return for October, November and December of a given year
3 being due by January 20 of the following year.

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

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

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

20 In addition, with respect to motor vehicles, watercraft,
21 aircraft, and trailers that are required to be registered with
22 an agency of this State, except as otherwise provided in this
23 Section, every retailer selling this kind of tangible personal
24 property shall file, with the Department, upon a form to be
25 prescribed and supplied by the Department, a separate return
26 for each such item of tangible personal property which the

1 retailer sells, except that if, in the same transaction, (i) a
2 retailer of aircraft, watercraft, motor vehicles or trailers
3 transfers more than one aircraft, watercraft, motor vehicle or
4 trailer to another aircraft, watercraft, motor vehicle or
5 trailer retailer for the purpose of resale or (ii) a retailer
6 of aircraft, watercraft, motor vehicles, or trailers transfers
7 more than one aircraft, watercraft, motor vehicle, or trailer
8 to a purchaser for use as a qualifying rolling stock as
9 provided in Section 3-55 of this Act, then that seller may
10 report the transfer of all the aircraft, watercraft, motor
11 vehicles or trailers involved in that transaction to the
12 Department on the same uniform invoice-transaction reporting
13 return form. For purposes of this Section, "watercraft" means
14 a Class 2, Class 3, or Class 4 watercraft as defined in Section
15 3-2 of the Boat Registration and Safety Act, a personal
16 watercraft, or any boat equipped with an inboard motor.

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, every person who is engaged in the
20 business of leasing or renting such items and who, in
21 connection with such business, sells any such item to a
22 retailer for the purpose of resale is, notwithstanding any
23 other provision of this Section to the contrary, authorized to
24 meet the return-filing requirement of this Act by reporting
25 the transfer of all the aircraft, watercraft, motor vehicles,
26 or trailers transferred for resale during a month to the

1 Department on the same uniform invoice-transaction reporting
2 return form on or before the 20th of the month following the
3 month in which the transfer takes place. Notwithstanding any
4 other provision of this Act to the contrary, all returns filed
5 under this paragraph must be filed by electronic means in the
6 manner and form as required by the Department.

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

1 Department may reasonably require.

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

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

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

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

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

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

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

18 Where a retailer collects the tax with respect to the
19 selling price of tangible personal property which he sells and
20 the purchaser thereafter returns such tangible personal
21 property and the retailer refunds the selling price thereof to
22 the purchaser, such retailer shall also refund, to the
23 purchaser, the tax so collected from the purchaser. When
24 filing his return for the period in which he refunds such tax
25 to the purchaser, the retailer may deduct the amount of the tax
26 so refunded by him to the purchaser from any other use tax

1 which such retailer may be required to pay or remit to the
2 Department, as shown by such return, if the amount of the tax
3 to be deducted was previously remitted to the Department by
4 such retailer. If the retailer has not previously remitted the
5 amount of such tax to the Department, he is entitled to no
6 deduction under this Act upon refunding such tax to the
7 purchaser.

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

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

22 Where the retailer has more than one business registered
23 with the Department under separate registration under this
24 Act, such retailer may not file each return that is due as a
25 single return covering all such registered businesses, but
26 shall file separate returns for each such registered business.

1 Beginning January 1, 1990, each month the Department shall
2 pay into the State and Local Sales Tax Reform Fund, a special
3 fund in the State Treasury which is hereby created, the net
4 revenue realized for the preceding month from the 1% tax
5 imposed under this Act.

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

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

24 For aviation fuel sold on or after December 1, 2019, each
25 month the Department shall pay into the State Aviation Program
26 Fund 20% of the net revenue realized for the preceding month

1 from the 6.25% general rate on the selling price of aviation
2 fuel, less an amount estimated by the Department to be
3 required for refunds of the 20% portion of the tax on aviation
4 fuel under this Act, which amount shall be deposited into the
5 Aviation Fuel Sales Tax Refund Fund. The Department shall only
6 pay moneys into the State Aviation Program Fund and the
7 Aviation Fuels Sales Tax Refund Fund under this Act 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 State.

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

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

25 Beginning October 1, 2009, each month the Department shall
26 pay into the Capital Projects Fund an amount that is equal to

1 an amount estimated by the Department to represent 80% of the
2 net revenue realized for the preceding month from the sale of
3 candy, grooming and hygiene products, and soft drinks that had
4 been taxed at a rate of 1% prior to September 1, 2009 but that
5 are now taxed at 6.25%.

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

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

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

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

9 Of the remainder of the moneys received by the Department
10 pursuant to this Act, (a) 1.75% thereof shall be paid into the
11 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
12 and after July 1, 1989, 3.8% thereof shall be paid into the
13 Build Illinois Fund; provided, however, that if in any fiscal
14 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
15 may be, of the moneys received by the Department and required
16 to be paid into the Build Illinois Fund pursuant to Section 3
17 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax
18 Act, Section 9 of the Service Use Tax Act, and Section 9 of the
19 Service Occupation Tax Act, such Acts being hereinafter called
20 the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case
21 may be, of moneys being hereinafter called the "Tax Act
22 Amount", and (2) the amount transferred to the Build Illinois
23 Fund from the State and Local Sales Tax Reform Fund shall be
24 less than the Annual Specified Amount (as defined in Section 3
25 of the Retailers' Occupation Tax Act), 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 if on the last
3 business day of any month the sum of (1) the Tax Act Amount
4 required to be deposited into the Build Illinois Bond Account
5 in the Build Illinois Fund during such month and (2) the amount
6 transferred during such month to the Build Illinois Fund from
7 the State and Local Sales Tax Reform Fund shall have been less
8 than 1/12 of the Annual Specified Amount, an amount equal to
9 the difference shall be immediately paid into the Build
10 Illinois Fund from other moneys received by the Department
11 pursuant to the Tax Acts; and, further provided, that in no
12 event shall the payments required under the preceding proviso
13 result in aggregate payments into the Build Illinois Fund
14 pursuant to this clause (b) for any fiscal year in excess of
15 the greater of (i) the Tax Act Amount or (ii) the Annual
16 Specified Amount for such fiscal year; and, further provided,
17 that the amounts payable into the Build Illinois Fund under
18 this clause (b) shall be payable only until such time as the
19 aggregate amount on deposit under each trust indenture
20 securing Bonds issued and outstanding pursuant to the Build
21 Illinois Bond Act is sufficient, taking into account any
22 future investment income, to fully provide, in accordance with
23 such indenture, for the defeasance of or the payment of the
24 principal of, premium, if any, and interest on the Bonds
25 secured by such indenture and on any Bonds expected to be
26 issued thereafter and all fees and costs payable with respect

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

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

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

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

1	2010	139,000,000
2	2011	146,000,000
3	2012	153,000,000
4	2013	161,000,000
5	2014	170,000,000
6	2015	179,000,000
7	2016	189,000,000
8	2017	199,000,000
9	2018	210,000,000
10	2019	221,000,000
11	2020	233,000,000
12	2021	300,000,000
13	2022	300,000,000
14	2023	300,000,000
15	2024	300,000,000
16	2025	300,000,000
17	2026	300,000,000
18	2027	375,000,000
19	2028	375,000,000
20	2029	375,000,000
21	2030	375,000,000
22	2031	375,000,000
23	2032	375,000,000
24	2033	375,000,000
25	2034	375,000,000
26	2035	375,000,000

1 2036 450,000,000
2 and
3 each fiscal year
4 thereafter that bonds
5 are outstanding under
6 Section 13.2 of the
7 Metropolitan Pier and
8 Exposition Authority Act,
9 but not after fiscal year 2060.

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

23 Subject to payment of amounts into the Capital Projects
24 Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,
25 and the McCormick Place Expansion Project Fund pursuant to the
26 preceding paragraphs or in any amendments thereto hereafter

1 enacted, for aviation fuel sold on or after December 1, 2019,
2 the Department shall each month deposit into the Aviation Fuel
3 Sales Tax Refund Fund an amount estimated by the Department to
4 be required for refunds of the 80% portion of the tax on
5 aviation fuel under this Act. The Department shall only
6 deposit moneys into the Aviation Fuel Sales Tax Refund Fund
7 under this paragraph for so long as the revenue use
8 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
9 binding on the State.

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

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

1 purposes of this paragraph, the term "eligible business" means
2 a new electric generating facility certified pursuant to
3 Section 605-332 of the Department of Commerce and Economic
4 Opportunity Law of the Civil Administrative Code of Illinois.

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

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

1 Tax Compliance and Administration Fund as provided in this
2 Section, beginning on July 1, 2018 the Department shall pay
3 each month into the Downstate Public Transportation Fund the
4 moneys required to be so paid under Section 2-3 of the
5 Downstate Public Transportation Act.

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

1	Fiscal Year.....	Total Deposit
2	2024	\$200,000,000
3	2025	\$206,000,000
4	2026	\$212,200,000
5	2027	\$218,500,000
6	2028	\$225,100,000
7	2029	\$288,700,000
8	2030	\$298,900,000
9	2031	\$309,300,000
10	2032	\$320,100,000
11	2033	\$331,200,000
12	2034	\$341,200,000
13	2035	\$351,400,000
14	2036	\$361,900,000
15	2037	\$372,800,000
16	2038	\$384,000,000
17	2039	\$395,500,000
18	2040	\$407,400,000
19	2041	\$419,600,000
20	2042	\$432,200,000
21	2043	\$445,100,000

22 Beginning July 1, 2021 and until July 1, 2022, subject to
23 the payment of amounts into the State and Local Sales Tax
24 Reform Fund, the Build Illinois Fund, the McCormick Place
25 Expansion Project Fund, the Illinois Tax Increment Fund, the
26 Energy Infrastructure Fund, and the Tax Compliance and

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

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

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

22 As soon as possible after the first day of each month, upon
23 certification of the Department of Revenue, the Comptroller
24 shall order transferred and the Treasurer shall transfer from
25 the General Revenue Fund to the Motor Fuel Tax Fund an amount
26 equal to 1.7% of 80% of the net revenue realized under this Act

1 for the second preceding month. Beginning April 1, 2000, this
2 transfer is no longer required and shall not be made.

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

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

14 (Source: P.A. 100-303, eff. 8-24-17; 100-363, eff. 7-1-18;
15 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; 101-10, Article
16 15, Section 15-10, eff. 6-5-19; 101-10, Article 25, Section
17 25-105, eff. 6-5-19; 101-27, eff. 6-25-19; 101-32, eff.
18 6-28-19; 101-604, eff. 12-13-19; 101-636, eff. 6-10-20.)

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

21 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

22 Sec. 3-10. Rate of tax. Unless otherwise provided in this
23 Section, the tax imposed by this Act is at the rate of 6.25% of
24 the selling price of tangible personal property transferred as

1 an incident to the sale of service, but, for the purpose of
2 computing this tax, in no event shall the selling price be less
3 than the cost price of the property to the serviceman.

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

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

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

25 With respect to biodiesel blends, as defined in the Use
26 Tax Act, with no less than 1% and no more than 10% biodiesel,

1 the tax imposed by this Act applies to (i) 80% of the selling
2 price of property transferred as an incident to the sale of
3 service on or after July 1, 2003 and on or before December 31,
4 2018 and (ii) 100% of the proceeds of the selling price
5 thereafter. If, at any time, however, the tax under this Act on
6 sales of biodiesel blends, as defined in the Use Tax Act, with
7 no less than 1% and no more than 10% biodiesel 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 biodiesel blends with no less
10 than 1% and no more than 10% biodiesel made during that time.

11 With respect to 100% biodiesel, as defined in the Use Tax
12 Act, and biodiesel blends, as defined in the Use Tax Act, 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 the selling price
15 of property transferred as an incident to the sale of service
16 on or after July 1, 2003 and on or before December 31, 2023 but
17 applies to 100% of the selling price thereafter.

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

1 transferred as an incident to the sale of those services.

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

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

1 Child Care Act of 1969, or an entity that holds a permit issued
2 pursuant to the Life Care Facilities Act. Beginning on July 1,
3 2022 and until July 1, 2023, the tax shall also be imposed at
4 the rate of 0% on food for human consumption that is to be
5 consumed off the premises where it is sold (other than
6 alcoholic beverages, food consisting of or infused with adult
7 use cannabis, soft drinks, and food that has been prepared for
8 immediate consumption and is not otherwise included in this
9 paragraph).

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

1 does not include coffee, tea, non-carbonated water, infant
2 formula, milk or milk products as defined in the Grade A
3 Pasteurized Milk and Milk Products Act, or drinks containing
4 50% or more natural fruit or vegetable juice.

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

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

23 Notwithstanding any other provisions of this Act,
24 beginning September 1, 2009, "food for human consumption that
25 is to be consumed off the premises where it is sold" does not
26 include candy. For purposes of this Section, "candy" means a

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

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

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

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

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

1 Cannabis Program Act.

2 As used in this Section, "adult use cannabis" means
3 cannabis subject to tax under the Cannabis Cultivation
4 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
5 and does not include cannabis subject to tax under the
6 Compassionate Use of Medical Cannabis Program Act.

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

14 (Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;
15 102-4, eff. 4-27-21; 102-16, eff. 6-17-21.)

16 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

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

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

20 Except as provided hereinafter in this Section, on or
21 before the twentieth day of each calendar month, such
22 serviceman shall file a return for the preceding calendar
23 month in accordance with reasonable Rules and Regulations to
24 be promulgated by the Department. Such return shall be filed
25 on a form prescribed by the Department and shall contain such
26 information as the Department may reasonably require. The

1 return shall include the gross receipts which were received
2 during the preceding calendar month or quarter on the
3 following items upon which tax would have been due but for the
4 0% rate imposed under this amendatory Act of the 102nd General
5 Assembly: (i) food for human consumption that is to be
6 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 (ii) food prepared for immediate
10 consumption and transferred incident to a sale of service
11 subject to this Act or the Service Occupation Tax Act by an
12 entity licensed under the Hospital Licensing Act, the Nursing
13 Home Care Act, the Assisted Living and Shared Housing Act, the
14 ID/DD Community Care Act, the MC/DD Act, the Specialized
15 Mental Health Rehabilitation Act of 2013, or the Child Care
16 Act of 1969, or an entity that holds a permit issued pursuant
17 to the Life Care Facilities Act. The return shall also include
18 the amount of tax that would have been due on the items listed
19 in the previous sentence but for the 0% rate imposed under this
20 amendatory Act of the 102nd General Assembly.

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

1 electronic filing requirement.

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

9 1. The name of the seller;

10 2. The address of the principal place of business from
11 which he engages in business as a serviceman in this
12 State;

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

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

19 5. The amount of tax due;

20 5-5. The signature of the taxpayer; and

21 6. Such other reasonable information as the Department
22 may require.

23 Each serviceman required or authorized to collect the tax
24 imposed by this Act on aviation fuel transferred as an
25 incident of a sale of service in this State during the
26 preceding calendar month shall, instead of reporting and

1 paying tax on aviation fuel as otherwise required by this
2 Section, report and pay such tax on a separate aviation fuel
3 tax return. The requirements related to the return shall be as
4 otherwise provided in this Section. Notwithstanding any other
5 provisions of this Act to the contrary, servicemen collecting
6 tax on aviation fuel shall file all aviation fuel tax returns
7 and shall make all aviation fuel tax payments by electronic
8 means in the manner and form required by the Department. For
9 purposes of this Section, "aviation fuel" means jet fuel and
10 aviation gasoline.

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

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

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

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

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

24 Any taxpayer not required to make payments by electronic
25 funds transfer may make payments by electronic funds transfer
26 with the permission of the Department.

1 All taxpayers required to make payment by electronic funds
2 transfer and any taxpayers authorized to voluntarily make
3 payments by electronic funds transfer shall make those
4 payments in the manner authorized by the Department.

5 The Department shall adopt such rules as are necessary to
6 effectuate a program of electronic funds transfer and the
7 requirements of this Section.

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

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

25 Such quarter annual and annual returns, as to form and
26 substance, shall be subject to the same requirements as

1 monthly returns.

2 Notwithstanding any other provision in this Act concerning
3 the time within which a serviceman may file his return, in the
4 case of any serviceman who ceases to engage in a kind of
5 business which makes him responsible for filing returns under
6 this Act, such serviceman shall file a final return under this
7 Act with the Department not more than 1 month after
8 discontinuing such business.

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

26 Any serviceman filing a return hereunder shall also

1 include the total tax upon the selling price of tangible
2 personal property purchased for use by him as an incident to a
3 sale of service, and such serviceman shall remit the amount of
4 such tax to the Department when filing such return.

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

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

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

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

1 aviation fuel sold on or after December 1, 2019. This
2 exception for aviation fuel only applies for so long as the
3 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
4 47133 are binding on the State.

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

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

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

1 are now taxed at 6.25%.

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

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

22 Of the remainder of the moneys received by the Department
23 pursuant to this Act, (a) 1.75% thereof shall be paid into the
24 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
25 and after July 1, 1989, 3.8% thereof shall be paid into the
26 Build Illinois Fund; provided, however, that if in any fiscal

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

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

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

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

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

1	1996	61,000,000
2	1997	64,000,000
3	1998	68,000,000
4	1999	71,000,000
5	2000	75,000,000
6	2001	80,000,000
7	2002	93,000,000
8	2003	99,000,000
9	2004	103,000,000
10	2005	108,000,000
11	2006	113,000,000
12	2007	119,000,000
13	2008	126,000,000
14	2009	132,000,000
15	2010	139,000,000
16	2011	146,000,000
17	2012	153,000,000
18	2013	161,000,000
19	2014	170,000,000
20	2015	179,000,000
21	2016	189,000,000
22	2017	199,000,000
23	2018	210,000,000
24	2019	221,000,000
25	2020	233,000,000
26	2021	300,000,000

1	2022	300,000,000
2	2023	300,000,000
3	2024	300,000,000
4	2025	300,000,000
5	2026	300,000,000
6	2027	375,000,000
7	2028	375,000,000
8	2029	375,000,000
9	2030	375,000,000
10	2031	375,000,000
11	2032	375,000,000
12	2033	375,000,000
13	2034	375,000,000
14	2035	375,000,000
15	2036	450,000,000

16 and

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

24 Beginning July 20, 1993 and in each month of each fiscal
25 year thereafter, one-eighth of the amount requested in the
26 certificate of the Chairman of the Metropolitan Pier and

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

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

24 Subject to payment of amounts into the Build Illinois Fund
25 and the McCormick Place Expansion Project Fund pursuant to the
26 preceding paragraphs or in any amendments thereto hereafter

1 enacted, beginning July 1, 1993 and ending on September 30,
2 2013, the Department shall each month pay into the Illinois
3 Tax Increment Fund 0.27% of 80% of the net revenue realized for
4 the preceding month from the 6.25% general rate on the selling
5 price of tangible personal property.

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

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

1 Section 9 of the Service Use Tax Act, Section 9 of the Service
2 Occupation Tax Act, and Section 3 of the Retailers' Occupation
3 Tax Act, the Department shall pay into the Tax Compliance and
4 Administration Fund, to be used, subject to appropriation, to
5 fund additional auditors and compliance personnel at the
6 Department of Revenue, an amount equal to 1/12 of 5% of 80% of
7 the cash receipts collected during the preceding fiscal year
8 by the Audit Bureau of the Department under the Use Tax Act,
9 the Service Use Tax Act, the Service Occupation Tax Act, the
10 Retailers' Occupation Tax Act, and associated local occupation
11 and use taxes administered by the Department.

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

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

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

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

1	2035	.....	\$351,400,000
2	2036	.....	\$361,900,000
3	2037	.....	\$372,800,000
4	2038	.....	\$384,000,000
5	2039	.....	\$395,500,000
6	2040	.....	\$407,400,000
7	2041	.....	\$419,600,000
8	2042	.....	\$432,200,000
9	2043	.....	\$445,100,000

10 Beginning July 1, 2021 and until July 1, 2022, subject to
11 the payment of amounts into the State and Local Sales Tax
12 Reform Fund, the Build Illinois Fund, the McCormick Place
13 Expansion Project Fund, the Illinois Tax Increment Fund, the
14 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 16% of the net revenue realized from
18 the taxes imposed on motor fuel and gasohol. Beginning July 1,
19 2022 and until July 1, 2023, 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 32% of the net
26 revenue realized from the taxes imposed on motor fuel and

1 gasohol. Beginning July 1, 2023 and until July 1, 2024,
2 subject to the payment of amounts into the State and Local
3 Sales Tax Reform Fund, the Build Illinois Fund, the McCormick
4 Place Expansion Project Fund, the Illinois Tax Increment Fund,
5 the Energy Infrastructure Fund, and the Tax Compliance and
6 Administration Fund as provided in this Section, the
7 Department shall pay each month into the Road Fund the amount
8 estimated to represent 48% of the net revenue realized from
9 the taxes imposed on motor fuel and gasohol. Beginning July 1,
10 2024 and until July 1, 2025, subject to the payment of amounts
11 into the State and Local Sales Tax Reform Fund, the Build
12 Illinois Fund, the McCormick Place Expansion Project Fund, the
13 Illinois Tax Increment Fund, the Energy Infrastructure Fund,
14 and the Tax Compliance and Administration Fund as provided in
15 this Section, the Department shall pay each month into the
16 Road Fund the amount estimated to represent 64% of the net
17 revenue realized from the taxes imposed on motor fuel and
18 gasohol. Beginning on July 1, 2025, subject to the payment of
19 amounts into the State and Local Sales Tax Reform Fund, the
20 Build Illinois Fund, the McCormick Place Expansion Project
21 Fund, the Illinois Tax Increment Fund, the Energy
22 Infrastructure Fund, and the Tax Compliance and Administration
23 Fund as provided in this Section, the Department shall pay
24 each month into the Road Fund the amount estimated to
25 represent 80% of the net revenue realized from the taxes
26 imposed on motor fuel and gasohol. As used in this paragraph

1 "motor fuel" has the meaning given to that term in Section 1.1
2 of the Motor Fuel Tax ~~Law Act~~, and "gasohol" has the meaning
3 given to that term in Section 3-40 of the Use Tax Act.

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

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 (Source: P.A. 100-303, eff. 8-24-17; 100-363, eff. 7-1-18;
23 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; 101-10, Article
24 15, Section 15-15, eff. 6-5-19; 101-10, Article 25, Section
25 25-110, eff. 6-5-19; 101-27, eff. 6-25-19; 101-32, eff.
26 6-28-19; 101-604, eff. 12-13-19; 101-636, eff. 6-10-20.)

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

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

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

22 Beginning on July 1, 2000 and through December 31, 2000,
23 with respect to motor fuel, as defined in Section 1.1 of the
24 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of

1 the Use Tax Act, the tax is imposed at the rate of 1.25%.

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

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

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

1 no less than 1% and no more than 10% biodiesel is imposed at
2 the rate of 1.25%, then the tax imposed by this Act applies to
3 100% of the proceeds of sales of biodiesel blends with no less
4 than 1% and no more than 10% biodiesel made during that time.

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

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

23 Until July 1, 2022 and beginning again on July 1, 2023, the
24 ~~The~~ tax shall be imposed at the rate of 1% on food prepared for
25 immediate consumption and transferred incident to a sale of
26 service subject to this Act or the Service Use ~~Occupation~~ Tax

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

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

1 food consisting of or infused with adult use cannabis, soft
2 drinks, and food that has been prepared for immediate
3 consumption and is not otherwise included in this paragraph).

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

25 Notwithstanding any other provisions of this Act,
26 beginning September 1, 2009, "soft drinks" means non-alcoholic

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

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

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

26 Notwithstanding any other provisions of this Act,

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

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

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

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

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

1 (Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;
2 102-4, eff. 4-27-21; 102-16, eff. 6-17-21.)

3 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

4 Sec. 9. Each serviceman required or authorized to collect
5 the tax herein imposed shall pay to the Department the amount
6 of such tax at the time when he is required to file his return
7 for the period during which such tax was collectible, less a
8 discount of 2.1% prior to January 1, 1990, and 1.75% on and
9 after January 1, 1990, or \$5 per calendar year, whichever is
10 greater, which is allowed to reimburse the serviceman for
11 expenses incurred in collecting the tax, keeping records,
12 preparing and filing returns, remitting the tax and supplying
13 data to the Department on request. When determining the
14 discount allowed under this Section, servicemen shall include
15 the amount of tax that would have been due at the 1% rate but
16 for the 0% rate imposed under this amendatory Act of the 102nd
17 General Assembly. The discount under this Section is not
18 allowed for the 1.25% portion of taxes paid on aviation fuel
19 that is subject to the revenue use requirements of 49 U.S.C.
20 47107(b) and 49 U.S.C. 47133. The discount allowed under this
21 Section is allowed only for returns that are filed in the
22 manner required by this Act. The Department may disallow the
23 discount for servicemen whose certificate of registration is
24 revoked at the time the return is filed, but only if the
25 Department's decision to revoke the certificate of

1 registration has become final.

2 Where such tangible personal property is sold under a
3 conditional sales contract, or under any other form of sale
4 wherein the payment of the principal sum, or a part thereof, is
5 extended beyond the close of the period for which the return is
6 filed, the serviceman, in collecting the tax may collect, for
7 each tax return period, only the tax applicable to the part of
8 the selling price actually received during such tax return
9 period.

10 Except as provided hereinafter in this Section, on or
11 before the twentieth day of each calendar month, such
12 serviceman shall file a return for the preceding calendar
13 month in accordance with reasonable rules and regulations to
14 be promulgated by the Department of Revenue. Such return shall
15 be filed on a form prescribed by the Department and shall
16 contain such information as the Department may reasonably
17 require. The return shall include the gross receipts which
18 were received during the preceding calendar month or quarter
19 on the following items upon which tax would have been due but
20 for the 0% rate imposed under this amendatory Act of the 102nd
21 General Assembly: (i) food for human consumption that is to be
22 consumed off the premises where it is sold (other than
23 alcoholic beverages, food consisting of or infused with adult
24 use cannabis, soft drinks, and food that has been prepared for
25 immediate consumption); and (ii) food prepared for immediate
26 consumption and transferred incident to a sale of service

1 subject to this Act or the Service Use Tax Act by an entity
2 licensed under the Hospital Licensing Act, the Nursing Home
3 Care Act, the Assisted Living and Shared Housing Act, the
4 ID/DD Community Care Act, the MC/DD Act, the Specialized
5 Mental Health Rehabilitation Act of 2013, or the Child Care
6 Act of 1969, or an entity that holds a permit issued pursuant
7 to the Life Care Facilities Act. The return shall also include
8 the amount of tax that would have been due on the items listed
9 in the previous sentence but for the 0% rate imposed under this
10 amendatory Act of the 102nd General Assembly.

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

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

- 25 1. The name of the seller;
- 26 2. The address of the principal place of business from

1 which he engages in business as a serviceman in this
2 State;

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

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

9 5. The amount of tax due;

10 5-5. The signature of the taxpayer; and

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

13 Each serviceman required or authorized to collect the tax
14 herein imposed on aviation fuel acquired as an incident to the
15 purchase of a service in this State during the preceding
16 calendar month shall, instead of reporting and paying tax as
17 otherwise required by this Section, report and pay such tax on
18 a separate aviation fuel tax return. The requirements related
19 to the return shall be as otherwise provided in this Section.
20 Notwithstanding any other provisions of this Act to the
21 contrary, servicemen transferring aviation fuel incident to
22 sales of service shall file all aviation fuel tax returns and
23 shall make all aviation fuel tax payments by electronic means
24 in the manner and form required by the Department. For
25 purposes of this Section, "aviation fuel" means jet fuel and
26 aviation gasoline.

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

5 Notwithstanding any other provision of this Act to the
6 contrary, servicemen subject to tax on cannabis shall file all
7 cannabis tax returns and shall make all cannabis tax payments
8 by electronic means in the manner and form required by the
9 Department.

10 Prior to October 1, 2003, and on and after September 1,
11 2004 a serviceman may accept a Manufacturer's Purchase Credit
12 certification from a purchaser in satisfaction of Service Use
13 Tax as provided in Section 3-70 of the Service Use Tax Act if
14 the purchaser provides the appropriate documentation as
15 required by Section 3-70 of the Service Use Tax Act. A
16 Manufacturer's Purchase Credit certification, accepted prior
17 to October 1, 2003 or on or after September 1, 2004 by a
18 serviceman as provided in Section 3-70 of the Service Use Tax
19 Act, may be used by that serviceman to satisfy Service
20 Occupation Tax liability in the amount claimed in the
21 certification, not to exceed 6.25% of the receipts subject to
22 tax from a qualifying purchase. A Manufacturer's Purchase
23 Credit reported on any original or amended return filed under
24 this Act after October 20, 2003 for reporting periods prior to
25 September 1, 2004 shall be disallowed. Manufacturer's Purchase
26 Credit reported on annual returns due on or after January 1,

1 2005 will be disallowed for periods prior to September 1,
2 2004. No Manufacturer's Purchase Credit may be used after
3 September 30, 2003 through August 31, 2004 to satisfy any tax
4 liability imposed under this Act, including any audit
5 liability.

6 If the serviceman's average monthly tax liability to the
7 Department does not exceed \$200, the Department may authorize
8 his returns to be filed on a quarter annual basis, with the
9 return for January, February and March of a given year being
10 due by April 20 of such year; with the return for April, May
11 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's average monthly tax liability to the
17 Department does not exceed \$50, the Department may authorize
18 his returns to be filed on an annual basis, with the return for
19 a given year being due by January 20 of the following year.

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

23 Notwithstanding any other provision in this Act concerning
24 the time within which a serviceman may file his return, in the
25 case of any serviceman who ceases to engage in a kind of
26 business which makes him responsible for filing returns under

1 this Act, such serviceman shall file a final return under this
2 Act with the Department not more than 1 month after
3 discontinuing such business.

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

1 Department of Revenue Law shall make all payments required by
2 rules of the Department by electronic funds transfer.

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

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

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

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

18 Where a serviceman collects the tax with respect to the
19 selling price of tangible personal property which he sells and
20 the purchaser thereafter returns such tangible personal
21 property and the serviceman refunds the selling price thereof
22 to the purchaser, such serviceman shall also refund, to the
23 purchaser, the tax so collected from the purchaser. When
24 filing his return for the period in which he refunds such tax
25 to the purchaser, the serviceman may deduct the amount of the
26 tax so refunded by him to the purchaser from any other Service

1 Occupation Tax, Service Use Tax, Retailers' Occupation Tax or
2 Use Tax which such serviceman may be required to pay or remit
3 to the Department, as shown by such return, provided that the
4 amount of the tax to be deducted shall previously have been
5 remitted to the Department by such serviceman. If the
6 serviceman shall not previously have remitted the amount of
7 such tax to the Department, he shall be entitled to no
8 deduction hereunder upon refunding such tax to the purchaser.

9 If experience indicates such action to be practicable, the
10 Department may prescribe and furnish a combination or joint
11 return which will enable servicemen, who are required to file
12 returns hereunder and also under the Retailers' Occupation Tax
13 Act, the Use Tax Act or the Service Use Tax Act, to furnish all
14 the return information required by all said Acts on the one
15 form.

16 Where the serviceman has more than one business registered
17 with the Department under separate registrations hereunder,
18 such serviceman shall file separate returns for each
19 registered business.

20 Beginning January 1, 1990, each month the Department shall
21 pay into the Local Government Tax Fund the revenue realized
22 for the preceding month from the 1% tax imposed under this Act.

23 Beginning January 1, 1990, each month the Department shall
24 pay into the County and Mass Transit District Fund 4% of the
25 revenue realized for the preceding month from the 6.25%
26 general rate on sales of tangible personal property other than

1 aviation fuel sold on or after December 1, 2019. This
2 exception for aviation fuel only applies for so long as the
3 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
4 47133 are binding on the State.

5 Beginning August 1, 2000, each month the Department shall
6 pay into the County and Mass Transit District Fund 20% of the
7 net revenue realized for the preceding month from the 1.25%
8 rate on the selling price of motor fuel and gasohol.

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

17 For aviation fuel sold on or after December 1, 2019, each
18 month the Department shall pay into the State Aviation Program
19 Fund 20% of the net revenue realized for the preceding month
20 from the 6.25% general rate on the selling price of aviation
21 fuel, less an amount estimated by the Department to be
22 required for refunds of the 20% portion of the tax on aviation
23 fuel under this Act, which amount shall be deposited into the
24 Aviation Fuel Sales Tax Refund Fund. The Department shall only
25 pay moneys into the State Aviation Program Fund and the
26 Aviation Fuel Sales Tax Refund Fund under this Act for so long

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

3 Beginning August 1, 2000, each month the Department shall
4 pay into the Local Government Tax Fund 80% of the net revenue
5 realized for the preceding month from the 1.25% rate on the
6 selling price of motor fuel and gasohol.

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

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

1 revenues deposited into the fund, excluding payments made
2 pursuant to this paragraph.

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

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

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

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

22 Subject to payment of amounts into the Build Illinois Fund
23 as provided in the preceding paragraph or in any amendment
24 thereto hereafter enacted, the following specified monthly
25 installment of the amount requested in the certificate of the
26 Chairman of the Metropolitan Pier and Exposition Authority

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

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

1	2010	139,000,000
2	2011	146,000,000
3	2012	153,000,000
4	2013	161,000,000
5	2014	170,000,000
6	2015	179,000,000
7	2016	189,000,000
8	2017	199,000,000
9	2018	210,000,000
10	2019	221,000,000
11	2020	233,000,000
12	2021	300,000,000
13	2022	300,000,000
14	2023	300,000,000
15	2024	300,000,000
16	2025	300,000,000
17	2026	300,000,000
18	2027	375,000,000
19	2028	375,000,000
20	2029	375,000,000
21	2030	375,000,000
22	2031	375,000,000
23	2032	375,000,000
24	2033	375,000,000
25	2034	375,000,000
26	2035	375,000,000

1 2036 450,000,000
2 and
3 each fiscal year
4 thereafter that bonds
5 are outstanding under
6 Section 13.2 of the
7 Metropolitan Pier and
8 Exposition Authority Act,
9 but not after fiscal year 2060.

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

23 Subject to payment of amounts into the Capital Projects
24 Fund, the Build Illinois Fund, and the McCormick Place
25 Expansion Project Fund pursuant to the preceding paragraphs or
26 in any amendments thereto hereafter enacted, for aviation fuel

1 sold on or after December 1, 2019, the Department shall each
2 month deposit into the Aviation Fuel Sales Tax Refund Fund an
3 amount estimated by the Department to be required for refunds
4 of the 80% portion of the tax on aviation fuel under this Act.
5 The Department shall only deposit moneys into the Aviation
6 Fuel Sales Tax Refund Fund under this paragraph for so long as
7 the revenue use requirements of 49 U.S.C. 47107(b) and 49
8 U.S.C. 47133 are binding on the State.

9 Subject to payment of amounts into 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, beginning July 1, 1993 and ending on September 30,
13 2013, the Department shall each month pay into the Illinois
14 Tax Increment Fund 0.27% of 80% of the net revenue realized for
15 the preceding month from the 6.25% general rate on the selling
16 price of tangible personal property.

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

1 a new electric generating facility certified pursuant to
2 Section 605-332 of the Department of Commerce and Economic
3 Opportunity Law of the Civil Administrative Code of Illinois.

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

23 Subject to payments of amounts into the Build Illinois
24 Fund, the McCormick Place Expansion Project Fund, the Illinois
25 Tax Increment Fund, the Energy Infrastructure Fund, and the
26 Tax Compliance and Administration Fund as provided in this

1 Section, beginning on July 1, 2018 the Department shall pay
 2 each month into the Downstate Public Transportation Fund the
 3 moneys required to be so paid under Section 2-3 of the
 4 Downstate Public Transportation Act.

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

26 Fiscal Year..... Total Deposit

1	2024	.....	\$200,000,000
2	2025	.....	\$206,000,000
3	2026	.....	\$212,200,000
4	2027	.....	\$218,500,000
5	2028	.....	\$225,100,000
6	2029	.....	\$288,700,000
7	2030	.....	\$298,900,000
8	2031	.....	\$309,300,000
9	2032	.....	\$320,100,000
10	2033	.....	\$331,200,000
11	2034	.....	\$341,200,000
12	2035	.....	\$351,400,000
13	2036	.....	\$361,900,000
14	2037	.....	\$372,800,000
15	2038	.....	\$384,000,000
16	2039	.....	\$395,500,000
17	2040	.....	\$407,400,000
18	2041	.....	\$419,600,000
19	2042	.....	\$432,200,000
20	2043	.....	\$445,100,000

21 Beginning July 1, 2021 and until July 1, 2022, subject to
22 the payment of amounts into the County and Mass Transit
23 District Fund, the Local Government Tax Fund, the Build
24 Illinois Fund, the McCormick Place Expansion Project Fund, the
25 Illinois Tax Increment Fund, the Energy Infrastructure Fund,
26 and the Tax Compliance and Administration Fund as provided in

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

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

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

25 The Department may, upon separate written notice to a
26 taxpayer, require the taxpayer to prepare and file with the

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

22 If the annual information return required by this Section
23 is not filed when and as required, the taxpayer shall be liable
24 as follows:

25 (i) Until January 1, 1994, the taxpayer shall be
26 liable for a penalty equal to 1/6 of 1% of the tax due from

1 such taxpayer under this Act during the period to be
2 covered by the annual return for each month or fraction of
3 a month until such return is filed as required, the
4 penalty to be assessed and collected in the same manner as
5 any other penalty provided for in this Act.

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

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

17 The foregoing portion of this Section concerning the
18 filing of an annual information return shall not apply to a
19 serviceman who is not required to file an income tax return
20 with the United States Government.

21 As soon as possible after the first day of each month, upon
22 certification of the Department of Revenue, the Comptroller
23 shall order transferred and the Treasurer shall transfer from
24 the General Revenue Fund to the Motor Fuel Tax Fund an amount
25 equal to 1.7% of 80% of the net revenue realized under this Act
26 for the second preceding month. Beginning April 1, 2000, this

1 transfer is no longer required and shall not be made.

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

6 For greater simplicity of administration, it shall be
7 permissible for manufacturers, importers and wholesalers whose
8 products are sold by numerous servicemen in Illinois, and who
9 wish to do so, to assume the responsibility for accounting and
10 paying to the Department all tax accruing under this Act with
11 respect to such sales, if the servicemen who are affected do
12 not make written objection to the Department to this
13 arrangement.

14 (Source: P.A. 100-303, eff. 8-24-17; 100-363, eff. 7-1-18;
15 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; 101-10, Article
16 15, Section 15-20, eff. 6-5-19; 101-10, Article 25, Section
17 25-115, eff. 6-5-19; 101-27, eff. 6-25-19; 101-32, eff.
18 6-28-19; 101-604, eff. 12-13-19; 101-636, eff. 6-10-20.)

19 Section 50-30. The Retailers' Occupation Tax Act is
20 amended by changing Sections 2-10 and 3 as follows:

21 (35 ILCS 120/2-10)

22 Sec. 2-10. Rate of tax. Unless otherwise provided in this
23 Section, the tax imposed by this Act is at the rate of 6.25% of
24 gross receipts from sales of tangible personal property made

1 in the course of business.

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

6 Beginning on August 6, 2010 through August 15, 2010, with
7 respect to sales tax holiday items as defined in Section 2-8 of
8 this Act, the tax is imposed at the rate of 1.25%.

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

24 With respect to gasohol, as defined in the Use Tax Act, the
25 tax imposed by this Act applies to (i) 70% of the proceeds of
26 sales made on or after January 1, 1990, and before July 1,

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

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

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

24 With respect to 100% biodiesel, as defined in the Use Tax
25 Act, and biodiesel blends, as defined in the Use Tax Act, with
26 more than 10% but no more than 99% biodiesel, the tax imposed

1 by this Act does not apply to the proceeds of sales made on or
2 after July 1, 2003 and on or before December 31, 2023 but
3 applies to 100% of the proceeds of sales made thereafter.

4 Until July 1, 2022 and beginning again on July 1, 2023,
5 with ~~With~~ respect to food for human consumption that is to be
6 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), the tax is imposed at the rate of 1%.
10 Beginning July 1, 2022 and until July 1, 2023, with respect to
11 food for human consumption that is to be consumed off the
12 premises where it is sold (other than alcoholic beverages,
13 food consisting of or infused with adult use cannabis, soft
14 drinks, and food that has been prepared for immediate
15 consumption), the tax is imposed at the rate of 0%.

16 With respect to ~~and~~ prescription and nonprescription
17 medicines, drugs, medical appliances, products classified as
18 Class III medical devices by the United States Food and Drug
19 Administration that are used for cancer treatment pursuant to
20 a prescription, as well as any accessories and components
21 related to those devices, modifications to a motor vehicle for
22 the purpose of rendering it usable by a person with a
23 disability, and insulin, blood sugar testing materials,
24 syringes, and needles used by human diabetics, the tax is
25 imposed at the rate of 1%. For the purposes of this Section,
26 until September 1, 2009: the term "soft drinks" means any

1 complete, finished, ready-to-use, non-alcoholic drink, whether
2 carbonated or not, including but not limited to soda water,
3 cola, fruit juice, vegetable juice, carbonated water, and all
4 other preparations commonly known as soft drinks of whatever
5 kind or description that are contained in any closed or sealed
6 bottle, can, carton, or container, regardless of size; but
7 "soft drinks" does not include coffee, tea, non-carbonated
8 water, infant formula, milk or milk products as defined in the
9 Grade A Pasteurized Milk and Milk Products Act, or drinks
10 containing 50% or more natural fruit or vegetable juice.

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

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

1 products that are dispensed hot from a vending machine,
2 regardless of the location of the vending machine.

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

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

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

26 (B) A statement of the "active ingredient(s)" with a

1 list of those ingredients contained in the compound,
2 substance or preparation.

3 Beginning on the effective date of this amendatory Act of
4 the 98th General Assembly, "prescription and nonprescription
5 medicines and drugs" includes medical cannabis purchased from
6 a registered dispensing organization under the Compassionate
7 Use of Medical Cannabis Program Act.

8 As used in this Section, "adult use cannabis" means
9 cannabis subject to tax under the Cannabis Cultivation
10 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
11 and does not include cannabis subject to tax under the
12 Compassionate Use of Medical Cannabis Program Act.

13 (Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;
14 102-4, eff. 4-27-21.)

15 (35 ILCS 120/3) (from Ch. 120, par. 442)

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

21 1. The name of the seller;

22 2. His residence address and the address of his
23 principal place of business and the address of the
24 principal place of business (if that is a different
25 address) from which he engages in the business of selling

1 tangible personal property at retail in this State;

2 3. Total amount of receipts received by him during the
3 preceding calendar month or quarter, as the case may be,
4 from sales of tangible personal property, and from
5 services furnished, by him during such preceding calendar
6 month or quarter;

7 4. Total amount received by him during the preceding
8 calendar month or quarter on charge and time sales of
9 tangible personal property, and from services furnished,
10 by him prior to the month or quarter for which the return
11 is filed;

12 5. Deductions allowed by law;

13 6. Gross receipts which were received by him during
14 the preceding calendar month or quarter and upon the basis
15 of which the tax is imposed, including gross receipts on
16 food for human consumption that is to be consumed off the
17 premises where it is sold (other than alcoholic beverages,
18 food consisting of or infused with adult use cannabis,
19 soft drinks, and food that has been prepared for immediate
20 consumption) which were received during the preceding
21 calendar month or quarter and upon which tax would have
22 been due but for the 0% rate imposed under this amendatory
23 Act of the 102nd General Assembly;

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

26 8. The amount of tax due, including the amount of tax

1 that would have been due on food for human consumption
2 that is to be consumed off the premises where it is sold
3 (other than alcoholic beverages, food consisting of or
4 infused with adult use cannabis, soft drinks, and food
5 that has been prepared for immediate consumption) but for
6 the 0% rate imposed under this amendatory Act of the 102nd
7 General Assembly;

8 9. The signature of the taxpayer; and

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

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

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

24 Each return shall be accompanied by the statement of
25 prepaid tax issued pursuant to Section 2e for which credit is
26 claimed.

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

22 The Department may require returns to be filed on a
23 quarterly basis. If so required, a return for each calendar
24 quarter shall be filed on or before the twentieth day of the
25 calendar month following the end of such calendar quarter. The
26 taxpayer shall also file a return with the Department for each

1 of the first two months of each calendar quarter, on or before
2 the twentieth day of the following calendar month, stating:

3 1. The name of the seller;

4 2. The address of the principal place of business from
5 which he engages in the business of selling tangible
6 personal property at retail in this State;

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

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

14 5. The amount of tax due; and

15 6. Such other reasonable information as the Department
16 may require.

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

1 by the Department. For purposes of this Section, "aviation
2 fuel" means jet fuel and aviation gasoline.

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

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

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

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

23 Notwithstanding any other provision of this Act to the
24 contrary, retailers subject to tax on cannabis shall file all
25 cannabis tax returns and shall make all cannabis tax payments
26 by electronic means in the manner and form required by the

1 Department.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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, every person who is engaged in the
4 business of leasing or renting such items and who, in
5 connection with such business, sells any such item to a
6 retailer for the purpose of resale is, notwithstanding any
7 other provision of this Section to the contrary, authorized to
8 meet the return-filing requirement of this Act by reporting
9 the transfer of all the aircraft, watercraft, motor vehicles,
10 or trailers transferred for resale during a month to the
11 Department on the same uniform invoice-transaction reporting
12 return form on or before the 20th of the month following the
13 month in which the transfer takes place. Notwithstanding any
14 other provision of this Act to the contrary, all returns filed
15 under this paragraph must be filed by electronic means in the
16 manner and form as required by the Department.

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

25 The transaction reporting return, in the case of motor
26 vehicles or trailers that are required to be registered with

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

20 The transaction reporting return in the case of watercraft
21 or aircraft must show the name and address of the seller; the
22 name and address of the purchaser; the amount of the selling
23 price including the amount allowed by the retailer for
24 traded-in property, if any; the amount allowed by the retailer
25 for the traded-in tangible personal property, if any, to the
26 extent to which Section 1 of this Act allows an exemption for

1 the value of traded-in property; the balance payable after
2 deducting such trade-in allowance from the total selling
3 price; the amount of tax due from the retailer with respect to
4 such transaction; the amount of tax collected from the
5 purchaser by the retailer on such transaction (or satisfactory
6 evidence that such tax is not due in that particular instance,
7 if that is claimed to be the fact); the place and date of the
8 sale, a sufficient identification of the property sold, and
9 such other information as the Department may reasonably
10 require.

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

23 With each such transaction reporting return, the retailer
24 shall remit the proper amount of tax due (or shall submit
25 satisfactory evidence that the sale is not taxable if that is
26 the case), to the Department or its agents, whereupon the

1 Department shall issue, in the purchaser's name, a use tax
2 receipt (or a certificate of exemption if the Department is
3 satisfied that the particular sale is tax exempt) which such
4 purchaser may submit to the agency with which, or State
5 officer with whom, he must title or register the tangible
6 personal property that is involved (if titling or registration
7 is required) in support of such purchaser's application for an
8 Illinois certificate or other evidence of title or
9 registration to such tangible personal property.

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

18 If the user who would otherwise pay tax to the retailer
19 wants the transaction reporting return filed and the payment
20 of the tax or proof of exemption made to the Department before
21 the retailer is willing to take these actions and such user has
22 not paid the tax to the retailer, such user may certify to the
23 fact of such delay by the retailer and may (upon the Department
24 being satisfied of the truth of such certification) transmit
25 the information required by the transaction reporting return
26 and the remittance for tax or proof of exemption directly to

1 the Department and obtain his tax receipt or exemption
2 determination, in which event the transaction reporting return
3 and tax remittance (if a tax payment was required) shall be
4 credited by the Department to the proper retailer's account
5 with the Department, but without the 2.1% or 1.75% discount
6 provided for in this Section being allowed. When the user pays
7 the tax directly to the Department, he shall pay the tax in the
8 same amount and in the same form in which it would be remitted
9 if the tax had been remitted to the Department by the retailer.

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

18 Where the seller is a corporation, the return filed on
19 behalf of such corporation shall be signed by the president,
20 vice-president, secretary or treasurer or by the properly
21 accredited agent of such corporation.

22 Where the seller is a limited liability company, the
23 return filed on behalf of the limited liability company shall
24 be signed by a manager, member, or properly accredited agent
25 of the limited liability company.

26 Except as provided in this Section, the retailer filing

1 the return under this Section shall, at the time of filing such
2 return, pay to the Department the amount of tax imposed by this
3 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%
4 on and after January 1, 1990, or \$5 per calendar year,
5 whichever is greater, which is allowed to reimburse the
6 retailer for the expenses incurred in keeping records,
7 preparing and filing returns, remitting the tax and supplying
8 data to the Department on request. On and after January 1,
9 2021, a certified service provider, as defined in the Leveling
10 the Playing Field for Illinois Retail Act, filing the return
11 under this Section on behalf of a remote retailer shall, at the
12 time of such return, pay to the Department the amount of tax
13 imposed by this Act less a discount of 1.75%. A remote retailer
14 using a certified service provider to file a return on its
15 behalf, as provided in the Leveling the Playing Field for
16 Illinois Retail Act, is not eligible for the discount. When
17 determining the discount allowed under this Section, retailers
18 shall include the amount of tax that would have been due at the
19 1% rate but for the 0% rate imposed under this amendatory Act
20 of the 102nd General Assembly. The discount under this Section
21 is not allowed for the 1.25% portion of taxes paid on aviation
22 fuel that is subject to the revenue use requirements of 49
23 U.S.C. 47107(b) and 49 U.S.C. 47133. Any prepayment made
24 pursuant to Section 2d of this Act shall be included in the
25 amount on which such 2.1% or 1.75% discount is computed. In the
26 case of retailers who report and pay the tax on a transaction

1 by transaction basis, as provided in this Section, such
2 discount shall be taken with each such tax remittance instead
3 of when such retailer files his periodic return. The discount
4 allowed under this Section is allowed only for returns that
5 are filed in the manner required by this Act. The Department
6 may disallow the discount for retailers whose certificate of
7 registration is revoked at the time the return is filed, but
8 only if the Department's decision to revoke the certificate of
9 registration has become final.

10 Before October 1, 2000, if the taxpayer's average monthly
11 tax liability to the Department under this Act, the Use Tax
12 Act, the Service Occupation Tax Act, and the Service Use Tax
13 Act, excluding any liability for prepaid sales tax to be
14 remitted in accordance with Section 2d of this Act, was
15 \$10,000 or more during the preceding 4 complete calendar
16 quarters, he shall file a return with the Department each
17 month by the 20th day of the month next following the month
18 during which such tax liability is incurred and shall make
19 payments to the Department on or before the 7th, 15th, 22nd and
20 last day of the month during which such liability is incurred.
21 On and after October 1, 2000, if the taxpayer's average
22 monthly tax liability to the Department under this Act, the
23 Use Tax Act, the Service Occupation Tax Act, and the Service
24 Use Tax Act, excluding any liability for prepaid sales tax to
25 be remitted in accordance with Section 2d of this Act, was
26 \$20,000 or more during the preceding 4 complete calendar

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

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

1 threshold stated above, then such taxpayer may petition the
2 Department for a change in such taxpayer's reporting status.
3 On and after October 1, 2000, once applicable, the requirement
4 of the making of quarter monthly payments to the Department by
5 taxpayers having an average monthly tax liability of \$20,000
6 or more as determined in the manner provided above shall
7 continue until such taxpayer's average monthly liability to
8 the Department during the preceding 4 complete calendar
9 quarters (excluding the month of highest liability and the
10 month of lowest liability) is less than \$19,000 or until such
11 taxpayer's average monthly liability to the Department as
12 computed for each calendar quarter of the 4 preceding complete
13 calendar quarter period is less than \$20,000. However, if a
14 taxpayer can show the Department that a substantial change in
15 the taxpayer's business has occurred which causes the taxpayer
16 to anticipate that his average monthly tax liability for the
17 reasonably foreseeable future will fall below the \$20,000
18 threshold stated above, then such taxpayer may petition the
19 Department for a change in such taxpayer's reporting status.
20 The Department shall change such taxpayer's reporting status
21 unless it finds that such change is seasonal in nature and not
22 likely to be long term. Quarter monthly payment status shall
23 be determined under this paragraph as if the rate reduction to
24 0% in this amendatory Act of the 102nd General Assembly on food
25 for human consumption that is to be consumed off the premises
26 where it is sold (other than alcoholic beverages, food

1 consisting of or infused with adult use cannabis, soft drinks,
2 and food that has been prepared for immediate consumption) had
3 not occurred. For quarter monthly payments due under this
4 paragraph on or after July 1, 2023 and through June 30, 2024,
5 "25% of the taxpayer's liability for the same calendar month
6 of the preceding year" shall be determined as if the rate
7 reduction to 0% in this amendatory Act of the 102nd General
8 Assembly had not occurred. If any such quarter monthly payment
9 is not paid at the time or in the amount required by this
10 Section, then the taxpayer shall be liable for penalties and
11 interest on the difference between the minimum amount due as a
12 payment and the amount of such quarter monthly payment
13 actually and timely paid, except insofar as the taxpayer has
14 previously made payments for that month to the Department in
15 excess of the minimum payments previously due as provided in
16 this Section. The Department shall make reasonable rules and
17 regulations to govern the quarter monthly payment amount and
18 quarter monthly payment dates for taxpayers who file on other
19 than a calendar monthly basis.

20 The provisions of this paragraph apply before October 1,
21 2001. Without regard to whether a taxpayer is required to make
22 quarter monthly payments as specified above, any taxpayer who
23 is required by Section 2d of this Act to collect and remit
24 prepaid taxes and has collected prepaid taxes which average in
25 excess of \$25,000 per month during the preceding 2 complete
26 calendar quarters, shall file a return with the Department as

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

1 penalties and interest on such difference, except insofar as
2 the taxpayer has previously made payments for that month in
3 excess of the minimum payments previously due.

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

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

8 If any payment provided for in this Section exceeds the
9 taxpayer's liabilities under this Act, the Use Tax Act, the
10 Service Occupation Tax Act and the Service Use Tax Act, as
11 shown on an original monthly return, the Department shall, if
12 requested by the taxpayer, issue to the taxpayer a credit
13 memorandum no later than 30 days after the date of payment. The
14 credit evidenced by such credit memorandum may be assigned by
15 the taxpayer to a similar taxpayer under this Act, the Use Tax
16 Act, the Service Occupation Tax Act or the Service Use Tax Act,
17 in accordance with reasonable rules and regulations to be
18 prescribed by the Department. If no such request is made, the
19 taxpayer may credit such excess payment against tax liability
20 subsequently to be remitted to the Department under this Act,
21 the Use Tax Act, the Service Occupation Tax Act or the Service
22 Use Tax Act, in accordance with reasonable rules and
23 regulations prescribed by the Department. If the Department
24 subsequently determined that all or any part of the credit
25 taken was not actually due to the taxpayer, the taxpayer's
26 2.1% and 1.75% vendor's discount shall be reduced by 2.1% or

1 1.75% of the difference between the credit taken and that
2 actually due, and that taxpayer shall be liable for penalties
3 and interest on such difference.

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

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

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

22 Beginning August 1, 2000, each month the Department shall
23 pay into the County and Mass Transit District Fund 20% of the
24 net revenue realized for the preceding month from the 1.25%
25 rate on the selling price of motor fuel and gasohol. Beginning
26 September 1, 2010, each month the Department shall pay into

1 the County and Mass Transit District Fund 20% of the net
2 revenue realized for the preceding month from the 1.25% rate
3 on the selling price of sales tax holiday items.

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

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

24 Beginning August 1, 2000, each month the Department shall
25 pay into the Local Government Tax Fund 80% of the net revenue
26 realized for the preceding month from the 1.25% rate on the

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

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

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

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

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

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

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

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

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

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

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

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

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

1 Expansion Project Fund in the specified fiscal years.

2	Fiscal Year	Total Deposit
3	1993	\$0
4	1994	53,000,000
5	1995	58,000,000
6	1996	61,000,000
7	1997	64,000,000
8	1998	68,000,000
9	1999	71,000,000
10	2000	75,000,000
11	2001	80,000,000
12	2002	93,000,000
13	2003	99,000,000
14	2004	103,000,000
15	2005	108,000,000
16	2006	113,000,000
17	2007	119,000,000
18	2008	126,000,000
19	2009	132,000,000
20	2010	139,000,000
21	2011	146,000,000
22	2012	153,000,000
23	2013	161,000,000
24	2014	170,000,000
25	2015	179,000,000
26	2016	189,000,000

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

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

1 Exposition Authority Act,
2 but not after fiscal year 2060.

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

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

1 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
2 binding on the State.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 Uniform Penalty and Interest Act.

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

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

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

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

25 For greater simplicity of administration, manufacturers,
26 importers and wholesalers whose products are sold at retail in

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

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

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

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

17 (Source: P.A. 101-10, Article 15, Section 15-25, eff. 6-5-19;
18 101-10, Article 25, Section 25-120, eff. 6-5-19; 101-27, eff.
19 6-25-19; 101-32, eff. 6-28-19; 101-604, eff. 12-13-19;
20 101-636, eff. 6-10-20; 102-634, eff. 8-27-21; revised
21 12-7-21.)

22 Section 50-35. The Innovation Development and Economy Act
23 is amended by changing Sections 10 and 31 as follows:

24 (50 ILCS 470/10)

1 Sec. 10. Definitions. As used in this Act, the following
2 words and phrases shall have the following meanings unless a
3 different meaning clearly appears from the context:

4 "Base year" means the calendar year immediately prior to
5 the calendar year in which the STAR bond district is
6 established.

7 "Commence work" means the manifest commencement of actual
8 operations on the development site, such as, erecting a
9 building, general on-site and off-site grading and utility
10 installations, commencing design and construction
11 documentation, ordering lead-time materials, excavating the
12 ground to lay a foundation or a basement, or work of like
13 description which a reasonable person would recognize as being
14 done with the intention and purpose to continue work until the
15 project is completed.

16 "County" means the county in which a proposed STAR bond
17 district is located.

18 "De minimis" means an amount less than 15% of the land area
19 within a STAR bond district.

20 "Department of Revenue" means the Department of Revenue of
21 the State of Illinois.

22 "Destination user" means an owner, operator, licensee,
23 co-developer, subdeveloper, or tenant (i) that operates a
24 business within a STAR bond district that is a retail store
25 having at least 150,000 square feet of sales floor area; (ii)
26 that at the time of opening does not have another Illinois

1 location within a 70 mile radius; (iii) that has an annual
2 average of not less than 30% of customers who travel from at
3 least 75 miles away or from out-of-state, as demonstrated by
4 data from a comparable existing store or stores, or, if there
5 is no comparable existing store, as demonstrated by an
6 economic analysis that shows that the proposed retailer will
7 have an annual average of not less than 30% of customers who
8 travel from at least 75 miles away or from out-of-state; and
9 (iv) that makes an initial capital investment, including
10 project costs and other direct costs, of not less than
11 \$30,000,000 for such retail store.

12 "Destination hotel" means a hotel (as that term is defined
13 in Section 2 of the Hotel Operators' Occupation Tax Act)
14 complex having at least 150 guest rooms and which also
15 includes a venue for entertainment attractions, rides, or
16 other activities oriented toward the entertainment and
17 amusement of its guests and other patrons.

18 "Developer" means any individual, corporation, trust,
19 estate, partnership, limited liability partnership, limited
20 liability company, or other entity. The term does not include
21 a not-for-profit entity, political subdivision, or other
22 agency or instrumentality of the State.

23 "Director" means the Director of Revenue, who shall
24 consult with the Director of Commerce and Economic Opportunity
25 in any approvals or decisions required by the Director under
26 this Act.

1 "Economic impact study" means a study conducted by an
2 independent economist to project the financial benefit of the
3 proposed STAR bond project to the local, regional, and State
4 economies, consider the proposed adverse impacts on similar
5 projects and businesses, as well as municipalities within the
6 projected market area, and draw conclusions about the net
7 effect of the proposed STAR bond project on the local,
8 regional, and State economies. A copy of the economic impact
9 study shall be provided to the Director for review.

10 "Eligible area" means any improved or vacant area that (i)
11 is contiguous and is not, in the aggregate, less than 250 acres
12 nor more than 500 acres which must include only parcels of real
13 property directly and substantially benefited by the proposed
14 STAR bond district plan, (ii) is adjacent to a federal
15 interstate highway, (iii) is within one mile of 2 State
16 highways, (iv) is within one mile of an entertainment user, or
17 a major or minor league sports stadium or other similar
18 entertainment venue that had an initial capital investment of
19 at least \$20,000,000, and (v) includes land that was
20 previously surface or strip mined. The area may be bisected by
21 streets, highways, roads, alleys, railways, bike paths,
22 streams, rivers, and other waterways and still be deemed
23 contiguous. In addition, in order to constitute an eligible
24 area one of the following requirements must be satisfied and
25 all of which are subject to the review and approval of the
26 Director as provided in subsection (d) of Section 15:

1 (a) the governing body of the political subdivision
2 shall have determined that the area meets the requirements
3 of a "blighted area" as defined under the Tax Increment
4 Allocation Redevelopment Act; or

5 (b) the governing body of the political subdivision
6 shall have determined that the area is a blighted area as
7 determined under the provisions of Section 11-74.3-5 of
8 the Illinois Municipal Code; or

9 (c) the governing body of the political subdivision
10 shall make the following findings:

11 (i) that the vacant portions of the area have
12 remained vacant for at least one year, or that any
13 building located on a vacant portion of the property
14 was demolished within the last year and that the
15 building would have qualified under item (ii) of this
16 subsection;

17 (ii) if portions of the area are currently
18 developed, that the use, condition, and character of
19 the buildings on the property are not consistent with
20 the purposes set forth in Section 5;

21 (iii) that the STAR bond district is expected to
22 create or retain job opportunities within the
23 political subdivision;

24 (iv) that the STAR bond district will serve to
25 further the development of adjacent areas;

26 (v) that without the availability of STAR bonds,

1 the projects described in the STAR bond district plan
2 would not be possible;

3 (vi) that the master developer meets high
4 standards of creditworthiness and financial strength
5 as demonstrated by one or more of the following: (i)
6 corporate debenture ratings of BBB or higher by
7 Standard & Poor's Corporation or Baa or higher by
8 Moody's Investors Service, Inc.; (ii) a letter from a
9 financial institution with assets of \$10,000,000 or
10 more attesting to the financial strength of the master
11 developer; or (iii) specific evidence of equity
12 financing for not less than 10% of the estimated total
13 STAR bond project costs;

14 (vii) that the STAR bond district will strengthen
15 the commercial sector of the political subdivision;

16 (viii) that the STAR bond district will enhance
17 the tax base of the political subdivision; and

18 (ix) that the formation of a STAR bond district is
19 in the best interest of the political subdivision.

20 "Entertainment user" means an owner, operator, licensee,
21 co-developer, subdeveloper, or tenant that operates a business
22 within a STAR bond district that has a primary use of providing
23 a venue for entertainment attractions, rides, or other
24 activities oriented toward the entertainment and amusement of
25 its patrons, occupies at least 20 acres of land in the STAR
26 bond district, and makes an initial capital investment,

1 including project costs and other direct and indirect costs,
2 of not less than \$25,000,000 for that venue.

3 "Feasibility study" means a feasibility study as defined
4 in subsection (b) of Section 20.

5 "Infrastructure" means the public improvements and private
6 improvements that serve the public purposes set forth in
7 Section 5 of this Act and that benefit the STAR bond district
8 or any STAR bond projects, including, but not limited to,
9 streets, drives and driveways, traffic and directional signs
10 and signals, parking lots and parking facilities,
11 interchanges, highways, sidewalks, bridges, underpasses and
12 overpasses, bike and walking trails, sanitary storm sewers and
13 lift stations, drainage conduits, channels, levees, canals,
14 storm water detention and retention facilities, utilities and
15 utility connections, water mains and extensions, and street
16 and parking lot lighting and connections.

17 "Local sales taxes" means any locally-imposed taxes
18 received by a municipality, county, or other local
19 governmental entity arising from sales by retailers and
20 servicemen within a STAR bond district, including business
21 district sales taxes and STAR bond occupation taxes, and that
22 portion of the net revenue realized under the Retailers'
23 Occupation Tax Act, the Use Tax Act, the Service Use Tax Act,
24 and the Service Occupation Tax Act from transactions at places
25 of business located within a STAR bond district, including
26 that portion of the net revenue that would have been realized

1 but for the reduction of the rate to 0% under this amendatory
2 Act of the 102nd General Assembly, that is deposited or, under
3 this amendatory Act of the 102nd General Assembly, transferred
4 into the Local Government Tax Fund and the County and Mass
5 Transit District Fund. For the purpose of this Act, "local
6 sales taxes" does not include (i) any taxes authorized
7 pursuant to the Local Mass Transit District Act or the
8 Metro-East Park and Recreation District Act for so long as the
9 applicable taxing district does not impose a tax on real
10 property, (ii) county school facility and resources occupation
11 taxes imposed pursuant to Section 5-1006.7 of the Counties
12 Code, or (iii) any taxes authorized under the Flood Prevention
13 District Act.

14 "Local sales tax increment" means, except as otherwise
15 provided in this Section, with respect to local sales taxes
16 administered by the Illinois Department of Revenue, (i) all of
17 the local sales tax paid by destination users, destination
18 hotels, and entertainment users that is in excess of the local
19 sales tax paid (plus all of the local sales tax that would have
20 been paid but for the reduction of the rate to 0% under this
21 amendatory Act of the 102nd General Assembly) by destination
22 users, destination hotels, and entertainment users for the
23 same month in the base year, as determined by the Illinois
24 Department of Revenue, (ii) in the case of a municipality
25 forming a STAR bond district that is wholly within the
26 corporate boundaries of the municipality and in the case of a

1 municipality and county forming a STAR bond district that is
2 only partially within such municipality, that portion of the
3 local sales tax paid (plus the local sales tax that would have
4 been paid but for the reduction of the rate to 0% under this
5 amendatory Act of the 102nd General Assembly) by taxpayers
6 that are not destination users, destination hotels, or
7 entertainment users that is in excess of the local sales tax
8 paid (plus the local sales tax that would have been paid but
9 for the reduction of the rate to 0% under this amendatory Act
10 of the 102nd General Assembly) by taxpayers that are not
11 destination users, destination hotels, or entertainment users
12 for the same month in the base year, as determined by the
13 Illinois Department of Revenue, and (iii) in the case of a
14 county in which a STAR bond district is formed that is wholly
15 within a municipality, that portion of the local sales tax
16 paid by taxpayers that are not destination users, destination
17 hotels, or entertainment users that is in excess of the local
18 sales tax paid by taxpayers that are not destination users,
19 destination hotels, or entertainment users for the same month
20 in the base year, as determined by the Illinois Department of
21 Revenue, but only if the corporate authorities of the county
22 adopts an ordinance, and files a copy with the Department
23 within the same time frames as required for STAR bond
24 occupation taxes under Section 31, that designates the taxes
25 referenced in this clause (iii) as part of the local sales tax
26 increment under this Act. "Local sales tax increment" means,

1 with respect to local sales taxes administered by a
2 municipality, county, or other unit of local government, that
3 portion of the local sales tax that is in excess of the local
4 sales tax for the same month in the base year, as determined by
5 the respective municipality, county, or other unit of local
6 government. If any portion of local sales taxes are, at the
7 time of formation of a STAR bond district, already subject to
8 tax increment financing under the Tax Increment Allocation
9 Redevelopment Act, then the local sales tax increment for such
10 portion shall be frozen at the base year established in
11 accordance with this Act, and all future incremental increases
12 shall be included in the "local sales tax increment" under
13 this Act. Any party otherwise entitled to receipt of
14 incremental local sales tax revenues through an existing tax
15 increment financing district shall be entitled to continue to
16 receive such revenues up to the amount frozen in the base year.
17 Nothing in this Act shall affect the prior qualification of
18 existing redevelopment project costs incurred that are
19 eligible for reimbursement under the Tax Increment Allocation
20 Redevelopment Act. In such event, prior to approving a STAR
21 bond district, the political subdivision forming the STAR bond
22 district shall take such action as is necessary, including
23 amending the existing tax increment financing district
24 redevelopment plan, to carry out the provisions of this Act.
25 The Illinois Department of Revenue shall allocate the local
26 sales tax increment only if the local sales tax is

1 administered by the Department. "Local sales tax increment"
2 does not include taxes and penalties collected on aviation
3 fuel, as defined in Section 3 of the Retailers' Occupation
4 Tax, sold on or after December 1, 2019 and through December 31,
5 2020.

6 "Market study" means a study to determine the ability of
7 the proposed STAR bond project to gain market share locally
8 and regionally and to remain profitable past the term of
9 repayment of STAR bonds.

10 "Master developer" means a developer cooperating with a
11 political subdivision to plan, develop, and implement a STAR
12 bond project plan for a STAR bond district. Subject to the
13 limitations of Section 25, the master developer may work with
14 and transfer certain development rights to other developers
15 for the purpose of implementing STAR bond project plans and
16 achieving the purposes of this Act. A master developer for a
17 STAR bond district shall be appointed by a political
18 subdivision in the resolution establishing the STAR bond
19 district, and the master developer must, at the time of
20 appointment, own or have control of, through purchase
21 agreements, option contracts, or other means, not less than
22 50% of the acreage within the STAR bond district and the master
23 developer or its affiliate must have ownership or control on
24 June 1, 2010.

25 "Master development agreement" means an agreement between
26 the master developer and the political subdivision to govern a

1 STAR bond district and any STAR bond projects.

2 "Municipality" means the city, village, or incorporated
3 town in which a proposed STAR bond district is located.

4 "Pledged STAR revenues" means those sales tax and revenues
5 and other sources of funds pledged to pay debt service on STAR
6 bonds or to pay project costs pursuant to Section 30.
7 Notwithstanding any provision to the contrary, the following
8 revenues shall not constitute pledged STAR revenues or be
9 available to pay principal and interest on STAR bonds: any
10 State sales tax increment or local sales tax increment from a
11 retail entity initiating operations in a STAR bond district
12 while terminating operations at another Illinois location
13 within 25 miles of the STAR bond district. For purposes of this
14 paragraph, "terminating operations" means a closing of a
15 retail operation that is directly related to the opening of
16 the same operation or like retail entity owned or operated by
17 more than 50% of the original ownership in a STAR bond district
18 within one year before or after initiating operations in the
19 STAR bond district, but it does not mean closing an operation
20 for reasons beyond the control of the retail entity, as
21 documented by the retail entity, subject to a reasonable
22 finding by the municipality (or county if such retail
23 operation is not located within a municipality) in which the
24 terminated operations were located that the closed location
25 contained inadequate space, had become economically obsolete,
26 or was no longer a viable location for the retailer or

1 serviceman.

2 "Political subdivision" means a municipality or county
3 which undertakes to establish a STAR bond district pursuant to
4 the provisions of this Act.

5 "Project costs" means and includes the sum total of all
6 costs incurred or estimated to be incurred on or following the
7 date of establishment of a STAR bond district that are
8 reasonable or necessary to implement a STAR bond district plan
9 or any STAR bond project plans, or both, including costs
10 incurred for public improvements and private improvements that
11 serve the public purposes set forth in Section 5 of this Act.
12 Such costs include without limitation the following:

13 (a) costs of studies, surveys, development of plans
14 and specifications, formation, implementation, and
15 administration of a STAR bond district, STAR bond district
16 plan, any STAR bond projects, or any STAR bond project
17 plans, including, but not limited to, staff and
18 professional service costs for architectural, engineering,
19 legal, financial, planning, or other services, provided
20 however that no charges for professional services may be
21 based on a percentage of the tax increment collected and
22 no contracts for professional services, excluding
23 architectural and engineering services, may be entered
24 into if the terms of the contract extend beyond a period of
25 3 years;

26 (b) property assembly costs, including, but not

1 limited to, acquisition of land and other real property or
2 rights or interests therein, located within the boundaries
3 of a STAR bond district, demolition of buildings, site
4 preparation, site improvements that serve as an engineered
5 barrier addressing ground level or below ground
6 environmental contamination, including, but not limited
7 to, parking lots and other concrete or asphalt barriers,
8 the clearing and grading of land, and importing additional
9 soil and fill materials, or removal of soil and fill
10 materials from the site;

11 (c) subject to paragraph (d), costs of buildings and
12 other vertical improvements that are located within the
13 boundaries of a STAR bond district and owned by a
14 political subdivision or other public entity, including
15 without limitation police and fire stations, educational
16 facilities, and public restrooms and rest areas;

17 (c-1) costs of buildings and other vertical
18 improvements that are located within the boundaries of a
19 STAR bond district and owned by a destination user or
20 destination hotel; except that only 2 destination users in
21 a STAR bond district and one destination hotel are
22 eligible to include the cost of those vertical
23 improvements as project costs;

24 (c-5) costs of buildings; rides and attractions, which
25 include carousels, slides, roller coasters, displays,
26 models, towers, works of art, and similar theme and

1 amusement park improvements; and other vertical
2 improvements that are located within the boundaries of a
3 STAR bond district and owned by an entertainment user;
4 except that only one entertainment user in a STAR bond
5 district is eligible to include the cost of those vertical
6 improvements as project costs;

7 (d) costs of the design and construction of
8 infrastructure and public works located within the
9 boundaries of a STAR bond district that are reasonable or
10 necessary to implement a STAR bond district plan or any
11 STAR bond project plans, or both, except that project
12 costs shall not include the cost of constructing a new
13 municipal public building principally used to provide
14 offices, storage space, or conference facilities or
15 vehicle storage, maintenance, or repair for
16 administrative, public safety, or public works personnel
17 and that is not intended to replace an existing public
18 building unless the political subdivision makes a
19 reasonable determination in a STAR bond district plan or
20 any STAR bond project plans, supported by information that
21 provides the basis for that determination, that the new
22 municipal building is required to meet an increase in the
23 need for public safety purposes anticipated to result from
24 the implementation of the STAR bond district plan or any
25 STAR bond project plans;

26 (e) costs of the design and construction of the

1 following improvements located outside the boundaries of a
2 STAR bond district, provided that the costs are essential
3 to further the purpose and development of a STAR bond
4 district plan and either (i) part of and connected to
5 sewer, water, or utility service lines that physically
6 connect to the STAR bond district or (ii) significant
7 improvements for adjacent offsite highways, streets,
8 roadways, and interchanges that are approved by the
9 Illinois Department of Transportation. No other cost of
10 infrastructure and public works improvements located
11 outside the boundaries of a STAR bond district may be
12 deemed project costs;

13 (f) costs of job training and retraining projects,
14 including the cost of "welfare to work" programs
15 implemented by businesses located within a STAR bond
16 district;

17 (g) financing costs, including, but not limited to,
18 all necessary and incidental expenses related to the
19 issuance of obligations and which may include payment of
20 interest on any obligations issued hereunder including
21 interest accruing during the estimated period of
22 construction of any improvements in a STAR bond district
23 or any STAR bond projects for which such obligations are
24 issued and for not exceeding 36 months thereafter and
25 including reasonable reserves related thereto;

26 (h) to the extent the political subdivision by written

1 agreement accepts and approves the same, all or a portion
2 of a taxing district's capital costs resulting from a STAR
3 bond district or STAR bond projects necessarily incurred
4 or to be incurred within a taxing district in furtherance
5 of the objectives of a STAR bond district plan or STAR bond
6 project plans;

7 (i) interest cost incurred by a developer for project
8 costs related to the acquisition, formation,
9 implementation, development, construction, and
10 administration of a STAR bond district, STAR bond district
11 plan, STAR bond projects, or any STAR bond project plans
12 provided that:

13 (i) payment of such costs in any one year may not
14 exceed 30% of the annual interest costs incurred by
15 the developer with regard to the STAR bond district or
16 any STAR bond projects during that year; and

17 (ii) the total of such interest payments paid
18 pursuant to this Act may not exceed 30% of the total
19 cost paid or incurred by the developer for a STAR bond
20 district or STAR bond projects, plus project costs,
21 excluding any property assembly costs incurred by a
22 political subdivision pursuant to this Act;

23 (j) costs of common areas located within the
24 boundaries of a STAR bond district;

25 (k) costs of landscaping and plantings, retaining
26 walls and fences, man-made lakes and ponds, shelters,

1 benches, lighting, and similar amenities located within
2 the boundaries of a STAR bond district;

3 (l) costs of mounted building signs, site monument,
4 and pylon signs located within the boundaries of a STAR
5 bond district; or

6 (m) if included in the STAR bond district plan and
7 approved in writing by the Director, salaries or a portion
8 of salaries for local government employees to the extent
9 the same are directly attributable to the work of such
10 employees on the establishment and management of a STAR
11 bond district or any STAR bond projects.

12 Except as specified in items (a) through (m), "project
13 costs" shall not include:

14 (i) the cost of construction of buildings that are
15 privately owned or owned by a municipality and leased to a
16 developer or retail user for non-entertainment retail
17 uses;

18 (ii) moving expenses for employees of the businesses
19 locating within the STAR bond district;

20 (iii) property taxes for property located in the STAR
21 bond district;

22 (iv) lobbying costs; and

23 (v) general overhead or administrative costs of the
24 political subdivision that would still have been incurred
25 by the political subdivision if the political subdivision
26 had not established a STAR bond district.

1 "Project development agreement" means any one or more
2 agreements, including any amendments thereto, between a master
3 developer and any co-developer or subdeveloper in connection
4 with a STAR bond project, which project development agreement
5 may include the political subdivision as a party.

6 "Projected market area" means any area within the State in
7 which a STAR bond district or STAR bond project is projected to
8 have a significant fiscal or market impact as determined by
9 the Director.

10 "Resolution" means a resolution, order, ordinance, or
11 other appropriate form of legislative action of a political
12 subdivision or other applicable public entity approved by a
13 vote of a majority of a quorum at a meeting of the governing
14 body of the political subdivision or applicable public entity.

15 "STAR bond" means a sales tax and revenue bond, note, or
16 other obligation payable from pledged STAR revenues and issued
17 by a political subdivision, the proceeds of which shall be
18 used only to pay project costs as defined in this Act.

19 "STAR bond district" means the specific area declared to
20 be an eligible area as determined by the political
21 subdivision, and approved by the Director, in which the
22 political subdivision may develop one or more STAR bond
23 projects.

24 "STAR bond district plan" means the preliminary or
25 conceptual plan that generally identifies the proposed STAR
26 bond project areas and identifies in a general manner the

1 buildings, facilities, and improvements to be constructed or
2 improved in each STAR bond project area.

3 "STAR bond project" means a project within a STAR bond
4 district which is approved pursuant to Section 20.

5 "STAR bond project area" means the geographic area within
6 a STAR bond district in which there may be one or more STAR
7 bond projects.

8 "STAR bond project plan" means the written plan adopted by
9 a political subdivision for the development of a STAR bond
10 project in a STAR bond district; the plan may include, but is
11 not limited to, (i) project costs incurred prior to the date of
12 the STAR bond project plan and estimated future STAR bond
13 project costs, (ii) proposed sources of funds to pay those
14 costs, (iii) the nature and estimated term of any obligations
15 to be issued by the political subdivision to pay those costs,
16 (iv) the most recent equalized assessed valuation of the STAR
17 bond project area, (v) an estimate of the equalized assessed
18 valuation of the STAR bond district or applicable project area
19 after completion of a STAR bond project, (vi) a general
20 description of the types of any known or proposed developers,
21 users, or tenants of the STAR bond project or projects
22 included in the plan, (vii) a general description of the type,
23 structure, and character of the property or facilities to be
24 developed or improved, (viii) a description of the general
25 land uses to apply to the STAR bond project, and (ix) a general
26 description or an estimate of the type, class, and number of

1 employees to be employed in the operation of the STAR bond
2 project.

3 "State sales tax" means all of the net revenue realized
4 under the Retailers' Occupation Tax Act, the Use Tax Act, the
5 Service Use Tax Act, and the Service Occupation Tax Act from
6 transactions at places of business located within a STAR bond
7 district, excluding that portion of the net revenue realized
8 under the Retailers' Occupation Tax Act, the Use Tax Act, the
9 Service Use Tax Act, and the Service Occupation Tax Act from
10 transactions at places of business located within a STAR bond
11 district that is deposited into the Local Government Tax Fund
12 and the County and Mass Transit District Fund.

13 "State sales tax increment" means (i) 100% of that portion
14 of the State sales tax that is in excess of the State sales tax
15 for the same month in the base year, as determined by the
16 Department of Revenue, from transactions at up to 2
17 destination users, one destination hotel, and one
18 entertainment user located within a STAR bond district, which
19 destination users, destination hotel, and entertainment user
20 shall be designated by the master developer and approved by
21 the political subdivision and the Director in conjunction with
22 the applicable STAR bond project approval, and (ii) 25% of
23 that portion of the State sales tax that is in excess of the
24 State sales tax for the same month in the base year, as
25 determined by the Department of Revenue, from all other
26 transactions within a STAR bond district. If any portion of

1 State sales taxes are, at the time of formation of a STAR bond
2 district, already subject to tax increment financing under the
3 Tax Increment Allocation Redevelopment Act, then the State
4 sales tax increment for such portion shall be frozen at the
5 base year established in accordance with this Act, and all
6 future incremental increases shall be included in the State
7 sales tax increment under this Act. Any party otherwise
8 entitled to receipt of incremental State sales tax revenues
9 through an existing tax increment financing district shall be
10 entitled to continue to receive such revenues up to the amount
11 frozen in the base year. Nothing in this Act shall affect the
12 prior qualification of existing redevelopment project costs
13 incurred that are eligible for reimbursement under the Tax
14 Increment Allocation Redevelopment Act. In such event, prior
15 to approving a STAR bond district, the political subdivision
16 forming the STAR bond district shall take such action as is
17 necessary, including amending the existing tax increment
18 financing district redevelopment plan, to carry out the
19 provisions of this Act.

20 "Substantial change" means a change wherein the proposed
21 STAR bond project plan differs substantially in size, scope,
22 or use from the approved STAR bond district plan or STAR bond
23 project plan.

24 "Taxpayer" means an individual, partnership, corporation,
25 limited liability company, trust, estate, or other entity that
26 is subject to the Illinois Income Tax Act.

1 "Total development costs" means the aggregate public and
2 private investment in a STAR bond district, including project
3 costs and other direct and indirect costs related to the
4 development of the STAR bond district.

5 "Traditional retail use" means the operation of a business
6 that derives at least 90% of its annual gross revenue from
7 sales at retail, as that phrase is defined by Section 1 of the
8 Retailers' Occupation Tax Act, but does not include the
9 operations of destination users, entertainment users,
10 restaurants, hotels, retail uses within hotels, or any other
11 non-retail uses.

12 "Vacant" means that portion of the land in a proposed STAR
13 bond district that is not occupied by a building, facility, or
14 other vertical improvement.

15 (Source: P.A. 101-10, eff. 6-5-19; 101-455, eff. 8-23-19;
16 101-604, eff. 12-13-19.)

17 (50 ILCS 470/31)

18 Sec. 31. STAR bond occupation taxes.

19 (a) If the corporate authorities of a political
20 subdivision have established a STAR bond district and have
21 elected to impose a tax by ordinance pursuant to subsection
22 (b) or (c) of this Section, each year after the date of the
23 adoption of the ordinance and until all STAR bond project
24 costs and all political subdivision obligations financing the
25 STAR bond project costs, if any, have been paid in accordance

1 with the STAR bond project plans, but in no event longer than
2 the maximum maturity date of the last of the STAR bonds issued
3 for projects in the STAR bond district, all amounts generated
4 by the retailers' occupation tax and service occupation tax
5 shall be collected and the tax shall be enforced by the
6 Department of Revenue in the same manner as all retailers'
7 occupation taxes and service occupation taxes imposed in the
8 political subdivision imposing the tax. The corporate
9 authorities of the political subdivision shall deposit the
10 proceeds of the taxes imposed under subsections (b) and (c)
11 into either (i) a special fund held by the corporate
12 authorities of the political subdivision called the STAR Bonds
13 Tax Allocation Fund for the purpose of paying STAR bond
14 project costs and obligations incurred in the payment of those
15 costs if such taxes are designated as pledged STAR revenues by
16 resolution or ordinance of the political subdivision or (ii)
17 the political subdivision's general corporate fund if such
18 taxes are not designated as pledged STAR revenues by
19 resolution or ordinance.

20 The tax imposed under this Section by a municipality may
21 be imposed only on the portion of a STAR bond district that is
22 within the boundaries of the municipality. For any part of a
23 STAR bond district that lies outside of the boundaries of that
24 municipality, the municipality in which the other part of the
25 STAR bond district lies (or the county, in cases where a
26 portion of the STAR bond district lies in the unincorporated

1 area of a county) is authorized to impose the tax under this
2 Section on that part of the STAR bond district.

3 (b) The corporate authorities of a political subdivision
4 that has established a STAR bond district under this Act may,
5 by ordinance or resolution, impose a STAR Bond Retailers'
6 Occupation Tax upon all persons engaged in the business of
7 selling tangible personal property, other than an item of
8 tangible personal property titled or registered with an agency
9 of this State's government, at retail in the STAR bond
10 district at a rate not to exceed 1% of the gross receipts from
11 the sales made in the course of that business, to be imposed
12 only in 0.25% increments. The tax may not be imposed on
13 tangible personal property taxed at the 1% rate under the
14 Retailers' Occupation Tax Act (or at the 0% rate imposed under
15 this amendatory Act of the 102nd General Assembly). Beginning
16 December 1, 2019 and through December 31, 2020, this tax is not
17 imposed on sales of aviation fuel unless the tax revenue is
18 expended for airport-related purposes. If the District does
19 not have an airport-related purpose to which aviation fuel tax
20 revenue is dedicated, then aviation fuel is excluded from the
21 tax. The municipality must comply with the certification
22 requirements for airport-related purposes under Section 2-22
23 of the Retailers' Occupation Tax Act. For purposes of this
24 Act, "airport-related purposes" has the meaning ascribed in
25 Section 6z-20.2 of the State Finance Act. Beginning January 1,
26 2021, this tax is not imposed on sales of aviation fuel for so

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

3 The tax imposed under this subsection and all civil
4 penalties that may be assessed as an incident thereof shall be
5 collected and enforced by the Department of Revenue. The
6 certificate of registration that is issued by the Department
7 to a retailer under the Retailers' Occupation Tax Act shall
8 permit the retailer to engage in a business that is taxable
9 under any ordinance or resolution enacted pursuant to this
10 subsection without registering separately with the Department
11 under such ordinance or resolution or under this subsection.
12 The Department of Revenue shall have full power to administer
13 and enforce this subsection, to collect all taxes and
14 penalties due under this subsection in the manner hereinafter
15 provided, 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
18 compliance with, this subsection, the Department and persons
19 who are subject to this subsection shall have the same rights,
20 remedies, privileges, immunities, powers, and duties, and be
21 subject to the same conditions, restrictions, limitations,
22 penalties, exclusions, exemptions, and definitions of terms
23 and employ the same modes of procedure, as are prescribed in
24 Sections 1, 1a through 1o, 2 through 2-65 (in respect to all
25 provisions therein other than the State rate of tax), 2c
26 through 2h, 3 (except as to the disposition of taxes and

1 penalties collected, and except that the retailer's discount
2 is not allowed for taxes paid on aviation fuel that are subject
3 to the revenue use requirements of 49 U.S.C. 47107(b) and 49
4 U.S.C. 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 5k,
5 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 12, 13, and 14 of the
6 Retailers' Occupation Tax Act and all provisions of the
7 Uniform Penalty and Interest Act, as fully as if those
8 provisions were set forth herein.

9 If a tax is imposed under this subsection (b), a tax shall
10 also be imposed under subsection (c) of this Section.

11 (c) If a tax has been imposed under subsection (b), a STAR
12 Bond Service Occupation Tax shall also be imposed upon all
13 persons engaged, in the STAR bond district, 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 STAR bond district, either in the form of tangible
17 personal property or in the form of real estate as an incident
18 to a sale of service. The tax shall be imposed at the same rate
19 as the tax imposed in subsection (b) and shall not exceed 1% of
20 the selling price of tangible personal property so transferred
21 within the STAR bond district, to be imposed only in 0.25%
22 increments. The tax may not be imposed on tangible personal
23 property taxed at the 1% rate under the Service Occupation Tax
24 Act (or at the 0% rate imposed under this amendatory Act of the
25 102nd General Assembly). Beginning December 1, 2019 and
26 through December 31, 2020, this tax is not imposed on sales of

1 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 aviation fuel tax revenue is
4 dedicated, then aviation fuel is excluded from the tax. The
5 municipality must comply with the certification requirements
6 for airport-related purposes under Section 2-22 of the
7 Retailers' Occupation Tax Act. For purposes of this Act,
8 "airport-related purposes" has the meaning ascribed in Section
9 6z-20.2 of the State Finance Act. Beginning January 1, 2021,
10 this tax is not imposed on sales of aviation fuel for so long
11 as the revenue use requirements of 49 U.S.C. 47107(b) and 49
12 U.S.C. 47133 are 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 Department of Revenue. The
16 certificate of registration that is issued by the Department
17 to a retailer under the Retailers' Occupation Tax Act or under
18 the Service Occupation Tax Act shall permit the registrant to
19 engage in a business that is taxable under any ordinance or
20 resolution enacted pursuant to this subsection without
21 registering separately with the Department under that
22 ordinance or resolution or under this subsection. The
23 Department of Revenue shall have full power to administer and
24 enforce this subsection, to collect all taxes and penalties
25 due under this subsection, to dispose of taxes and penalties
26 so collected in the manner hereinafter provided, and to

1 determine all rights to credit memoranda arising on account of
2 the erroneous payment of tax or penalty under this subsection.
3 In the administration of, and compliance with this subsection,
4 the Department and persons who are subject to this subsection
5 shall have the same rights, remedies, privileges, immunities,
6 powers, and duties, and be subject to the same conditions,
7 restrictions, limitations, penalties, exclusions, exemptions,
8 and definitions of terms and employ the same modes of
9 procedure as are prescribed in Sections 2, 2a through 2d, 3
10 through 3-50 (in respect to all provisions therein other than
11 the State rate of tax), 4 (except that the reference to the
12 State shall be to the STAR bond district), 5, 7, 8 (except that
13 the jurisdiction to which the tax shall be a debt to the extent
14 indicated in that Section 8 shall be the political
15 subdivision), 9 (except as to the disposition of taxes and
16 penalties collected, and except that the returned merchandise
17 credit for this tax may not be taken against any State tax, and
18 except that the retailer's discount is not allowed for taxes
19 paid on aviation fuel that are subject to the revenue use
20 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 10,
21 11, 12 (except the reference therein to Section 2b of the
22 Retailers' Occupation Tax Act), 13 (except that any reference
23 to the State shall mean the political subdivision), the first
24 paragraph of Section 15, and Sections 16, 17, 18, 19 and 20 of
25 the Service Occupation Tax Act and all provisions of the
26 Uniform Penalty and Interest Act, as fully as if those

1 provisions were set forth herein.

2 If a tax is imposed under this subsection (c), a tax shall
3 also be imposed under subsection (b) of this Section.

4 (d) Persons subject to any tax imposed under this Section
5 may reimburse themselves for their seller's tax liability
6 under this Section 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 Section 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 STAR Bond Retailers' Occupation Tax Fund
18 or the Local Government Aviation Trust Fund, as appropriate.

19 Except as otherwise provided in this paragraph, the
20 Department shall immediately pay over to the State Treasurer,
21 ex officio, as trustee, all taxes, penalties, and interest
22 collected under this Section for deposit into the STAR Bond
23 Retailers' Occupation Tax Fund. Taxes and penalties collected
24 on aviation fuel sold on or after December 1, 2019, shall be
25 immediately paid over by the Department to the State
26 Treasurer, ex officio, as trustee, for deposit into the Local

1 Government Aviation Trust Fund. The Department shall only pay
2 moneys into the Local Government Aviation Trust Fund under
3 this Section for so long as the revenue use requirements of 49
4 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
5 District. 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 political
8 subdivisions from the STAR Bond Retailers' Occupation Tax
9 Fund, the political subdivisions to be those from which
10 retailers have paid taxes or penalties under this Section to
11 the Department during the second preceding calendar month. The
12 amount to be paid to each political subdivision shall be the
13 amount (not including credit memoranda and not including taxes
14 and penalties collected on aviation fuel sold on or after
15 December 1, 2019) collected under this Section during the
16 second preceding calendar month by the Department plus an
17 amount the Department determines is necessary to offset any
18 amounts that were erroneously paid to a different taxing body,
19 and not including an amount equal to the amount of refunds made
20 during the second preceding calendar month by the Department,
21 less 3% of that amount, which shall be deposited into the Tax
22 Compliance and Administration Fund and shall be used by the
23 Department, subject to appropriation, to cover the costs of
24 the Department in administering and enforcing the provisions
25 of this Section, on behalf of such political subdivision, and
26 not including any amount that the Department determines is

1 necessary to offset any amounts that were payable to a
2 different taxing body but were erroneously paid to the
3 political subdivision. Within 10 days after receipt by the
4 Comptroller of the disbursement certification to the political
5 subdivisions provided for in this Section to be given to the
6 Comptroller by the Department, the Comptroller shall cause the
7 orders to be drawn for the respective amounts in accordance
8 with the directions contained in the certification. The
9 proceeds of the tax paid to political subdivisions under this
10 Section shall be deposited into either (i) the STAR Bonds Tax
11 Allocation Fund by the political subdivision if the political
12 subdivision has designated them as pledged STAR revenues by
13 resolution or ordinance or (ii) the political subdivision's
14 general corporate fund if the political subdivision has not
15 designated them as pledged STAR revenues.

16 An ordinance or resolution imposing or discontinuing the
17 tax under this Section or effecting a change in the rate
18 thereof shall either (i) be adopted and a certified copy
19 thereof filed with the Department on or before the first day of
20 April, whereupon the Department, if all other requirements of
21 this Section are met, shall proceed to administer and enforce
22 this Section as of the first day of July next following the
23 adoption and filing; or (ii) be adopted and a certified copy
24 thereof filed with the Department on or before the first day of
25 October, whereupon, if all other requirements of this Section
26 are met, the Department shall proceed to administer and

1 enforce this Section as of the first day of January next
2 following the adoption and filing.

3 The Department of Revenue shall not administer or enforce
4 an ordinance imposing, discontinuing, or changing the rate of
5 the tax under this Section until the political subdivision
6 also provides, in the manner prescribed by the Department, the
7 boundaries of the STAR bond district and each address in the
8 STAR bond district in such a way that the Department can
9 determine by its address whether a business is located in the
10 STAR bond district. The political subdivision must provide
11 this boundary and address information to the Department on or
12 before April 1 for administration and enforcement of the tax
13 under this Section by the Department beginning on the
14 following July 1 and on or before October 1 for administration
15 and enforcement of the tax under this Section by the
16 Department beginning on the following January 1. The
17 Department of Revenue shall not administer or enforce any
18 change made to the boundaries of a STAR bond district or any
19 address change, addition, or deletion until the political
20 subdivision reports the boundary change or address change,
21 addition, or deletion to the Department in the manner
22 prescribed by the Department. The political subdivision must
23 provide this boundary change or address change, addition, or
24 deletion information to the Department on or before April 1
25 for administration and enforcement by the Department of the
26 change, addition, or deletion beginning on the following July

1 1 and on or before October 1 for administration and
2 enforcement by the Department of the change, addition, or
3 deletion beginning on the following January 1. The retailers
4 in the STAR bond district shall be responsible for charging
5 the tax imposed under this Section. If a retailer is
6 incorrectly included or excluded from the list of those
7 required to collect the tax under this Section, both the
8 Department of Revenue and the retailer shall be held harmless
9 if they reasonably relied on information provided by the
10 political subdivision.

11 A political subdivision that imposes the tax under this
12 Section must submit to the Department of Revenue any other
13 information as the Department may require that is necessary
14 for the administration and enforcement of the tax.

15 When certifying the amount of a monthly disbursement to a
16 political subdivision under this Section, the Department shall
17 increase or decrease the amount by an amount necessary to
18 offset any misallocation of previous disbursements. The offset
19 amount shall be the amount erroneously disbursed within the
20 previous 6 months from the time a misallocation is discovered.

21 Nothing in this Section shall be construed to authorize
22 the political subdivision to impose a tax upon the privilege
23 of engaging in any business which under the Constitution of
24 the United States may not be made the subject of taxation by
25 this State.

26 (e) When STAR bond project costs, including, without

1 limitation, all political subdivision obligations financing
2 STAR bond project costs, have been paid, any surplus funds
3 then remaining in the STAR Bonds Tax Allocation Fund shall be
4 distributed to the treasurer of the political subdivision for
5 deposit into the political subdivision's general corporate
6 fund. Upon payment of all STAR bond project costs and
7 retirement of obligations, but in no event later than the
8 maximum maturity date of the last of the STAR bonds issued in
9 the STAR bond district, the political subdivision shall adopt
10 an ordinance immediately rescinding the taxes imposed pursuant
11 to this Section and file a certified copy of the ordinance with
12 the Department in the form and manner as described in this
13 Section.

14 (Source: P.A. 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19;
15 101-604, eff. 12-13-19.)

16 Section 50-40. The Counties Code is amended by changing
17 Sections 5-1006, 5-1006.5, 5-1006.7, and 5-1007 as follows:

18 (55 ILCS 5/5-1006) (from Ch. 34, par. 5-1006)

19 Sec. 5-1006. Home Rule County Retailers' Occupation Tax
20 Law. Any county that is a home rule unit may impose a tax upon
21 all persons engaged in the business of selling tangible
22 personal property, other than an item of tangible personal
23 property titled or registered with an agency of this State's
24 government, at retail in the county on the gross receipts from

1 such sales made in the course of their business. If imposed,
2 this tax shall only be imposed in 1/4% increments. On and after
3 September 1, 1991, this additional tax may not be imposed on
4 tangible personal property taxed at the 1% rate under the
5 Retailers' Occupation Tax Act (or at the 0% rate imposed under
6 this amendatory Act of the 102nd General Assembly). Beginning
7 December 1, 2019, this tax is not imposed on sales of aviation
8 fuel unless the tax revenue is expended for airport-related
9 purposes. If the county does not have an airport-related
10 purpose to which it dedicates aviation fuel tax revenue, then
11 aviation fuel is excluded from the tax. The county must comply
12 with the certification requirements for airport-related
13 purposes under Section 2-22 of the Retailers' Occupation Tax
14 Act. For purposes of this Section, "airport-related purposes"
15 has the meaning ascribed in Section 6z-20.2 of the State
16 Finance Act. This exclusion for aviation fuel only applies for
17 so long as the revenue use requirements of 49 U.S.C. 47107(b)
18 and 49 U.S.C. 47133 are binding on the county. The changes made
19 to this Section by this amendatory Act of the 101st General
20 Assembly are a denial and limitation of home rule powers and
21 functions under subsection (g) of Section 6 of Article VII of
22 the Illinois Constitution. The tax imposed by a home rule
23 county pursuant to this Section and all civil penalties that
24 may be assessed as an incident thereof shall be collected and
25 enforced by the State Department of Revenue. The certificate
26 of registration that is issued by the Department to a retailer

1 under the Retailers' Occupation Tax Act shall permit the
2 retailer to engage in a business that is taxable under any
3 ordinance or resolution enacted pursuant to this Section
4 without 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 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j,
18 1k, 1m, 1n, 2 through 2-65 (in respect to all provisions
19 therein other than the State rate of tax), 3 (except as to the
20 disposition of taxes and penalties collected, and except that
21 the retailer's discount is not allowed for taxes paid on
22 aviation fuel that are subject to the revenue use requirements
23 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5b, 5c,
24 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9,
25 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and
26 Section 3-7 of the Uniform Penalty and Interest Act, as fully

1 as if those provisions were set forth herein.

2 No tax may be imposed by a home rule county pursuant to
3 this Section unless the county also imposes a tax at the same
4 rate pursuant to Section 5-1007.

5 Persons subject to any tax imposed pursuant to the
6 authority granted in this Section may reimburse themselves for
7 their seller's tax liability hereunder by separately stating
8 such tax as an additional charge, which charge may be stated in
9 combination, in a single amount, with State tax which sellers
10 are required to collect under the Use Tax Act, pursuant to such
11 bracket schedules as the Department may prescribe.

12 Whenever the Department determines that a refund should be
13 made under this Section to a claimant instead of issuing a
14 credit memorandum, the Department shall notify the State
15 Comptroller, who shall cause the order to be drawn for the
16 amount specified and to the person named in the notification
17 from the Department. The refund shall be paid by the State
18 Treasurer out of the home rule county retailers' occupation
19 tax fund or the Local Government Aviation Trust Fund, as
20 appropriate.

21 Except as otherwise provided in this paragraph, the
22 Department shall forthwith pay over to the State Treasurer, ex
23 officio, as trustee, all taxes and penalties collected
24 hereunder for deposit into the Home Rule County Retailers'
25 Occupation Tax Fund. Taxes and penalties collected on aviation
26 fuel sold on or after December 1, 2019, shall be immediately

1 paid over by the Department to the State Treasurer, ex
2 officio, as trustee, for deposit into the Local Government
3 Aviation Trust Fund. The Department shall only pay moneys into
4 the Local Government Aviation Trust Fund under this Section
5 for so long as the revenue use requirements of 49 U.S.C.
6 47107(b) and 49 U.S.C. 47133 are binding on the county.

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 Section 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 counties, the
19 counties to be those from which retailers have paid taxes or
20 penalties hereunder to the Department during the second
21 preceding calendar month. The amount to be paid to each county
22 shall be the amount (not including credit memoranda and not
23 including taxes and penalties collected on aviation fuel sold
24 on or after December 1, 2019) collected hereunder during the
25 second preceding calendar month by the Department plus an
26 amount the Department determines is necessary to offset any

1 amounts that were erroneously paid to a different taxing body,
2 and not including an amount equal to the amount of refunds made
3 during the second preceding calendar month by the Department
4 on behalf of such county, and not including any amount which
5 the Department determines is necessary to offset any amounts
6 which were payable to a different taxing body but were
7 erroneously paid to the county, and not including any amounts
8 that are transferred to the STAR Bonds Revenue Fund, less 1.5%
9 of the remainder, which the Department shall transfer into the
10 Tax Compliance and Administration Fund. The Department, at the
11 time of each monthly disbursement to the counties, shall
12 prepare and certify to the State Comptroller the amount to be
13 transferred into the Tax Compliance and Administration Fund
14 under this Section. Within 10 days after receipt, by the
15 Comptroller, of the disbursement certification to the counties
16 and the Tax Compliance and Administration Fund provided for in
17 this Section to be given to the Comptroller by the Department,
18 the Comptroller shall cause the orders to be drawn for the
19 respective amounts in accordance with the directions contained
20 in the certification.

21 In addition to the disbursement required by the preceding
22 paragraph, an allocation shall be made in March of each year to
23 each county that received more than \$500,000 in disbursements
24 under the preceding paragraph in the preceding calendar year.
25 The allocation shall be in an amount equal to the average
26 monthly distribution made to each such county under the

1 preceding paragraph during the preceding calendar year
2 (excluding the 2 months of highest receipts). The distribution
3 made in March of each year subsequent to the year in which an
4 allocation was made pursuant to this paragraph and the
5 preceding paragraph shall be reduced by the amount allocated
6 and disbursed under this paragraph in the preceding calendar
7 year. The Department shall prepare and certify to the
8 Comptroller for disbursement the allocations made in
9 accordance with this paragraph.

10 For the purpose of determining the local governmental unit
11 whose tax is applicable, a retail sale by a producer of coal or
12 other mineral mined in Illinois is a sale at retail at the
13 place where the coal or other mineral mined in Illinois is
14 extracted from the earth. This paragraph does not apply to
15 coal or other mineral when it is delivered or shipped by the
16 seller to the purchaser at a point outside Illinois so that the
17 sale is exempt under the United States Constitution as a sale
18 in interstate or foreign commerce.

19 Nothing in this Section shall be construed to authorize a
20 county 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 this State.

23 An ordinance or resolution imposing or discontinuing a tax
24 hereunder or effecting a change in the rate thereof shall be
25 adopted and a certified copy thereof filed with the Department
26 on or before the first day of June, whereupon the Department

1 shall proceed to administer and enforce this Section as of the
2 first day of September next following such adoption and
3 filing. Beginning January 1, 1992, an ordinance or resolution
4 imposing or discontinuing the tax hereunder or effecting a
5 change in the rate thereof shall be adopted and a certified
6 copy thereof filed with the Department on or before the first
7 day of July, whereupon the Department shall proceed to
8 administer and enforce this Section as of the first day of
9 October next following such adoption and filing. Beginning
10 January 1, 1993, an ordinance or resolution imposing or
11 discontinuing the tax hereunder or effecting a change in the
12 rate thereof shall be adopted and a certified copy thereof
13 filed with the Department on or before the first day of
14 October, whereupon the Department shall proceed to administer
15 and enforce this Section as of the first day of January next
16 following such adoption and filing. Beginning April 1, 1998,
17 an ordinance or resolution imposing or discontinuing the tax
18 hereunder 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 shall proceed to administer and enforce this
22 Section as of the first day of July next following the adoption
23 and filing; or (ii) be adopted and a certified copy thereof
24 filed with the Department on or before the first day of
25 October, whereupon the Department shall proceed to administer
26 and enforce this Section as of the first day of January next

1 following the adoption and filing.

2 When certifying the amount of a monthly disbursement to a
3 county under this Section, the Department shall increase or
4 decrease such amount by an amount necessary to offset any
5 misallocation of previous disbursements. The offset amount
6 shall be the amount erroneously disbursed within the previous
7 6 months from the time a misallocation is discovered.

8 This Section shall be known and may be cited as the Home
9 Rule County Retailers' Occupation Tax Law.

10 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;
11 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-81, eff.
12 7-12-19; 101-604, eff. 12-13-19.)

13 (55 ILCS 5/5-1006.5)

14 Sec. 5-1006.5. Special County Retailers' Occupation Tax
15 For Public Safety, Public Facilities, Mental Health, Substance
16 Abuse, or Transportation.

17 (a) The county board of any county may impose a tax upon
18 all persons engaged in the business of selling tangible
19 personal property, other than personal property titled or
20 registered with an agency of this State's government, at
21 retail in the county on the gross receipts from the sales made
22 in the course of business to provide revenue to be used
23 exclusively for public safety, public facility, mental health,
24 substance abuse, or transportation purposes in that county
25 (except as otherwise provided in this Section), if a

1 proposition for the tax has been submitted to the electors of
2 that county and approved by a majority of those voting on the
3 question. If imposed, this tax shall be imposed only in
4 one-quarter percent increments. By resolution, the county
5 board may order the proposition to be submitted at any
6 election. If the tax is imposed for transportation purposes
7 for expenditures for public highways or as authorized under
8 the Illinois Highway Code, the county board must publish
9 notice of the existence of its long-range highway
10 transportation plan as required or described in Section 5-301
11 of the Illinois Highway Code and must make the plan publicly
12 available prior to approval of the ordinance or resolution
13 imposing the tax. If the tax is imposed for transportation
14 purposes for expenditures for passenger rail transportation,
15 the county board must publish notice of the existence of its
16 long-range passenger rail transportation plan and must make
17 the plan publicly available prior to approval of the ordinance
18 or resolution imposing the tax.

19 If a tax is imposed for public facilities purposes, then
20 the name of the project may be included in the proposition at
21 the discretion of the county board as determined in the
22 enabling resolution. For example, the "XXX Nursing Home" or
23 the "YYY Museum".

24 The county clerk shall certify the question to the proper
25 election authority, who shall submit the proposition at an
26 election in accordance with the general election law.

1 (1) The proposition for public safety purposes shall
2 be in substantially the following form:

3 "To pay for public safety purposes, shall (name of
4 county) be authorized to impose an increase on its share
5 of local sales taxes by (insert rate)?"

6 As additional information on the ballot below the
7 question shall appear the following:

8 "This would mean that a consumer would pay an
9 additional (insert amount) in sales tax for every \$100 of
10 tangible personal property bought at retail."

11 The county board may also opt to establish a sunset
12 provision at which time the additional sales tax would
13 cease being collected, if not terminated earlier by a vote
14 of the county board. If the county board votes to include a
15 sunset provision, the proposition for public safety
16 purposes shall be in substantially the following form:

17 "To pay for public safety purposes, shall (name of
18 county) be authorized to impose an increase on its share
19 of local sales taxes by (insert rate) for a period not to
20 exceed (insert number of years)?"

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. If imposed,
26 the additional tax would cease being collected at the end

1 of (insert number of years), if not terminated earlier by
2 a vote of the county board."

3 For the purposes of the paragraph, "public safety
4 purposes" means crime prevention, detention, fire
5 fighting, police, medical, ambulance, or other emergency
6 services.

7 Votes shall be recorded as "Yes" or "No".

8 Beginning on the January 1 or July 1, whichever is
9 first, that occurs not less than 30 days after May 31, 2015
10 (the effective date of Public Act 99-4), Adams County may
11 impose a public safety retailers' occupation tax and
12 service occupation tax at the rate of 0.25%, as provided
13 in the referendum approved by the voters on April 7, 2015,
14 notwithstanding the omission of the additional information
15 that is otherwise required to be printed on the ballot
16 below the question pursuant to this item (1).

17 (2) The proposition for transportation purposes shall
18 be in substantially the following form:

19 "To pay for improvements to roads and other
20 transportation purposes, shall (name of county) be
21 authorized to impose an increase on its share of local
22 sales taxes by (insert rate)?"

23 As additional information on the ballot below the
24 question shall appear the following:

25 "This would mean that a consumer would pay an
26 additional (insert amount) in sales tax for every \$100 of

1 tangible personal property bought at retail."

2 The county board may also opt to establish a sunset
3 provision at which time the additional sales tax would
4 cease being collected, if not terminated earlier by a vote
5 of the county board. If the county board votes to include a
6 sunset provision, the proposition for transportation
7 purposes shall be in substantially the following form:

8 "To pay for road improvements and other transportation
9 purposes, shall (name of county) be authorized to impose
10 an increase on its share of local sales taxes by (insert
11 rate) for a period not to exceed (insert number of
12 years)?"

13 As additional information on the ballot below the
14 question shall appear the following:

15 "This would mean that a consumer would pay an
16 additional (insert amount) in sales tax for every \$100 of
17 tangible personal property bought at retail. If imposed,
18 the additional tax would cease being collected at the end
19 of (insert number of years), if not terminated earlier by
20 a vote of the county board."

21 For the purposes of this paragraph, transportation
22 purposes means construction, maintenance, operation, and
23 improvement of public highways, any other purpose for
24 which a county may expend funds under the Illinois Highway
25 Code, and passenger rail transportation.

26 The votes shall be recorded as "Yes" or "No".

1 (3) The proposition for public facilities purposes
2 shall be in substantially the following form:

3 "To pay for public facilities purposes, shall (name of
4 county) be authorized to impose an increase on its share
5 of local sales taxes by (insert rate)?"

6 As additional information on the ballot below the
7 question shall appear the following:

8 "This would mean that a consumer would pay an
9 additional (insert amount) in sales tax for every \$100 of
10 tangible personal property bought at retail."

11 The county board may also opt to establish a sunset
12 provision at which time the additional sales tax would
13 cease being collected, if not terminated earlier by a vote
14 of the county board. If the county board votes to include a
15 sunset provision, the proposition for public facilities
16 purposes shall be in substantially the following form:

17 "To pay for public facilities purposes, shall (name of
18 county) be authorized to impose an increase on its share
19 of local sales taxes by (insert rate) for a period not to
20 exceed (insert number of years)?"

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. If imposed,
26 the additional tax would cease being collected at the end

1 of (insert number of years), if not terminated earlier by
2 a vote of the county board."

3 For purposes of this Section, "public facilities
4 purposes" means the acquisition, development,
5 construction, reconstruction, rehabilitation,
6 improvement, financing, architectural planning, and
7 installation of capital facilities consisting of
8 buildings, structures, and durable equipment and for the
9 acquisition and improvement of real property and interest
10 in real property required, or expected to be required, in
11 connection with the public facilities, for use by the
12 county for the furnishing of governmental services to its
13 citizens, including, but not limited to, museums and
14 nursing homes.

15 The votes shall be recorded as "Yes" or "No".

16 (4) The proposition for mental health purposes shall
17 be in substantially the following form:

18 "To pay for mental health 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 mental health 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 (5) The proposition for substance abuse purposes shall
20 be in substantially the following form:

21 "To pay for substance abuse purposes, shall (name of
22 county) be authorized to impose an increase on its share
23 of local sales taxes by (insert rate)?"

24 As additional information on the ballot below the
25 question shall appear the following:

26 "This would mean that a consumer would pay an

1 additional (insert amount) in sales tax for every \$100 of
2 tangible personal property bought at retail."

3 The county board may also opt to establish a sunset
4 provision at which time the additional sales tax would
5 cease being collected, if not terminated earlier by a vote
6 of the county board. If the county board votes to include a
7 sunset provision, the proposition for public facilities
8 purposes shall be in substantially the following form:

9 "To pay for substance abuse purposes, shall (name of
10 county) be authorized to impose an increase on its share
11 of local sales taxes by (insert rate) for a period not to
12 exceed (insert number of years)?"

13 As additional information on the ballot below the
14 question shall appear the following:

15 "This would mean that a consumer would pay an
16 additional (insert amount) in sales tax for every \$100 of
17 tangible personal property bought at retail. If imposed,
18 the additional tax would cease being collected at the end
19 of (insert number of years), if not terminated earlier by
20 a vote of the county board."

21 The votes shall be recorded as "Yes" or "No".

22 If a majority of the electors voting on the proposition
23 vote in favor of it, the county may impose the tax. A county
24 may not submit more than one proposition authorized by this
25 Section to the electors at any one time.

26 This additional tax may not be imposed on tangible

1 personal property taxed at the 1% rate under the Retailers'
2 Occupation Tax Act (or at the 0% rate imposed under this
3 amendatory Act of the 102nd General Assembly). Beginning
4 December 1, 2019 and through December 31, 2020, this tax is not
5 imposed on sales of aviation fuel unless the tax revenue is
6 expended for airport-related purposes. If the county does not
7 have an airport-related purpose to which it dedicates aviation
8 fuel tax revenue, then aviation fuel is excluded from the tax.
9 The county must comply with the certification requirements for
10 airport-related purposes under Section 2-22 of the Retailers'
11 Occupation Tax Act. For purposes of this Section,
12 "airport-related purposes" has the meaning ascribed in Section
13 6z-20.2 of the State Finance Act. Beginning January 1, 2021,
14 this tax is not imposed on sales of aviation fuel for so long
15 as the revenue use requirements of 49 U.S.C. 47107(b) and 49
16 U.S.C. 47133 are binding on the county. The tax imposed by a
17 county under this Section and all civil penalties that may be
18 assessed as an incident of the tax shall be collected and
19 enforced by the Illinois Department of Revenue and deposited
20 into a special fund created for that purpose. The certificate
21 of registration that is issued by the Department to a retailer
22 under the Retailers' Occupation Tax Act shall permit the
23 retailer to engage in a business that is taxable without
24 registering separately with the Department under an ordinance
25 or resolution under this Section. The Department has full
26 power to administer and enforce this Section, to collect all

1 taxes and penalties due under this Section, to dispose of
2 taxes and penalties so collected in the manner provided in
3 this Section, and to determine all rights to credit memoranda
4 arising on account of the erroneous payment of a tax or penalty
5 under this Section. In the administration of and compliance
6 with this Section, the Department and persons who are subject
7 to this Section shall (i) have the same rights, remedies,
8 privileges, immunities, powers, and duties, (ii) be subject to
9 the same conditions, restrictions, limitations, penalties, and
10 definitions of terms, and (iii) employ the same modes of
11 procedure as are prescribed in Sections 1, 1a, 1a-1, 1d, 1e,
12 1f, 1i, 1j, 1k, 1m, 1n, 2 through 2-70 (in respect to all
13 provisions contained in those Sections other than the State
14 rate of tax), 2a, 2b, 2c, 3 (except provisions relating to
15 transaction returns and quarter monthly payments, and except
16 that the retailer's discount is not allowed for taxes paid on
17 aviation fuel that are deposited into the Local Government
18 Aviation Trust Fund), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i,
19 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 11a, 12, and 13
20 of the Retailers' Occupation Tax Act and Section 3-7 of the
21 Uniform Penalty and Interest Act as if those provisions were
22 set forth in this Section.

23 Persons subject to any tax imposed under the authority
24 granted in this Section may reimburse themselves for their
25 sellers' tax liability by separately stating the tax as an
26 additional charge, which charge may be stated in combination,

1 in a single amount, with State tax which sellers are required
2 to collect under the Use Tax Act, pursuant to such bracketed
3 schedules as the Department may prescribe.

4 Whenever the Department determines that a refund should be
5 made under this Section to a claimant instead of issuing a
6 credit memorandum, the Department shall notify the State
7 Comptroller, who shall cause the order to be drawn for the
8 amount specified and to the person named in the notification
9 from the Department. The refund shall be paid by the State
10 Treasurer out of the County Public Safety, Public Facilities,
11 Mental Health, Substance Abuse, or Transportation Retailers'
12 Occupation Tax Fund or the Local Government Aviation Trust
13 Fund, as appropriate.

14 (b) If a tax has been imposed under subsection (a), a
15 service occupation tax shall also be imposed at the same rate
16 upon all persons engaged, in the county, in the business of
17 making sales of service, who, as an incident to making those
18 sales of service, transfer tangible personal property within
19 the county as an incident to a sale of service. This tax may
20 not be imposed on tangible personal property taxed at the 1%
21 rate under the Service Occupation Tax Act (or at the 0% rate
22 imposed under this amendatory Act of the 102nd General
23 Assembly). Beginning December 1, 2019 and through December 31,
24 2020, this tax is not imposed on sales of aviation fuel unless
25 the tax revenue is expended for airport-related purposes. If
26 the county does not have an airport-related purpose to which

1 it dedicates aviation fuel tax revenue, then aviation fuel is
2 excluded from the tax. The county must comply with the
3 certification requirements for airport-related purposes under
4 Section 2-22 of the Retailers' Occupation Tax Act. For
5 purposes of this Section, "airport-related purposes" has the
6 meaning ascribed in Section 6z-20.2 of the State Finance Act.
7 Beginning January 1, 2021, this tax is not imposed on sales of
8 aviation fuel for so long as the revenue use requirements of 49
9 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the county.
10 The tax imposed under this subsection and all civil penalties
11 that may be assessed as an incident thereof shall be collected
12 and enforced by the Department of Revenue. The Department has
13 full power to administer and enforce this subsection; to
14 collect all taxes and penalties due hereunder; to dispose of
15 taxes and penalties so collected in the manner hereinafter
16 provided; and to determine all rights to credit memoranda
17 arising on account of the erroneous payment of tax or penalty
18 hereunder. In the administration of and compliance with this
19 subsection, the Department and persons who are subject to this
20 paragraph shall (i) have the same rights, remedies,
21 privileges, immunities, powers, and duties, (ii) be subject to
22 the same conditions, restrictions, limitations, penalties,
23 exclusions, exemptions, and definitions of terms, and (iii)
24 employ the same modes of procedure as are prescribed in
25 Sections 2 (except that the reference to State in the
26 definition of supplier maintaining a place of business in this

1 State shall mean the county), 2a, 2b, 2c, 3 through 3-50 (in
2 respect to all provisions therein other than the State rate of
3 tax), 4 (except that the reference to the State shall be to the
4 county), 5, 7, 8 (except that the jurisdiction to which the tax
5 shall be a debt to the extent indicated in that Section 8 shall
6 be the county), 9 (except as to the disposition of taxes and
7 penalties collected, and except that the retailer's discount
8 is not allowed for taxes paid on aviation fuel that are
9 deposited into the Local Government Aviation Trust Fund), 10,
10 11, 12 (except the reference therein to Section 2b of the
11 Retailers' Occupation Tax Act), 13 (except that any reference
12 to the State shall mean the county), Section 15, 16, 17, 18,
13 19, and 20 of the Service Occupation Tax Act, and Section 3-7
14 of the Uniform Penalty and Interest Act, as fully as if those
15 provisions were set forth herein.

16 Persons subject to any tax imposed under the authority
17 granted in this subsection may reimburse themselves for their
18 serviceman's tax liability by separately stating the tax as an
19 additional charge, which charge may be stated in combination,
20 in a single amount, with State tax that servicemen are
21 authorized to collect under the Service Use Tax Act, in
22 accordance with such bracket schedules as the Department may
23 prescribe.

24 Whenever the Department determines that a refund should be
25 made under this subsection to a claimant instead of issuing a
26 credit memorandum, the Department shall notify the State

1 Comptroller, who shall cause the warrant to be drawn for the
2 amount specified, and to the person named, in the notification
3 from the Department. The refund shall be paid by the State
4 Treasurer out of the County Public Safety, Public Facilities,
5 Mental Health, Substance Abuse, or Transportation Retailers'
6 Occupation Fund or the Local Government Aviation Trust Fund,
7 as appropriate.

8 Nothing in this subsection shall be construed to authorize
9 the county to impose a tax upon the privilege of engaging in
10 any business which under the Constitution of the United States
11 may not be made the subject of taxation by the State.

12 (c) Except as otherwise provided in this paragraph, the
13 Department shall immediately pay over to the State Treasurer,
14 ex officio, as trustee, all taxes and penalties collected
15 under this Section to be deposited into the County Public
16 Safety, Public Facilities, Mental Health, Substance Abuse, or
17 Transportation Retailers' Occupation Tax Fund, which shall be
18 an unappropriated trust fund held outside of the State
19 treasury. Taxes and penalties collected on aviation fuel sold
20 on or after December 1, 2019 and through December 31, 2020,
21 shall be immediately paid over by the Department to the State
22 Treasurer, ex officio, as trustee, for deposit into the Local
23 Government Aviation Trust Fund. The Department shall only pay
24 moneys into the Local Government Aviation Trust Fund under
25 this Act for so long as the revenue use requirements of 49
26 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the county.

1 As soon as possible after the first day of each month,
2 beginning January 1, 2011, upon certification of the
3 Department of Revenue, the Comptroller shall order
4 transferred, and the Treasurer shall transfer, to the STAR
5 Bonds Revenue Fund the local sales tax increment, as defined
6 in the Innovation Development and Economy Act, collected under
7 this Section during the second preceding calendar month for
8 sales within a STAR bond district.

9 After the monthly transfer to the STAR Bonds Revenue Fund,
10 on or before the 25th day of each calendar month, the
11 Department shall prepare and certify to the Comptroller the
12 disbursement of stated sums of money to the counties from
13 which retailers have paid taxes or penalties to the Department
14 during the second preceding calendar month. The amount to be
15 paid to each county, and deposited by the county into its
16 special fund created for the purposes of this Section, shall
17 be the amount (not including credit memoranda and not
18 including taxes and penalties collected on aviation fuel sold
19 on or after December 1, 2019 and through December 31, 2020)
20 collected under this Section during the second preceding
21 calendar month by the Department plus an amount the Department
22 determines is necessary to offset any amounts that were
23 erroneously paid to a different taxing body, and not including
24 (i) an amount equal to the amount of refunds made during the
25 second preceding calendar month by the Department on behalf of
26 the county, (ii) any amount that the Department determines is

1 necessary to offset any amounts that were payable to a
2 different taxing body but were erroneously paid to the county,
3 (iii) any amounts that are transferred to the STAR Bonds
4 Revenue Fund, and (iv) 1.5% of the remainder, which shall be
5 transferred into the Tax Compliance and Administration Fund.
6 The Department, at the time of each monthly disbursement to
7 the counties, shall prepare and certify to the State
8 Comptroller the amount to be transferred into the Tax
9 Compliance and Administration Fund under this subsection.
10 Within 10 days after receipt by the Comptroller of the
11 disbursement certification to the counties and the Tax
12 Compliance and Administration Fund provided for in this
13 Section to be given to the Comptroller by the Department, the
14 Comptroller shall cause the orders to be drawn for the
15 respective amounts in accordance with directions contained in
16 the certification.

17 In addition to the disbursement required by the preceding
18 paragraph, an allocation shall be made in March of each year to
19 each county that received more than \$500,000 in disbursements
20 under the preceding paragraph in the preceding calendar year.
21 The allocation shall be in an amount equal to the average
22 monthly distribution made to each such county under the
23 preceding paragraph during the preceding calendar year
24 (excluding the 2 months of highest receipts). The distribution
25 made in March of each year subsequent to the year in which an
26 allocation was made pursuant to this paragraph and the

1 preceding paragraph shall be reduced by the amount allocated
2 and disbursed under this paragraph in the preceding calendar
3 year. The Department shall prepare and certify to the
4 Comptroller for disbursement the allocations made in
5 accordance with this paragraph.

6 (d) For the purpose of determining the local governmental
7 unit whose tax is applicable, a retail sale by a producer of
8 coal or another mineral mined in Illinois is a sale at retail
9 at the place where the coal or other mineral mined in Illinois
10 is extracted from the earth. This paragraph does not apply to
11 coal or another mineral when it is delivered or shipped by the
12 seller to the purchaser at a point outside Illinois so that the
13 sale is exempt under the United States Constitution as a sale
14 in interstate or foreign commerce.

15 (e) Nothing in this Section shall be construed to
16 authorize a county to impose a tax upon the privilege of
17 engaging in any business that under the Constitution of the
18 United States may not be made the subject of taxation by this
19 State.

20 (e-5) If a county imposes a tax under this Section, the
21 county board may, by ordinance, discontinue or lower the rate
22 of the tax. If the county board lowers the tax rate or
23 discontinues the tax, a referendum must be held in accordance
24 with subsection (a) of this Section in order to increase the
25 rate of the tax or to reimpose the discontinued tax.

26 (f) Beginning April 1, 1998 and through December 31, 2013,

1 the results of any election authorizing a proposition to
2 impose a tax under this Section or effecting a change in the
3 rate of tax, or any ordinance lowering the rate or
4 discontinuing the tax, shall be certified by the county clerk
5 and filed with the Illinois Department of Revenue either (i)
6 on or before the first day of April, whereupon the Department
7 shall proceed to administer and enforce the tax as of the first
8 day of July next following the filing; or (ii) on or before the
9 first day of October, whereupon the Department shall proceed
10 to administer and enforce the tax as of the first day of
11 January next following the filing.

12 Beginning January 1, 2014, the results of any election
13 authorizing a proposition to impose a tax under this Section
14 or effecting an increase in the rate of tax, along with the
15 ordinance adopted to impose the tax or increase the rate of the
16 tax, or any ordinance adopted to lower the rate or discontinue
17 the tax, shall be certified by the county clerk and filed with
18 the Illinois Department of Revenue either (i) on or before the
19 first day of May, whereupon the Department shall proceed to
20 administer and enforce the tax as of the first day of July next
21 following the adoption and filing; or (ii) on or before the
22 first day of October, whereupon the Department shall proceed
23 to administer and enforce the tax as of the first day of
24 January next following the adoption and filing.

25 (g) When certifying the amount of a monthly disbursement
26 to a county under this Section, the Department shall increase

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

5 (g-5) Every county authorized to levy a tax under this
6 Section shall, before it levies such tax, establish a 7-member
7 mental health board, which shall have the same powers and
8 duties and be constituted in the same manner as a community
9 mental health board established under the Community Mental
10 Health Act. Proceeds of the tax under this Section that are
11 earmarked for mental health or substance abuse purposes shall
12 be deposited into a special county occupation tax fund for
13 mental health and substance abuse. The 7-member mental health
14 board established under this subsection shall administer the
15 special county occupation tax fund for mental health and
16 substance abuse in the same manner as the community mental
17 health board administers the community mental health fund
18 under the Community Mental Health Act.

19 (h) This Section may be cited as the "Special County
20 Occupation Tax For Public Safety, Public Facilities, Mental
21 Health, Substance Abuse, or Transportation Law".

22 (i) For purposes of this Section, "public safety"
23 includes, but is not limited to, crime prevention, detention,
24 fire fighting, police, medical, ambulance, or other emergency
25 services. The county may share tax proceeds received under
26 this Section for public safety purposes, including proceeds

1 received before August 4, 2009 (the effective date of Public
2 Act 96-124), with any fire protection district located in the
3 county. For the purposes of this Section, "transportation"
4 includes, but is not limited to, the construction,
5 maintenance, operation, and improvement of public highways,
6 any other purpose for which a county may expend funds under the
7 Illinois Highway Code, and passenger rail transportation. For
8 the purposes of this Section, "public facilities purposes"
9 includes, but is not limited to, the acquisition, development,
10 construction, reconstruction, rehabilitation, improvement,
11 financing, architectural planning, and installation of capital
12 facilities consisting of buildings, structures, and durable
13 equipment and for the acquisition and improvement of real
14 property and interest in real property required, or expected
15 to be required, in connection with the public facilities, for
16 use by the county for the furnishing of governmental services
17 to its citizens, including, but not limited to, museums and
18 nursing homes.

19 (j) The Department may promulgate rules to implement
20 Public Act 95-1002 only to the extent necessary to apply the
21 existing rules for the Special County Retailers' Occupation
22 Tax for Public Safety to this new purpose for public
23 facilities.

24 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;
25 101-275, eff. 8-9-19; 101-604, eff. 12-13-19; 102-379, eff.
26 1-1-22.)

1 (55 ILCS 5/5-1006.7)

2 Sec. 5-1006.7. School facility and resources occupation
3 taxes.

4 (a) In any county, a tax shall be imposed upon all persons
5 engaged in the business of selling tangible personal property,
6 other than personal property titled or registered with an
7 agency of this State's government, at retail in the county on
8 the gross receipts from the sales made in the course of
9 business to provide revenue to be used exclusively for (i)
10 school facility purposes (except as otherwise provided in this
11 Section), (ii) school resource officers and mental health
12 professionals, or (iii) school facility purposes, school
13 resource officers, and mental health professionals if a
14 proposition for the tax has been submitted to the electors of
15 that county and approved by a majority of those voting on the
16 question as provided in subsection (c). The tax under this
17 Section shall be imposed only in one-quarter percent
18 increments and may not exceed 1%.

19 This additional tax may not be imposed on tangible
20 personal property taxed at the 1% rate under the Retailers'
21 Occupation Tax Act (or at the 0% rate imposed under this
22 amendatory Act of the 102nd General Assembly). Beginning
23 December 1, 2019 and through December 31, 2020, this tax is not
24 imposed on sales of aviation fuel unless the tax revenue is
25 expended for airport-related purposes. If the county does not

1 have an airport-related purpose to which it dedicates aviation
2 fuel tax revenue, then aviation fuel is excluded from the tax.
3 The county must comply with the certification requirements for
4 airport-related purposes under Section 2-22 of the Retailers'
5 Occupation Tax Act. For purposes of this Section,
6 "airport-related purposes" has the meaning ascribed in Section
7 6z-20.2 of the State Finance Act. Beginning January 1, 2021,
8 this tax is not imposed on sales of aviation fuel for so long
9 as the revenue use requirements of 49 U.S.C. 47107(b) and 49
10 U.S.C. 47133 are binding on the county. The Department of
11 Revenue has full power to administer and enforce this
12 subsection, to collect all taxes and penalties due under this
13 subsection, to dispose of taxes and penalties so collected in
14 the manner provided in this subsection, and to determine all
15 rights to credit memoranda arising on account of the erroneous
16 payment of a tax or penalty under this subsection. The
17 Department shall deposit all taxes and penalties collected
18 under this subsection into a special fund created for that
19 purpose.

20 In the administration of and compliance with this
21 subsection, the Department and persons who are subject to this
22 subsection (i) have the same rights, remedies, privileges,
23 immunities, powers, and duties, (ii) are subject to the same
24 conditions, restrictions, limitations, penalties, and
25 definitions of terms, and (iii) shall employ the same modes of
26 procedure as are set forth in Sections 1 through 10, 2 through

1 2-70 (in respect to all provisions contained in those Sections
2 other than the State rate of tax), 2a through 2h, 3 (except as
3 to the disposition of taxes and penalties collected, and
4 except that the retailer's discount is not allowed for taxes
5 paid on aviation fuel that are subject to the revenue use
6 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5,
7 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c,
8 6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers'
9 Occupation Tax Act and all provisions of the Uniform Penalty
10 and Interest Act as if those provisions were set forth in this
11 subsection.

12 The certificate of registration that is issued by the
13 Department to a retailer under the Retailers' Occupation Tax
14 Act permits the retailer to engage in a business that is
15 taxable without registering separately with the Department
16 under an ordinance or resolution under this subsection.

17 Persons subject to any tax imposed under the authority
18 granted in this subsection may reimburse themselves for their
19 seller's tax liability by separately stating that tax as an
20 additional charge, which may be stated in combination, in a
21 single amount, with State tax that sellers are required to
22 collect under the Use Tax Act, pursuant to any bracketed
23 schedules set forth by the Department.

24 (b) If a tax has been imposed under subsection (a), then a
25 service occupation tax must also be imposed at the same rate
26 upon all persons engaged, in the county, in the business of

1 making sales of service, who, as an incident to making those
2 sales of service, transfer tangible personal property within
3 the county as an incident to a sale of service.

4 This tax may not be imposed on tangible personal property
5 taxed at the 1% rate under the Service Occupation Tax Act (or
6 at the 0% rate imposed under this amendatory Act of the 102nd
7 General Assembly). Beginning December 1, 2019 and through
8 December 31, 2020, this tax is not imposed on sales of aviation
9 fuel unless the tax revenue is expended for airport-related
10 purposes. If the county does not have an airport-related
11 purpose to which it dedicates aviation fuel tax revenue, then
12 aviation fuel is excluded from the tax. The county must comply
13 with the certification requirements for airport-related
14 purposes under Section 2-22 of the Retailers' Occupation Tax
15 Act. For purposes of this Section, "airport-related purposes"
16 has the meaning ascribed in Section 6z-20.2 of the State
17 Finance Act. Beginning January 1, 2021, this tax is not
18 imposed on sales of aviation fuel for so long as the revenue
19 use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
20 binding on the county.

21 The tax imposed under this subsection and all civil
22 penalties that may be assessed as an incident thereof shall be
23 collected and enforced by the Department and deposited into a
24 special fund created for that purpose. The Department has full
25 power to administer and enforce this subsection, to collect
26 all taxes and penalties due under this subsection, to dispose

1 of taxes and penalties so collected in the manner provided in
2 this subsection, and to determine all rights to credit
3 memoranda arising on account of the erroneous payment of a tax
4 or penalty under this subsection.

5 In the administration of and compliance with this
6 subsection, the Department and persons who are subject to this
7 subsection shall (i) have the same rights, remedies,
8 privileges, immunities, powers and duties, (ii) be subject to
9 the same conditions, restrictions, limitations, penalties and
10 definition of terms, and (iii) employ the same modes of
11 procedure as are set forth in Sections 2 (except that that
12 reference to State in the definition of supplier maintaining a
13 place of business in this State means the county), 2a through
14 2d, 3 through 3-50 (in respect to all provisions contained in
15 those Sections other than the State rate of tax), 4 (except
16 that the reference to the State shall be to the county), 5, 7,
17 8 (except that the jurisdiction to which the tax is a debt to
18 the extent indicated in that Section 8 is the county), 9
19 (except as to the disposition of taxes and penalties
20 collected, and except that the retailer's discount is not
21 allowed for taxes paid on aviation fuel that are subject to the
22 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
23 47133), 10, 11, 12 (except the reference therein to Section 2b
24 of the Retailers' Occupation Tax Act), 13 (except that any
25 reference to the State means the county), Section 15, 16, 17,
26 18, 19, and 20 of the Service Occupation Tax Act and all

1 provisions of the Uniform Penalty and Interest Act, as fully
2 as if those provisions were set forth herein.

3 Persons subject to any tax imposed under the authority
4 granted in this subsection may reimburse themselves for their
5 serviceman's tax liability by separately stating the tax as an
6 additional charge, which may be stated in combination, in a
7 single amount, with State tax that servicemen are authorized
8 to collect under the Service Use Tax Act, pursuant to any
9 bracketed schedules set forth by the Department.

10 (c) The tax under this Section may not be imposed until the
11 question of imposing the tax has been submitted to the
12 electors of the county at a regular election and approved by a
13 majority of the electors voting on the question. For all
14 regular elections held prior to August 23, 2011 (the effective
15 date of Public Act 97-542), upon a resolution by the county
16 board or a resolution by school district boards that represent
17 at least 51% of the student enrollment within the county, the
18 county board must certify the question to the proper election
19 authority in accordance with the Election Code.

20 For all regular elections held prior to August 23, 2011
21 (the effective date of Public Act 97-542), the election
22 authority must submit the question in substantially the
23 following form:

24 Shall (name of county) be authorized to impose a
25 retailers' occupation tax and a service occupation tax
26 (commonly referred to as a "sales tax") at a rate of

1 (insert rate) to be used exclusively for school facility
2 purposes?

3 The election authority must record the votes as "Yes" or
4 "No".

5 If a majority of the electors voting on the question vote
6 in the affirmative, then the county may, thereafter, impose
7 the tax.

8 For all regular elections held on or after August 23, 2011
9 (the effective date of Public Act 97-542), the regional
10 superintendent of schools for the county must, upon receipt of
11 a resolution or resolutions of school district boards that
12 represent more than 50% of the student enrollment within the
13 county, certify the question to the proper election authority
14 for submission to the electors of the county at the next
15 regular election at which the question lawfully may be
16 submitted to the electors, all in accordance with the Election
17 Code.

18 For all regular elections held on or after August 23, 2011
19 (the effective date of Public Act 97-542) and before August
20 23, 2019 (the effective date of Public Act 101-455), the
21 election authority must submit the question in substantially
22 the following form:

23 Shall a retailers' occupation tax and a service
24 occupation tax (commonly referred to as a "sales tax") be
25 imposed in (name of county) at a rate of (insert rate) to
26 be used exclusively for school facility purposes?

1 The election authority must record the votes as "Yes" or
2 "No".

3 If a majority of the electors voting on the question vote
4 in the affirmative, then the tax shall be imposed at the rate
5 set forth in the question.

6 For all regular elections held on or after August 23, 2019
7 (the effective date of Public Act 101-455), the election
8 authority must submit the question as follows:

9 (1) If the referendum is to expand the use of revenues
10 from a currently imposed tax exclusively for school
11 facility purposes to include school resource officers and
12 mental health professionals, the question shall be in
13 substantially the following form:

14 In addition to school facility purposes, shall
15 (name of county) school districts be authorized to use
16 revenues from the tax commonly referred to as the
17 school facility sales tax that is currently imposed in
18 (name of county) at a rate of (insert rate) for school
19 resource officers and mental health professionals?

20 (2) If the referendum is to increase the rate of a tax
21 currently imposed exclusively for school facility purposes
22 at less than 1% and dedicate the additional revenues for
23 school resource officers and mental health professionals,
24 the question shall be in substantially the following form:

25 Shall the tax commonly referred to as the school
26 facility sales tax that is currently imposed in (name

1 of county) at the rate of (insert rate) be increased to
2 a rate of (insert rate) with the additional revenues
3 used exclusively for school resource officers and
4 mental health professionals?

5 (3) If the referendum is to impose a tax in a county
6 that has not previously imposed a tax under this Section
7 exclusively for school facility purposes, the question
8 shall be in substantially the following form:

9 Shall a retailers' occupation tax and a service
10 occupation tax (commonly referred to as a sales tax)
11 be imposed in (name of county) at a rate of (insert
12 rate) to be used exclusively for school facility
13 purposes?

14 (4) If the referendum is to impose a tax in a county
15 that has not previously imposed a tax under this Section
16 exclusively for school resource officers and mental health
17 professionals, the question shall be in substantially the
18 following form:

19 Shall a retailers' occupation tax and a service
20 occupation tax (commonly referred to as a sales tax)
21 be imposed in (name of county) at a rate of (insert
22 rate) to be used exclusively for school resource
23 officers and mental health professionals?

24 (5) If the referendum is to impose a tax in a county
25 that has not previously imposed a tax under this Section
26 exclusively for school facility purposes, school resource

1 officers, and mental health professionals, the question
2 shall be in substantially the following form:

3 Shall a retailers' occupation tax and a service
4 occupation tax (commonly referred to as a sales tax)
5 be imposed in (name of county) at a rate of (insert
6 rate) to be used exclusively for school facility
7 purposes, school resource officers, and mental health
8 professionals?

9 The election authority must record the votes as "Yes" or
10 "No".

11 If a majority of the electors voting on the question vote
12 in the affirmative, then the tax shall be imposed at the rate
13 set forth in the question.

14 For the purposes of this subsection (c), "enrollment"
15 means the head count of the students residing in the county on
16 the last school day of September of each year, which must be
17 reported on the Illinois State Board of Education Public
18 School Fall Enrollment/Housing Report.

19 (d) 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 School Facility 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 Section for so long as the revenue use requirements
5 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
6 county.

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 regional
10 superintendents of schools in counties from which retailers or
11 servicemen have paid taxes or penalties to the Department
12 during the second preceding calendar month. The amount to be
13 paid to each regional superintendent of schools and disbursed
14 to him or her in accordance with Section 3-14.31 of the School
15 Code, is equal to the amount (not including credit memoranda
16 and not including taxes and penalties collected on aviation
17 fuel sold on or after December 1, 2019 and through December 31,
18 2020) collected from the county under this Section during the
19 second preceding calendar month by the Department, (i) less 2%
20 of that amount (except the amount collected on aviation fuel
21 sold on or after December 1, 2019 and through December 31,
22 2020), which shall be deposited into the Tax Compliance and
23 Administration Fund and shall be used by the Department,
24 subject to appropriation, to cover the costs of the Department
25 in administering and enforcing the provisions of this Section,
26 on behalf of the county, (ii) plus an amount that the

1 Department determines is necessary to offset any amounts that
2 were erroneously paid to a different taxing body; (iii) less
3 an amount equal to the amount of refunds made during the second
4 preceding calendar month by the Department on behalf of the
5 county; and (iv) less any amount that the Department
6 determines is necessary to offset any amounts that were
7 payable to a different taxing body but were erroneously paid
8 to the county. When certifying the amount of a monthly
9 disbursement to a regional superintendent of schools under
10 this Section, the Department shall increase or decrease the
11 amounts by an amount necessary to offset any miscalculation of
12 previous disbursements within the previous 6 months from the
13 time a miscalculation is discovered.

14 Within 10 days after receipt by the Comptroller from the
15 Department of the disbursement certification to the regional
16 superintendents of the schools provided for in this Section,
17 the Comptroller shall cause the orders to be drawn for the
18 respective amounts in accordance with directions contained in
19 the certification.

20 If the Department determines that a refund should be made
21 under this Section to a claimant instead of issuing a credit
22 memorandum, then the Department shall notify the Comptroller,
23 who shall cause the order to be drawn for the amount specified
24 and to the person named in the notification from the
25 Department. The refund shall be paid by the Treasurer out of
26 the School Facility Occupation Tax Fund or the Local

1 Government Aviation Trust Fund, as appropriate.

2 (e) For the purposes of determining the local governmental
3 unit whose tax is applicable, a retail sale by a producer of
4 coal or another mineral mined in Illinois is a sale at retail
5 at the place where the coal or other mineral mined in Illinois
6 is extracted from the earth. This subsection does not apply to
7 coal or another mineral when it is delivered or shipped by the
8 seller to the purchaser at a point outside Illinois so that the
9 sale is exempt under the United States Constitution as a sale
10 in interstate or foreign commerce.

11 (f) Nothing in this Section may be construed to authorize
12 a tax to be imposed upon the privilege of engaging in any
13 business that under the Constitution of the United States may
14 not be made the subject of taxation by this State.

15 (g) If a county board imposes a tax under this Section
16 pursuant to a referendum held before August 23, 2011 (the
17 effective date of Public Act 97-542) at a rate below the rate
18 set forth in the question approved by a majority of electors of
19 that county voting on the question as provided in subsection
20 (c), then the county board may, by ordinance, increase the
21 rate of the tax up to the rate set forth in the question
22 approved by a majority of electors of that county voting on the
23 question as provided in subsection (c). If a county board
24 imposes a tax under this Section pursuant to a referendum held
25 before August 23, 2011 (the effective date of Public Act
26 97-542), then the board may, by ordinance, discontinue or

1 reduce the rate of the tax. If a tax is imposed under this
2 Section pursuant to a referendum held on or after August 23,
3 2011 (the effective date of Public Act 97-542) and before
4 August 23, 2019 (the effective date of Public Act 101-455),
5 then the county board may reduce or discontinue the tax, but
6 only in accordance with subsection (h-5) of this Section. If a
7 tax is imposed under this Section pursuant to a referendum
8 held on or after August 23, 2019 (the effective date of Public
9 Act 101-455), then the county board may reduce or discontinue
10 the tax, but only in accordance with subsection (h-10). If,
11 however, a school board issues bonds that are secured by the
12 proceeds of the tax under this Section, then the county board
13 may not reduce the tax rate or discontinue the tax if that rate
14 reduction or discontinuance would adversely affect the school
15 board's ability to pay the principal and interest on those
16 bonds as they become due or necessitate the extension of
17 additional property taxes to pay the principal and interest on
18 those bonds. If the county board reduces the tax rate or
19 discontinues the tax, then a referendum must be held in
20 accordance with subsection (c) of this Section in order to
21 increase the rate of the tax or to reimpose the discontinued
22 tax.

23 Until January 1, 2014, the results of any election that
24 imposes, reduces, or discontinues a tax under this Section
25 must be certified by the election authority, and any ordinance
26 that increases or lowers the rate or discontinues the tax must

1 be certified by the county clerk and, in each case, filed with
2 the Illinois Department of Revenue either (i) on or before the
3 first day of April, whereupon the Department shall proceed to
4 administer and enforce the tax or change in the rate as of the
5 first day of July next following the filing; or (ii) on or
6 before the first day of October, whereupon the Department
7 shall proceed to administer and enforce the tax or change in
8 the rate as of the first day of January next following the
9 filing.

10 Beginning January 1, 2014, the results of any election
11 that imposes, reduces, or discontinues a tax under this
12 Section must be certified by the election authority, and any
13 ordinance that increases or lowers the rate or discontinues
14 the tax must be certified by the county clerk and, in each
15 case, filed with the Illinois Department of Revenue either (i)
16 on or before the first day of May, whereupon the Department
17 shall proceed to administer and enforce the tax or change in
18 the rate as of the first day of July next following the filing;
19 or (ii) on or before the first day of October, whereupon the
20 Department shall proceed to administer and enforce the tax or
21 change in the rate as of the first day of January next
22 following the filing.

23 (h) For purposes of this Section, "school facility
24 purposes" means (i) the acquisition, development,
25 construction, reconstruction, rehabilitation, improvement,
26 financing, architectural planning, and installation of capital

1 facilities consisting of buildings, structures, and durable
2 equipment and for the acquisition and improvement of real
3 property and interest in real property required, or expected
4 to be required, in connection with the capital facilities and
5 (ii) the payment of bonds or other obligations heretofore or
6 hereafter issued, including bonds or other obligations
7 heretofore or hereafter issued to refund or to continue to
8 refund bonds or other obligations issued, for school facility
9 purposes, provided that the taxes levied to pay those bonds
10 are abated by the amount of the taxes imposed under this
11 Section that are used to pay those bonds. "School facility
12 purposes" also includes fire prevention, safety, energy
13 conservation, accessibility, school security, and specified
14 repair purposes set forth under Section 17-2.11 of the School
15 Code.

16 (h-5) A county board in a county where a tax has been
17 imposed under this Section pursuant to a referendum held on or
18 after August 23, 2011 (the effective date of Public Act
19 97-542) and before August 23, 2019 (the effective date of
20 Public Act 101-455) may, by ordinance or resolution, submit to
21 the voters of the county the question of reducing or
22 discontinuing the tax. In the ordinance or resolution, the
23 county board shall certify the question to the proper election
24 authority in accordance with the Election Code. The election
25 authority must submit the question in substantially the
26 following form:

1 Shall the school facility retailers' occupation tax
2 and service occupation tax (commonly referred to as the
3 "school facility sales tax") currently imposed in (name of
4 county) at a rate of (insert rate) be (reduced to (insert
5 rate)) (discontinued)?

6 If a majority of the electors voting on the question vote in
7 the affirmative, then, subject to the provisions of subsection
8 (g) of this Section, the tax shall be reduced or discontinued
9 as set forth in the question.

10 (h-10) A county board in a county where a tax has been
11 imposed under this Section pursuant to a referendum held on or
12 after August 23, 2019 (the effective date of Public Act
13 101-455) may, by ordinance or resolution, submit to the voters
14 of the county the question of reducing or discontinuing the
15 tax. In the ordinance or resolution, the county board shall
16 certify the question to the proper election authority in
17 accordance with the Election Code. The election authority must
18 submit the question in substantially the following form:

19 Shall the school facility and resources retailers'
20 occupation tax and service occupation tax (commonly
21 referred to as the school facility and resources sales
22 tax) currently imposed in (name of county) at a rate of
23 (insert rate) be (reduced to (insert rate))
24 (discontinued)?

25 The election authority must record the votes as "Yes" or
26 "No".

1 If a majority of the electors voting on the question vote
2 in the affirmative, then, subject to the provisions of
3 subsection (g) of this Section, the tax shall be reduced or
4 discontinued as set forth in the question.

5 (i) This Section does not apply to Cook County.

6 (j) This Section may be cited as the County School
7 Facility and Resources Occupation Tax Law.

8 (Source: P.A. 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19;
9 101-455, eff. 8-23-19; 101-604, eff. 12-13-19.)

10 (55 ILCS 5/5-1007) (from Ch. 34, par. 5-1007)

11 Sec. 5-1007. Home Rule County Service Occupation Tax Law.
12 The corporate authorities of a home rule county may impose a
13 tax upon all persons engaged, in such county, in the business
14 of making sales of service at the same rate of tax imposed
15 pursuant to Section 5-1006 of the selling price of all
16 tangible personal property transferred by such servicemen
17 either in the form of tangible personal property or in the form
18 of real estate as an incident to a sale of service. If imposed,
19 such tax shall only be imposed in 1/4% increments. On and after
20 September 1, 1991, this additional 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

1 purposes. If the county does not have an airport-related
2 purpose to which it dedicates aviation fuel tax revenue, then
3 aviation fuel is excluded from the tax. The county must comply
4 with the certification requirements for airport-related
5 purposes under Section 2-22 of the Retailers' Occupation Tax
6 Act. For purposes of this Section, "airport-related purposes"
7 has the meaning ascribed in Section 6z-20.2 of the State
8 Finance Act. This exclusion for aviation fuel only applies for
9 so long as the revenue use requirements of 49 U.S.C. 47107(b)
10 and 49 U.S.C. 47133 are binding on the county. The changes made
11 to this Section by this amendatory Act of the 101st General
12 Assembly are a denial and limitation of home rule powers and
13 functions under subsection (g) of Section 6 of Article VII of
14 the Illinois Constitution. The tax imposed by a home rule
15 county pursuant to this Section and all civil penalties that
16 may be assessed as an incident thereof shall be collected and
17 enforced by the State Department of Revenue. The certificate
18 of registration which is issued by the Department to a
19 retailer under the Retailers' Occupation Tax Act or under the
20 Service Occupation Tax Act shall permit such registrant to
21 engage in a business which is taxable under any ordinance or
22 resolution enacted pursuant to this Section without
23 registering separately with the Department under such
24 ordinance or resolution or under this Section. The Department
25 shall have full power to administer and enforce this Section;
26 to collect all taxes and penalties due hereunder; to dispose

1 of taxes and penalties so collected in the manner hereinafter
2 provided; and to determine all rights to credit memoranda
3 arising on account of the erroneous payment of tax or penalty
4 hereunder. In the administration of, and compliance with, this
5 Section the Department and persons who are subject to this
6 Section shall have the same rights, remedies, privileges,
7 immunities, powers and duties, and be subject to the same
8 conditions, restrictions, limitations, penalties and
9 definitions of terms, and employ the same modes of procedure,
10 as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in
11 respect to all provisions therein other than the State rate of
12 tax), 4 (except that the reference to the State shall be to the
13 taxing county), 5, 7, 8 (except that the jurisdiction to which
14 the tax shall be a debt to the extent indicated in that Section
15 8 shall be the taxing county), 9 (except as to the disposition
16 of taxes and penalties collected, and except that the returned
17 merchandise credit for this county tax may not be taken
18 against any State tax, and except that the retailer's discount
19 is not allowed for taxes paid on aviation fuel that are subject
20 to the revenue use requirements of 49 U.S.C. 47107(b) and 49
21 U.S.C. 47133), 10, 11, 12 (except the reference therein to
22 Section 2b of the Retailers' Occupation Tax Act), 13 (except
23 that any reference to the State shall mean the taxing county),
24 the first paragraph of Section 15, 16, 17, 18, 19 and 20 of the
25 Service Occupation Tax Act and Section 3-7 of the Uniform
26 Penalty and Interest Act, as fully as if those provisions were

1 set forth herein.

2 No tax may be imposed by a home rule county pursuant to
3 this Section unless such county also imposes a tax at the same
4 rate pursuant to Section 5-1006.

5 Persons subject to any tax imposed pursuant to the
6 authority granted in this Section may reimburse themselves for
7 their serviceman's tax liability hereunder by separately
8 stating such tax as an additional charge, which charge may be
9 stated in combination, in a single amount, with State tax
10 which servicemen are authorized to collect under the Service
11 Use Tax Act, pursuant to such bracket schedules as the
12 Department may prescribe.

13 Whenever the Department determines that a refund should be
14 made under this Section to a claimant instead of issuing
15 credit memorandum, the Department shall notify the State
16 Comptroller, who shall cause the order to be drawn for the
17 amount specified, and to the person named, in such
18 notification from the Department. Such refund shall be paid by
19 the State Treasurer out of the home rule county retailers'
20 occupation tax fund or the Local Government Aviation Trust
21 Fund, as appropriate.

22 Except as otherwise provided in this paragraph, the
23 Department shall forthwith pay over to the State Treasurer, ex
24 officio, as trustee, all taxes and penalties collected
25 hereunder for deposit into the Home Rule County Retailers'
26 Occupation Tax Fund. Taxes and penalties collected on aviation

1 fuel sold on or after December 1, 2019, shall be immediately
2 paid over by the Department to the State Treasurer, ex
3 officio, as trustee, for deposit into the Local Government
4 Aviation Trust Fund. The Department shall only pay moneys into
5 the Local Government Aviation Trust Fund under this Section
6 for so long as the revenue use requirements of 49 U.S.C.
7 47107(b) and 49 U.S.C. 47133 are binding on the county.

8 As soon as possible after the first day of each month,
9 beginning January 1, 2011, upon certification of the
10 Department of Revenue, the Comptroller shall order
11 transferred, and the Treasurer shall transfer, to the STAR
12 Bonds Revenue Fund the local sales tax increment, as defined
13 in the Innovation Development and Economy Act, collected under
14 this Section during the second preceding calendar month for
15 sales within a STAR bond district.

16 After the monthly transfer to the STAR Bonds Revenue Fund,
17 on or before the 25th day of each calendar month, the
18 Department shall prepare and certify to the Comptroller the
19 disbursement of stated sums of money to named counties, the
20 counties to be those from which suppliers and servicemen have
21 paid taxes or penalties hereunder to the Department during the
22 second preceding calendar month. The amount to be paid to each
23 county shall be the amount (not including credit memoranda and
24 not including taxes and penalties collected on aviation fuel
25 sold on or after December 1, 2019) collected hereunder during
26 the second preceding calendar month by the Department, and not

1 including an amount equal to the amount of refunds made during
2 the second preceding calendar month by the Department on
3 behalf of such county, and not including any amounts that are
4 transferred to the STAR Bonds Revenue Fund, less 1.5% of the
5 remainder, which the Department shall transfer into the Tax
6 Compliance and Administration Fund. The Department, at the
7 time of each monthly disbursement to the counties, 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 Section. Within 10 days after receipt, by the
11 Comptroller, of the disbursement certification to the counties
12 and the Tax Compliance and Administration Fund provided for in
13 this Section to be given to the Comptroller by the Department,
14 the Comptroller shall cause the orders to be drawn for the
15 respective amounts in accordance with the directions contained
16 in such certification.

17 In addition to the disbursement required by the preceding
18 paragraph, an allocation shall be made in each year to each
19 county which received more than \$500,000 in disbursements
20 under the preceding paragraph in the preceding calendar year.
21 The allocation shall be in an amount equal to the average
22 monthly distribution made to each such county under the
23 preceding paragraph during the preceding calendar year
24 (excluding the 2 months of highest receipts). The distribution
25 made in March of each year subsequent to the year in which an
26 allocation was made pursuant to this paragraph and the

1 preceding paragraph shall be reduced by the amount allocated
2 and disbursed under this paragraph in the preceding calendar
3 year. The Department shall prepare and certify to the
4 Comptroller for disbursement the allocations made in
5 accordance with this paragraph.

6 Nothing in this Section shall be construed to authorize a
7 county to impose a tax upon the privilege of engaging in any
8 business which under the Constitution of the United States may
9 not be made the subject of taxation by this State.

10 An ordinance or resolution imposing or discontinuing a tax
11 hereunder or effecting a change in the rate thereof shall be
12 adopted and a certified copy thereof filed with the Department
13 on or before the first day of June, whereupon the Department
14 shall proceed to administer and enforce this Section as of the
15 first day of September next following such adoption and
16 filing. Beginning January 1, 1992, an ordinance or resolution
17 imposing or discontinuing the tax hereunder or effecting a
18 change in the rate thereof shall be adopted and a certified
19 copy thereof filed with the Department on or before the first
20 day of July, whereupon the Department shall proceed to
21 administer and enforce this Section as of the first day of
22 October next following such adoption and filing. Beginning
23 January 1, 1993, an ordinance or resolution imposing or
24 discontinuing the tax hereunder or effecting a change in the
25 rate thereof shall be adopted and a certified copy thereof
26 filed with the Department on or before the first day of

1 October, whereupon the Department shall proceed to administer
2 and enforce this Section as of the first day of January next
3 following such adoption and filing. Beginning April 1, 1998,
4 an ordinance or resolution imposing or discontinuing the tax
5 hereunder or effecting a change in the rate thereof shall
6 either (i) be adopted and a certified copy thereof filed with
7 the Department on or before the first day of April, whereupon
8 the Department shall proceed to administer and enforce this
9 Section as of the first day of July next following the adoption
10 and filing; or (ii) be adopted and a certified copy thereof
11 filed with the Department on or before the first day of
12 October, whereupon the Department shall proceed to administer
13 and enforce this Section as of the first day of January next
14 following the adoption and filing.

15 This Section shall be known and may be cited as the Home
16 Rule County Service Occupation Tax Law.

17 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;
18 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-81, eff.
19 7-12-19; 101-604, eff. 12-13-19.)

20 Section 50-45. The Illinois Municipal Code is amended by
21 changing Sections 8-11-1, 8-11-1.3, 8-11-1.4, 8-11-1.6,
22 8-11-1.7, 8-11-5, and 11-74.3-6 as follows:

23 (65 ILCS 5/8-11-1) (from Ch. 24, par. 8-11-1)

24 Sec. 8-11-1. Home Rule Municipal Retailers' Occupation Tax

1 Act. The corporate authorities of a home rule municipality may
2 impose a tax upon all persons engaged in the business of
3 selling tangible personal property, other than an item of
4 tangible personal property titled or registered with an agency
5 of this State's government, at retail in the municipality on
6 the gross receipts from these sales made in the course of such
7 business. If imposed, the tax shall only be imposed in 1/4%
8 increments. On and after September 1, 1991, this additional
9 tax may not be imposed on tangible personal property taxed at
10 the 1% rate under the Retailers' Occupation Tax Act (or at the
11 0% rate imposed under this amendatory Act of the 102nd General
12 Assembly). Beginning December 1, 2019, this tax is not imposed
13 on sales of aviation fuel unless the tax revenue is expended
14 for airport-related purposes. If a municipality does not have
15 an airport-related purpose to which it dedicates aviation fuel
16 tax revenue, then aviation fuel is excluded from the tax. Each
17 municipality must comply with the certification requirements
18 for airport-related purposes under Section 2-22 of the
19 Retailers' Occupation Tax Act. For purposes of this Section,
20 "airport-related purposes" has the meaning ascribed in Section
21 6z-20.2 of the State Finance Act. This exclusion for aviation
22 fuel only applies for so long as the revenue use requirements
23 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
24 municipality. The changes made to this Section by this
25 amendatory Act of the 101st General Assembly are a denial and
26 limitation of home rule powers and functions under subsection

1 (g) of Section 6 of Article VII of the Illinois Constitution.
2 The tax imposed by a home rule municipality under this Section
3 and all civil penalties that may be assessed as an incident of
4 the tax shall be collected and enforced by the State
5 Department of Revenue. The certificate of registration that is
6 issued by the Department to a retailer under the Retailers'
7 Occupation Tax Act shall permit the retailer to engage in a
8 business that is taxable under any ordinance or resolution
9 enacted pursuant to this Section without registering
10 separately with the Department under such ordinance or
11 resolution or under this Section. The Department shall have
12 full power to administer and enforce this Section; to collect
13 all taxes and penalties due hereunder; to dispose of taxes and
14 penalties so collected in the manner hereinafter provided; and
15 to determine all rights to credit memoranda arising on account
16 of the erroneous payment of tax or penalty hereunder. In the
17 administration of, and compliance with, this Section the
18 Department and persons who are subject to this Section shall
19 have the same rights, remedies, privileges, immunities, powers
20 and duties, and be subject to the same conditions,
21 restrictions, limitations, penalties and definitions of terms,
22 and employ the same modes of procedure, as are prescribed in
23 Sections 1, 1a, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2 through 2-65
24 (in respect to all provisions therein other than the State
25 rate of tax), 2c, 3 (except as to the disposition of taxes and
26 penalties collected, and except that the retailer's discount

1 is not allowed for taxes paid on aviation fuel that are subject
2 to the revenue use requirements of 49 U.S.C. 47107(b) and 49
3 U.S.C. 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j,
4 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of the
5 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
6 Penalty and Interest Act, as fully as if those provisions were
7 set forth herein.

8 No tax may be imposed by a home rule municipality under
9 this Section unless the municipality also imposes a tax at the
10 same rate under Section 8-11-5 of this Act.

11 Persons subject to any tax imposed under the authority
12 granted in this Section may reimburse themselves for their
13 seller's tax liability hereunder by separately stating that
14 tax as an additional charge, which charge may be stated in
15 combination, in a single amount, with State tax which sellers
16 are required to collect under the Use Tax Act, pursuant to such
17 bracket schedules as the Department may prescribe.

18 Whenever the Department determines that a refund should be
19 made under this Section to a claimant instead of issuing a
20 credit memorandum, the Department shall notify the State
21 Comptroller, who shall cause the order to be drawn for the
22 amount specified and to the person named in the notification
23 from the Department. The refund shall be paid by the State
24 Treasurer out of the home rule municipal retailers' occupation
25 tax fund or the Local Government Aviation Trust Fund, as
26 appropriate.

1 Except as otherwise provided in this paragraph, the
2 Department shall immediately pay over to the State Treasurer,
3 ex officio, as trustee, all taxes and penalties collected
4 hereunder for deposit into the Home Rule Municipal Retailers'
5 Occupation Tax Fund. Taxes and penalties collected on aviation
6 fuel sold on or after December 1, 2019, shall be immediately
7 paid over by the Department to the State Treasurer, ex
8 officio, as trustee, for deposit into the Local Government
9 Aviation Trust Fund. The Department shall only pay moneys into
10 the Local Government Aviation Trust Fund under this Section
11 for so long as the revenue use requirements of 49 U.S.C.
12 47107(b) and 49 U.S.C. 47133 are binding on the State.

13 As soon as possible after the first day of each month,
14 beginning January 1, 2011, upon certification of the
15 Department of Revenue, the Comptroller shall order
16 transferred, and the Treasurer shall transfer, to the STAR
17 Bonds Revenue Fund the local sales tax increment, as defined
18 in the Innovation Development and Economy Act, collected under
19 this Section during the second preceding calendar month for
20 sales within a STAR bond district.

21 After the monthly transfer to the STAR Bonds Revenue Fund,
22 on or before the 25th day of each calendar month, the
23 Department shall prepare and certify to the Comptroller the
24 disbursement of stated sums of money to named municipalities,
25 the municipalities to be those from which retailers have paid
26 taxes or penalties hereunder to the Department during the

1 second preceding calendar month. The amount to be paid to each
2 municipality shall be the amount (not including credit
3 memoranda and not including taxes and penalties collected on
4 aviation fuel sold on or after December 1, 2019) collected
5 hereunder during the second preceding calendar month by the
6 Department plus an amount the Department determines is
7 necessary to offset any amounts that were erroneously paid to
8 a different taxing body, and not including an amount equal to
9 the amount of refunds made during the second preceding
10 calendar month by the Department on behalf of such
11 municipality, and not including any amount that the Department
12 determines is necessary to offset any amounts that were
13 payable to a different taxing body but were erroneously paid
14 to the 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 and the Tax Compliance and Administration Fund
24 provided for in this Section to be given to the Comptroller by
25 the Department, the Comptroller shall cause the orders to be
26 drawn for the respective amounts in accordance with the

1 directions contained in the certification.

2 In addition to the disbursement required by the preceding
3 paragraph and in order to mitigate delays caused by
4 distribution procedures, an allocation shall, if requested, be
5 made within 10 days after January 14, 1991, and in November of
6 1991 and each year thereafter, to each municipality that
7 received more than \$500,000 during the preceding fiscal year,
8 (July 1 through June 30) whether collected by the municipality
9 or disbursed by the Department as required by this Section.
10 Within 10 days after January 14, 1991, participating
11 municipalities shall notify the Department in writing of their
12 intent to participate. In addition, for the initial
13 distribution, participating municipalities shall certify to
14 the Department the amounts collected by the municipality for
15 each month under its home rule occupation and service
16 occupation tax during the period July 1, 1989 through June 30,
17 1990. The allocation within 10 days after January 14, 1991,
18 shall be in an amount equal to the monthly average of these
19 amounts, excluding the 2 months of highest receipts. The
20 monthly average for the period of July 1, 1990 through June 30,
21 1991 will be determined as follows: the amounts collected by
22 the municipality under its home rule occupation and service
23 occupation tax during the period of July 1, 1990 through
24 September 30, 1990, plus amounts collected by the Department
25 and paid to such municipality through June 30, 1991, excluding
26 the 2 months of highest receipts. The monthly average for each

1 subsequent period of July 1 through June 30 shall be an amount
2 equal to the monthly distribution made to each such
3 municipality under the preceding paragraph during this period,
4 excluding the 2 months of highest receipts. The distribution
5 made in November 1991 and each year thereafter under this
6 paragraph and the preceding paragraph shall be reduced by the
7 amount allocated and disbursed under this paragraph in the
8 preceding period of July 1 through June 30. The Department
9 shall prepare and certify to the Comptroller for disbursement
10 the allocations made in accordance with this paragraph.

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 United States Constitution as a sale
19 in 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 An ordinance or resolution imposing or discontinuing a tax
25 hereunder or effecting a change in the rate thereof shall be
26 adopted and a certified copy thereof filed with the Department

1 on or before the first day of June, whereupon the Department
2 shall proceed to administer and enforce this Section as of the
3 first day of September next following the adoption and filing.
4 Beginning January 1, 1992, an ordinance or resolution imposing
5 or discontinuing the tax hereunder or effecting a change in
6 the rate thereof shall be adopted and a certified copy thereof
7 filed with the Department on or before the first day of July,
8 whereupon the Department shall proceed to administer and
9 enforce this Section as of the first day of October next
10 following such adoption and filing. Beginning January 1, 1993,
11 an ordinance or resolution imposing or discontinuing the tax
12 hereunder or effecting a change in the rate thereof shall be
13 adopted and a certified copy thereof filed with the Department
14 on or before the first day of October, whereupon the
15 Department shall proceed to administer and enforce this
16 Section as of the first day of January next following the
17 adoption and filing. However, a municipality located in a
18 county with a population in excess of 3,000,000 that elected
19 to become a home rule unit at the general primary election in
20 1994 may adopt an ordinance or resolution imposing the tax
21 under this Section and file a certified copy of the ordinance
22 or resolution with the Department on or before July 1, 1994.
23 The Department shall then proceed to administer and enforce
24 this Section as of October 1, 1994. Beginning April 1, 1998, an
25 ordinance or resolution imposing or discontinuing the tax
26 hereunder 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 shall proceed to administer and enforce this
4 Section as of the first day of July next following the adoption
5 and filing; or (ii) be adopted and a certified copy thereof
6 filed with the Department on or before the first day of
7 October, whereupon the Department shall proceed to administer
8 and enforce this Section as of the first day of January next
9 following the adoption and filing.

10 When certifying the amount of a monthly disbursement to a
11 municipality under this Section, the Department shall increase
12 or decrease the amount by an amount necessary to offset any
13 misallocation of previous disbursements. The offset amount
14 shall be the amount erroneously disbursed within the previous
15 6 months from the time a misallocation is discovered.

16 Any unobligated balance remaining in the Municipal
17 Retailers' Occupation Tax Fund on December 31, 1989, which
18 fund was abolished by Public Act 85-1135, and all receipts of
19 municipal tax as a result of audits of liability periods prior
20 to January 1, 1990, shall be paid into the Local Government Tax
21 Fund for distribution as provided by this Section prior to the
22 enactment of Public Act 85-1135. All receipts of municipal tax
23 as a result of an assessment not arising from an audit, for
24 liability periods prior to January 1, 1990, shall be paid into
25 the Local Government Tax Fund for distribution before July 1,
26 1990, as provided by this Section prior to the enactment of

1 Public Act 85-1135; and on and after July 1, 1990, all such
2 receipts shall be distributed as provided in Section 6z-18 of
3 the State Finance Act.

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 This Section shall be known and may be cited as the Home
8 Rule Municipal Retailers' Occupation Tax Act.

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 (65 ILCS 5/8-11-1.3) (from Ch. 24, par. 8-11-1.3)

13 Sec. 8-11-1.3. Non-Home Rule Municipal Retailers'
14 Occupation Tax Act. The corporate authorities of a non-home
15 rule municipality may impose a tax upon all persons engaged in
16 the business of selling tangible personal property, other than
17 on an item of tangible personal property which is titled and
18 registered by an agency of this State's Government, at retail
19 in the municipality for expenditure on public infrastructure
20 or for property tax relief or both as defined in Section
21 8-11-1.2 if approved by referendum as provided in Section
22 8-11-1.1, of the gross receipts from such sales made in the
23 course of such business. If the tax is approved by referendum
24 on or after July 14, 2010 (the effective date of Public Act
25 96-1057), the corporate authorities of a non-home rule

1 municipality may, until July 1, 2030, use the proceeds of the
2 tax for expenditure on municipal operations, in addition to or
3 in lieu of any expenditure on public infrastructure or for
4 property tax relief. The tax imposed may not be more than 1%
5 and may be imposed only in 1/4% increments. The tax may not be
6 imposed on tangible personal property taxed at the 1% rate
7 under the Retailers' Occupation Tax Act (or at the 0% rate
8 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 tax imposed by a municipality pursuant to
22 this Section and all civil penalties that may be assessed as an
23 incident thereof shall be collected and enforced by the State
24 Department of Revenue. The certificate of registration which
25 is issued by the Department to a retailer under the Retailers'
26 Occupation Tax Act shall permit such retailer to engage in a

1 business which is taxable under any ordinance or resolution
2 enacted pursuant to this Section without registering
3 separately with the Department under such ordinance or
4 resolution or under this Section. The Department shall have
5 full power to administer and enforce this Section; to collect
6 all taxes and penalties due hereunder; to dispose of taxes and
7 penalties so collected in the manner hereinafter provided, and
8 to determine all rights to credit memoranda, arising on
9 account of the erroneous payment of tax or penalty hereunder.
10 In the administration of, and compliance with, this Section,
11 the Department and persons who are subject to this Section
12 shall have the same rights, remedies, privileges, immunities,
13 powers and duties, and be subject to the same conditions,
14 restrictions, limitations, penalties and definitions of terms,
15 and employ the same modes of procedure, as are prescribed in
16 Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 2 through 2-65 (in
17 respect to all provisions therein other than the State rate of
18 tax), 2c, 3 (except as to the disposition of taxes and
19 penalties collected, and except that the retailer's discount
20 is not allowed for taxes paid on aviation fuel that are subject
21 to the revenue use requirements of 49 U.S.C. 47107(b) and 49
22 U.S.C. 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j,
23 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of the
24 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
25 Penalty and Interest Act as fully as if those provisions were
26 set forth herein.

1 No municipality may impose a tax under this Section unless
2 the municipality also imposes a tax at the same rate under
3 Section 8-11-1.4 of this Code.

4 Persons subject to any tax imposed pursuant to the
5 authority granted in this Section may reimburse themselves for
6 their seller's tax liability hereunder by separately stating
7 such tax as an additional charge, which charge may be stated in
8 combination, in a single amount, with State tax which sellers
9 are required to collect under the Use Tax Act, pursuant to such
10 bracket schedules as 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 order to be drawn for the
15 amount specified, and to the person named, in such
16 notification from the Department. Such refund shall be paid by
17 the State Treasurer out of the non-home rule municipal
18 retailers' occupation tax fund or the Local Government
19 Aviation Trust Fund, as appropriate.

20 Except as otherwise provided, the Department shall
21 forthwith pay over to the State Treasurer, ex officio, as
22 trustee, all taxes and penalties collected hereunder for
23 deposit into the Non-Home Rule Municipal Retailers' Occupation
24 Tax Fund. Taxes and penalties collected on aviation fuel sold
25 on or after December 1, 2019, shall be immediately paid over by
26 the Department to the State Treasurer, ex officio, as trustee,

1 for deposit into the Local Government Aviation Trust Fund. The
2 Department shall only pay moneys into the Local Government
3 Aviation Trust Fund under this Section for so long as the
4 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
5 47133 are binding on the municipality.

6 As soon as possible after the first day of each month,
7 beginning January 1, 2011, upon certification of the
8 Department of Revenue, the Comptroller shall order
9 transferred, and the Treasurer shall transfer, to the STAR
10 Bonds Revenue Fund the local sales tax increment, as defined
11 in the Innovation Development and Economy Act, collected under
12 this Section during the second preceding calendar month for
13 sales within a STAR bond district.

14 After the monthly transfer to the STAR Bonds Revenue Fund,
15 on or before the 25th day of each calendar month, the
16 Department shall prepare and certify to the Comptroller the
17 disbursement of stated sums of money to named municipalities,
18 the municipalities to be those from which retailers have paid
19 taxes or penalties hereunder to the Department during the
20 second preceding calendar month. The amount to be paid to each
21 municipality shall be the amount (not including credit
22 memoranda and not including taxes and penalties collected on
23 aviation fuel sold on or after December 1, 2019) collected
24 hereunder during the second preceding calendar month by the
25 Department plus an amount the Department determines is
26 necessary to offset any amounts which were erroneously paid to

1 a different taxing body, and not including an amount equal to
2 the amount of refunds made during the second preceding
3 calendar month by the Department on behalf of such
4 municipality, and not including any amount which the
5 Department determines is necessary to offset any amounts which
6 were payable to a different taxing body but were erroneously
7 paid to the municipality, and not including any amounts that
8 are transferred to the STAR Bonds Revenue Fund, less 1.5% of
9 the remainder, which the Department shall transfer into the
10 Tax Compliance and Administration Fund. The Department, at the
11 time of each monthly disbursement to the municipalities, shall
12 prepare and certify to the State Comptroller the amount to be
13 transferred into the Tax Compliance and Administration Fund
14 under this Section. Within 10 days after receipt, by the
15 Comptroller, of the disbursement certification to the
16 municipalities and the Tax Compliance and Administration Fund
17 provided for in this Section to be given to the Comptroller by
18 the Department, the Comptroller shall cause the orders to be
19 drawn for the respective amounts in accordance with the
20 directions contained in such certification.

21 For the purpose of determining the local governmental unit
22 whose tax is applicable, a retail sale, by a producer of coal
23 or other mineral mined in Illinois, is a sale at retail at the
24 place where the coal or other mineral mined in Illinois is
25 extracted from the earth. This paragraph does not apply to
26 coal or other mineral when it is delivered or shipped by the

1 seller to the purchaser at a point outside Illinois so that the
2 sale is exempt under the Federal Constitution as a sale in
3 interstate or foreign commerce.

4 Nothing in this Section shall be construed to authorize a
5 municipality to impose a tax upon the privilege of engaging in
6 any business which under the constitution of the United States
7 may not be made the subject of taxation by this State.

8 When certifying the amount of a monthly disbursement to a
9 municipality under this Section, the Department shall increase
10 or decrease such amount by an amount necessary to offset any
11 misallocation of previous disbursements. The offset amount
12 shall be the amount erroneously disbursed within the previous
13 6 months from the time a misallocation is discovered.

14 The Department of Revenue shall implement Public Act
15 91-649 so as to collect the tax on and after January 1, 2002.

16 As used in this Section, "municipal" and "municipality"
17 mean a city, village, or incorporated town, including an
18 incorporated town which has superseded a civil township.

19 This Section shall be known and may be cited as the
20 Non-Home Rule Municipal Retailers' Occupation Tax Act.

21 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;
22 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-47, eff.
23 1-1-20; 101-81, eff. 7-12-19; 101-604, eff. 12-13-19.)

24 (65 ILCS 5/8-11-1.4) (from Ch. 24, par. 8-11-1.4)

25 Sec. 8-11-1.4. Non-Home Rule Municipal Service Occupation

1 Tax Act. The corporate authorities of a non-home rule
2 municipality may impose a tax upon all persons engaged, in
3 such municipality, in the business of making sales of service
4 for expenditure on public infrastructure or for property tax
5 relief or both as defined in Section 8-11-1.2 if approved by
6 referendum as provided in Section 8-11-1.1, of the selling
7 price of all tangible personal property transferred by such
8 servicemen either in the form of tangible personal property or
9 in the form of real estate as an incident to a sale of service.
10 If the tax is approved by referendum on or after July 14, 2010
11 (the effective date of Public Act 96-1057), the corporate
12 authorities of a non-home rule municipality may, until
13 December 31, 2020, use the proceeds of the tax for expenditure
14 on municipal operations, in addition to or in lieu of any
15 expenditure on public infrastructure or for property tax
16 relief. The tax imposed may not be more than 1% and may be
17 imposed only in 1/4% increments. The 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 a municipality 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. Each municipality must
26 comply with the certification requirements for airport-related

1 purposes under Section 2-22 of the Retailers' Occupation Tax
2 Act. For purposes of this Section, "airport-related purposes"
3 has the meaning ascribed in Section 6z-20.2 of the State
4 Finance Act. This exclusion for aviation fuel only applies for
5 so long as the revenue use requirements of 49 U.S.C. 47107(b)
6 and 49 U.S.C. 47133 are binding on the municipality. The tax
7 imposed by a municipality pursuant to this Section and all
8 civil penalties that may be assessed as an incident thereof
9 shall be collected and enforced by the State Department of
10 Revenue. The certificate of registration which is issued by
11 the Department to a retailer under the Retailers' Occupation
12 Tax Act or under the Service Occupation Tax Act shall permit
13 such registrant to engage in a business which is taxable under
14 any ordinance or resolution enacted pursuant to this Section
15 without registering separately with the Department under such
16 ordinance or resolution or under this Section. The Department
17 shall have full power to administer and enforce this Section;
18 to collect all taxes and penalties due hereunder; to dispose
19 of taxes and penalties so collected in the manner hereinafter
20 provided, and to determine all rights to credit memoranda
21 arising on account of the erroneous payment of tax or penalty
22 hereunder. In the administration of, and compliance with, this
23 Section the Department and persons who are subject to this
24 Section shall have the same rights, remedies, privileges,
25 immunities, powers and duties, and be subject to the same
26 conditions, restrictions, limitations, penalties and

1 definitions of terms, and employ the same modes of procedure,
2 as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in
3 respect to all provisions therein other than the State rate of
4 tax), 4 (except that the reference to the State shall be to the
5 taxing municipality), 5, 7, 8 (except that the jurisdiction to
6 which the tax shall be a debt to the extent indicated in that
7 Section 8 shall be the taxing municipality), 9 (except as to
8 the disposition of taxes and penalties collected, and except
9 that the returned merchandise credit for this municipal tax
10 may not be taken against any State tax, and except that the
11 retailer's discount is not allowed for taxes paid on aviation
12 fuel that are subject to the revenue use requirements of 49
13 U.S.C. 47107(b) and 49 U.S.C. 47133), 10, 11, 12 (except the
14 reference therein to Section 2b of the Retailers' Occupation
15 Tax Act), 13 (except that any reference to the State shall mean
16 the taxing municipality), the first paragraph of Section 15,
17 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and
18 Section 3-7 of the Uniform Penalty and Interest Act, as fully
19 as if those provisions were set forth herein.

20 No municipality may impose a tax under this Section unless
21 the municipality also imposes a tax at the same rate under
22 Section 8-11-1.3 of this Code.

23 Persons subject to any tax imposed pursuant to the
24 authority granted in this Section may reimburse themselves for
25 their serviceman's tax liability hereunder by separately
26 stating such tax as an additional charge, which charge may be

1 stated in combination, in a single amount, with State tax
2 which servicemen are authorized to collect under the Service
3 Use Tax Act, pursuant to such bracket schedules as the
4 Department may prescribe.

5 Whenever the Department determines that a refund should be
6 made under this Section to a claimant instead of issuing
7 credit memorandum, the Department shall notify the State
8 Comptroller, who shall cause the order to be drawn for the
9 amount specified, and to the person named, in such
10 notification from the Department. Such refund shall be paid by
11 the State Treasurer out of the municipal retailers' occupation
12 tax fund or the Local Government Aviation Trust Fund, as
13 appropriate.

14 Except as otherwise provided in this paragraph, the
15 Department shall forthwith pay over to the State Treasurer, ex
16 officio, as trustee, all taxes and penalties collected
17 hereunder for deposit into the municipal retailers' occupation
18 tax fund. Taxes and penalties collected on aviation fuel sold
19 on or after December 1, 2019, shall be immediately paid over by
20 the Department to the State Treasurer, ex officio, as trustee,
21 for deposit into the Local Government Aviation Trust Fund. The
22 Department shall only pay moneys into the Local Government
23 Aviation Trust Fund under this Section for so long as the
24 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
25 47133 are binding on the municipality.

26 As soon as possible after the first day of each month,

1 beginning January 1, 2011, upon certification of the
2 Department of Revenue, the Comptroller shall order
3 transferred, and the Treasurer shall transfer, to the STAR
4 Bonds Revenue Fund the local sales tax increment, as defined
5 in the Innovation Development and Economy Act, collected under
6 this Section during the second preceding calendar month for
7 sales within a STAR bond district.

8 After the monthly transfer to the STAR Bonds Revenue Fund,
9 on or before the 25th day of each calendar month, the
10 Department shall prepare and certify to the Comptroller the
11 disbursement of stated sums of money to named municipalities,
12 the municipalities to be those from which suppliers and
13 servicemen have paid taxes or penalties hereunder to the
14 Department during the second preceding calendar month. The
15 amount to be paid to each municipality shall be the amount (not
16 including credit memoranda and not including taxes and
17 penalties collected on aviation fuel sold on or after December
18 1, 2019) collected hereunder during the second preceding
19 calendar month by the Department, and not including an amount
20 equal to the amount of refunds made during the second
21 preceding calendar month by the Department on behalf of such
22 municipality, and not including any amounts that are
23 transferred to the STAR Bonds Revenue Fund, less 1.5% of the
24 remainder, which the Department shall transfer into the Tax
25 Compliance and Administration Fund. The Department, at the
26 time of each monthly disbursement to the municipalities, shall

1 prepare and certify to the State Comptroller the amount to be
2 transferred into the Tax Compliance and Administration Fund
3 under this Section. Within 10 days after receipt, by the
4 Comptroller, of the disbursement certification to the
5 municipalities, the General Revenue Fund, and the Tax
6 Compliance and Administration Fund provided for in this
7 Section to be given to the Comptroller by the Department, the
8 Comptroller shall cause the orders to be drawn for the
9 respective amounts in accordance with the directions contained
10 in such certification.

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 Nothing in this Section shall be construed to authorize a
14 municipality to impose a tax upon the privilege of engaging in
15 any business which under the constitution of the United States
16 may not be made the subject of taxation by this State.

17 As used in this Section, "municipal" or "municipality"
18 means or refers to a city, village or incorporated town,
19 including an incorporated town which has superseded a civil
20 township.

21 This Section shall be known and may be cited as the
22 "Non-Home Rule Municipal Service Occupation Tax Act".

23 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;
24 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-81, eff.
25 7-12-19; 101-604, eff. 12-13-19.)

1 (65 ILCS 5/8-11-1.6)

2 Sec. 8-11-1.6. Non-home rule municipal retailers'
3 occupation tax; municipalities between 20,000 and 25,000. The
4 corporate authorities of a non-home rule municipality with a
5 population of more than 20,000 but less than 25,000 that has,
6 prior to January 1, 1987, established a Redevelopment Project
7 Area that has been certified as a State Sales Tax Boundary and
8 has issued bonds or otherwise incurred indebtedness to pay for
9 costs in excess of \$5,000,000, which is secured in part by a
10 tax increment allocation fund, in accordance with the
11 provisions of Division 11-74.4 of this Code may, by passage of
12 an ordinance, impose a tax upon all persons engaged in the
13 business of selling tangible personal property, other than on
14 an item of tangible personal property that is titled and
15 registered by an agency of this State's Government, at retail
16 in the municipality. This tax may not be imposed on tangible
17 personal property taxed at the 1% rate under the Retailers'
18 Occupation Tax Act (or at the 0% rate imposed under this
19 amendatory Act of the 102nd General Assembly). Beginning
20 December 1, 2019, this tax is not imposed on sales of aviation
21 fuel unless the tax revenue is expended for airport-related
22 purposes. If a municipality does not have an airport-related
23 purpose to which it dedicates aviation fuel tax revenue, then
24 aviation fuel is excluded from the tax. Each municipality must
25 comply with the certification requirements for airport-related
26 purposes under Section 2-22 of the Retailers' Occupation Tax

1 Act. For purposes of this Section, "airport-related purposes"
2 has the meaning ascribed in Section 6z-20.2 of the State
3 Finance Act. This exclusion for aviation fuel only applies for
4 so long as the revenue use requirements of 49 U.S.C. 47107(b)
5 and 49 U.S.C. 47133 are binding on the municipality. If
6 imposed, the tax shall only be imposed in .25% increments of
7 the gross receipts from such sales made in the course of
8 business. Any tax imposed by a municipality under this Section
9 and all civil penalties that may be assessed as an incident
10 thereof shall be collected and enforced by the State
11 Department of Revenue. An ordinance imposing a tax hereunder
12 or effecting a change in the rate thereof shall be adopted and
13 a certified copy thereof filed with the Department on or
14 before the first day of October, whereupon the Department
15 shall proceed to administer and enforce this Section as of the
16 first day of January next following such adoption and filing.
17 The certificate of registration that is issued by the
18 Department to a retailer under the Retailers' Occupation Tax
19 Act shall permit the retailer to engage in a business that is
20 taxable under any ordinance or resolution enacted under this
21 Section without registering separately with the Department
22 under the ordinance or resolution or under this Section. The
23 Department shall have full power to administer and enforce
24 this Section, to collect all taxes and penalties due
25 hereunder, to dispose of taxes and penalties so collected in
26 the manner hereinafter provided, and to determine all rights

1 to credit memoranda, arising on account of the erroneous
2 payment of tax or penalty hereunder. In the administration of,
3 and compliance with this Section, the Department and persons
4 who are subject to this Section shall have the same rights,
5 remedies, privileges, immunities, powers, and duties, and be
6 subject to the same conditions, restrictions, limitations,
7 penalties, and definitions of terms, and employ the same modes
8 of procedure, as are prescribed in Sections 1, 1a, 1a-1, 1d,
9 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions
10 therein other than the State rate of tax), 2c, 3 (except as to
11 the disposition of taxes and penalties collected, and except
12 that the retailer's discount is not allowed for taxes paid on
13 aviation fuel that are subject to the revenue use requirements
14 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5b, 5c,
15 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9,
16 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and
17 Section 3-7 of the Uniform Penalty and Interest Act as fully as
18 if those provisions were set forth herein.

19 A tax may not be imposed by a municipality under this
20 Section unless the municipality also imposes a tax at the same
21 rate under Section 8-11-1.7 of this Act.

22 Persons subject to any tax imposed under the authority
23 granted in this Section may reimburse themselves for their
24 seller's tax liability hereunder by separately stating the tax
25 as an additional charge, which charge may be stated in
26 combination, in a single amount, with State tax which sellers

1 are required to collect under the Use Tax Act, pursuant to such
2 bracket schedules as the Department may prescribe.

3 Whenever the Department determines that a refund should be
4 made under this Section to a claimant, instead of issuing a
5 credit memorandum, the Department shall notify the State
6 Comptroller, who shall cause the order to be drawn for the
7 amount specified, and to the person named in the notification
8 from the Department. The refund shall be paid by the State
9 Treasurer out of the Non-Home Rule Municipal Retailers'
10 Occupation Tax Fund, which is hereby created or the Local
11 Government Aviation Trust Fund, as appropriate.

12 Except as otherwise provided in this paragraph, the
13 Department shall forthwith pay over to the State Treasurer, ex
14 officio, as trustee, all taxes and penalties collected
15 hereunder for deposit into the Non-Home Rule Municipal
16 Retailers' Occupation Tax Fund. Taxes and penalties collected
17 on aviation fuel sold on or after December 1, 2019, shall be
18 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 Section 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
24 municipality.

25 As soon as possible after the first day of each month,
26 beginning January 1, 2011, upon certification of the

1 Department of Revenue, the Comptroller shall order
2 transferred, and the Treasurer shall transfer, to the STAR
3 Bonds Revenue Fund the local sales tax increment, as defined
4 in the Innovation Development and Economy Act, collected under
5 this Section during the second preceding calendar month for
6 sales within a STAR bond district.

7 After the monthly transfer to the STAR Bonds Revenue Fund,
8 on or before the 25th day of each calendar month, the
9 Department shall prepare and certify to the Comptroller the
10 disbursement of stated sums of money to named municipalities,
11 the municipalities to be those from which retailers have paid
12 taxes or penalties hereunder to the Department during the
13 second preceding calendar month. The amount to be paid to each
14 municipality shall be the amount (not including credit
15 memoranda and not including taxes and penalties collected on
16 aviation fuel sold on or after December 1, 2019) collected
17 hereunder during the second preceding calendar month by the
18 Department plus an amount the Department determines is
19 necessary to offset any amounts that were erroneously paid to
20 a different taxing body, and not including an amount equal to
21 the amount of refunds made during the second preceding
22 calendar month by the Department on behalf of the
23 municipality, and not including any amount that the Department
24 determines is necessary to offset any amounts that were
25 payable to a different taxing body but were erroneously paid
26 to the municipality, 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 municipalities, 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
9 municipalities and the Tax Compliance and Administration Fund
10 provided for in this Section to be given to the Comptroller by
11 the Department, the Comptroller shall cause the orders to be
12 drawn for the respective amounts in accordance with the
13 directions contained in the certification.

14 For the purpose of determining the local governmental unit
15 whose tax is applicable, a retail sale by a producer of coal or
16 other mineral mined in Illinois is a sale at retail at the
17 place where the coal or other mineral mined in Illinois is
18 extracted from the earth. This paragraph does not apply to
19 coal or other mineral when it is delivered or shipped by the
20 seller to the purchaser at a point outside Illinois so that the
21 sale is exempt under the federal Constitution as a sale in
22 interstate or foreign commerce.

23 Nothing in this Section shall be construed to authorize a
24 municipality to impose a tax upon the privilege of engaging in
25 any business which under the constitution of the United States
26 may not be made the subject of taxation by this State.

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

7 As used in this Section, "municipal" and "municipality"
8 means a city, village, or incorporated town, including an
9 incorporated town that has superseded a civil township.

10 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;
11 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; 101-10, eff.
12 6-5-19; 101-81, eff. 7-12-19; 101-604, eff. 12-13-19.)

13 (65 ILCS 5/8-11-1.7)

14 Sec. 8-11-1.7. Non-home rule municipal service occupation
15 tax; municipalities between 20,000 and 25,000. The corporate
16 authorities of a non-home rule municipality with a population
17 of more than 20,000 but less than 25,000 as determined by the
18 last preceding decennial census that has, prior to January 1,
19 1987, established a Redevelopment Project Area that has been
20 certified as a State Sales Tax Boundary and has issued bonds or
21 otherwise incurred indebtedness to pay for costs in excess of
22 \$5,000,000, which is secured in part by a tax increment
23 allocation fund, in accordance with the provisions of Division
24 11-74.4 of this Code may, by passage of an ordinance, impose a
25 tax upon all persons engaged in the municipality in the

1 business of making sales of service. If imposed, the tax shall
2 only be imposed in .25% increments of the selling price of all
3 tangible personal property transferred by such servicemen
4 either in the form of tangible personal property or in the form
5 of real estate as an incident to a sale of service. This tax
6 may not be imposed on tangible personal property taxed at the
7 1% rate under the Service Occupation Tax Act (or at the 0% rate
8 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 tax imposed by a municipality under this
22 Section and all civil penalties that may be assessed as an
23 incident thereof shall be collected and enforced by the State
24 Department of Revenue. An ordinance imposing a tax hereunder
25 or effecting a change in the rate thereof shall be adopted and
26 a certified copy thereof filed with the Department on or

1 before the first day of October, whereupon the Department
2 shall proceed to administer and enforce this Section as of the
3 first day of January next following such adoption and filing.
4 The certificate of registration that is issued by the
5 Department to a retailer under the Retailers' Occupation Tax
6 Act or under the Service Occupation Tax Act shall permit the
7 registrant to engage in a business that is taxable under any
8 ordinance or resolution enacted under this Section without
9 registering separately with the Department under the ordinance
10 or resolution or under this Section. The Department shall have
11 full power to administer and enforce this Section, to collect
12 all taxes and penalties due hereunder, to dispose of taxes and
13 penalties so collected in a manner hereinafter provided, and
14 to determine all rights to credit memoranda arising on account
15 of the erroneous payment of tax or penalty hereunder. In the
16 administration of and compliance with this Section, the
17 Department and persons who are subject to this Section shall
18 have the same rights, remedies, privileges, immunities,
19 powers, and duties, and be subject to the same conditions,
20 restrictions, limitations, penalties and definitions of terms,
21 and employ the same modes of procedure, as are prescribed in
22 Sections 1a-1, 2, 2a, 3 through 3-50 (in respect to all
23 provisions therein other than the State rate of tax), 4
24 (except that the reference to the State shall be to the taxing
25 municipality), 5, 7, 8 (except that the jurisdiction to which
26 the tax shall be a debt to the extent indicated in that Section

1 8 shall be the taxing municipality), 9 (except as to the
2 disposition of taxes and penalties collected, and except that
3 the returned merchandise credit for this municipal tax may not
4 be taken against any State tax, and except that the retailer's
5 discount is not allowed for taxes paid on aviation fuel that
6 are subject to the revenue use requirements of 49 U.S.C.
7 47107(b) and 49 U.S.C. 47133), 10, 11, 12, (except the
8 reference therein to Section 2b of the Retailers' Occupation
9 Tax Act), 13 (except that any reference to the State shall mean
10 the taxing municipality), the first paragraph of Sections 15,
11 16, 17, 18, 19, and 20 of the Service Occupation Tax Act and
12 Section 3-7 of the Uniform Penalty and Interest Act, as fully
13 as if those provisions were set forth herein.

14 A tax may not be imposed by a municipality under this
15 Section unless the municipality also imposes a tax at the same
16 rate under Section 8-11-1.6 of this Act.

17 Person subject to any tax imposed under the authority
18 granted in this Section may reimburse themselves for their
19 servicemen's tax liability hereunder by separately stating the
20 tax as an additional charge, which charge may be stated in
21 combination, in a single amount, with State tax that
22 servicemen are authorized to collect under the Service Use Tax
23 Act, under such bracket schedules as the Department may
24 prescribe.

25 Whenever the Department determines that a refund should be
26 made under this Section to a claimant instead of issuing

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 such
4 notification from the Department. The refund shall be paid by
5 the State Treasurer out of the Non-Home Rule Municipal
6 Retailers' Occupation Tax Fund or the Local Government
7 Aviation Trust Fund, as appropriate.

8 Except as otherwise provided in this paragraph, the
9 Department shall forthwith pay over to the State Treasurer, ex
10 officio, as trustee, all taxes and penalties collected
11 hereunder for deposit into the Non-Home Rule Municipal
12 Retailers' Occupation Tax Fund. Taxes and penalties collected
13 on aviation fuel sold on or after December 1, 2019, shall be
14 immediately paid over by the Department to the State
15 Treasurer, ex officio, as trustee, for deposit into the Local
16 Government Aviation Trust Fund. The Department shall only pay
17 moneys into the Local Government Aviation Trust Fund under
18 this Section for so long as the revenue use requirements of 49
19 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
20 Municipality.

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 named municipalities,
7 the municipalities to be those from which suppliers and
8 servicemen have paid taxes or penalties hereunder to the
9 Department during the second preceding calendar month. The
10 amount to be paid to each municipality shall be the amount (not
11 including credit memoranda and not including taxes and
12 penalties collected on aviation fuel sold on or after December
13 1, 2019) collected hereunder during the second preceding
14 calendar month by the Department, and not including an amount
15 equal to the amount of refunds made during the second
16 preceding calendar month by the Department on behalf of such
17 municipality, and not including any amounts that are
18 transferred to the STAR Bonds Revenue Fund, less 1.5% of the
19 remainder, which the Department shall transfer into the Tax
20 Compliance and Administration Fund. The Department, at the
21 time of each monthly disbursement to the municipalities, shall
22 prepare and certify to the State Comptroller the amount to be
23 transferred into the Tax Compliance and Administration Fund
24 under this Section. Within 10 days after receipt by the
25 Comptroller of the disbursement certification to the
26 municipalities, the Tax Compliance and Administration Fund,

1 and the General Revenue Fund, provided for in this Section to
2 be given to the Comptroller by the Department, the Comptroller
3 shall cause the orders to be drawn for the respective amounts
4 in accordance with the directions contained in the
5 certification.

6 When certifying the amount of a monthly disbursement to a
7 municipality under this Section, the Department shall increase
8 or decrease the amount by an amount necessary to offset any
9 misallocation of previous disbursements. The offset amount
10 shall be the amount erroneously disbursed within the previous
11 6 months from the time a misallocation is discovered.

12 Nothing in this Section shall be construed to authorize a
13 municipality to impose a tax upon the privilege of engaging in
14 any business which under the constitution of the United States
15 may not be made the subject of taxation by this State.

16 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;
17 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; 101-10, eff.
18 6-5-19; 101-81, eff. 7-12-19; 101-604, eff. 12-13-19.)

19 (65 ILCS 5/8-11-5) (from Ch. 24, par. 8-11-5)

20 Sec. 8-11-5. Home Rule Municipal Service Occupation Tax
21 Act. The corporate authorities of a home rule municipality may
22 impose a tax upon all persons engaged, in such municipality,
23 in the business of making sales of service at the same rate of
24 tax imposed pursuant to Section 8-11-1, of the selling price
25 of all tangible personal property transferred by such

1 servicemen either in the form of tangible personal property or
2 in the form of real estate as an incident to a sale of service.
3 If imposed, such tax shall only be imposed in 1/4% increments.
4 On and after September 1, 1991, this additional tax may not be
5 imposed on tangible personal property taxed at the 1% rate
6 under the Service Retailers' Occupation Tax Act (or at the 0%
7 rate imposed under this amendatory Act of the 102nd General
8 Assembly). Beginning December 1, 2019, this tax may not be
9 imposed on sales of aviation fuel unless the tax revenue is
10 expended for airport-related purposes. If a municipality does
11 not have an airport-related purpose to which it dedicates
12 aviation fuel tax revenue, then aviation fuel shall be
13 excluded from tax. Each municipality must comply with the
14 certification requirements for airport-related purposes under
15 Section 2-22 of the Retailers' Occupation Tax Act. For
16 purposes of this Section, "airport-related purposes" has the
17 meaning ascribed in Section 6z-20.2 of the State Finance Act.
18 This exception for aviation fuel only applies for so long as
19 the revenue use requirements of 49 U.S.C. 47107(b) and 49
20 U.S.C. 47133 are binding on the State. The changes made to this
21 Section by this amendatory Act of the 101st General Assembly
22 are a denial and limitation of home rule powers and functions
23 under subsection (g) of Section 6 of Article VII of the
24 Illinois Constitution. The tax imposed by a home rule
25 municipality pursuant to this Section and all civil penalties
26 that may be assessed as an incident thereof shall be collected

1 and enforced by the State Department of Revenue. The
2 certificate of registration which is issued by the Department
3 to a retailer under the Retailers' Occupation Tax Act or under
4 the Service Occupation Tax Act shall permit such registrant to
5 engage in a business which is taxable under any ordinance or
6 resolution enacted pursuant to this Section without
7 registering separately with the Department under such
8 ordinance or resolution or under this Section. The Department
9 shall have full power to administer and enforce this Section;
10 to collect all taxes and penalties due hereunder; to dispose
11 of taxes and penalties so collected 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 hereunder. In the administration of, and compliance with, this
15 Section the Department and persons who are subject to this
16 Section shall have the same rights, remedies, privileges,
17 immunities, powers and duties, and be subject to the same
18 conditions, restrictions, limitations, penalties and
19 definitions of terms, and employ the same modes of procedure,
20 as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in
21 respect to all provisions therein other than the State rate of
22 tax), 4 (except that the reference to the State shall be to the
23 taxing municipality), 5, 7, 8 (except that the jurisdiction to
24 which the tax shall be a debt to the extent indicated in that
25 Section 8 shall be the taxing municipality), 9 (except as to
26 the disposition of taxes and penalties collected, and except

1 that the returned merchandise credit for this municipal tax
2 may not be taken against any State tax, and except that the
3 retailer's discount is not allowed for taxes paid on aviation
4 fuel that are subject to the revenue use requirements of 49
5 U.S.C. 47107(b) and 49 U.S.C. 47133), 10, 11, 12 (except the
6 reference therein to Section 2b of the Retailers' Occupation
7 Tax Act), 13 (except that any reference to the State shall mean
8 the taxing municipality), the first paragraph of Section 15,
9 16, 17 (except that credit memoranda issued hereunder may not
10 be used to discharge any State tax liability), 18, 19 and 20 of
11 the Service Occupation Tax Act and Section 3-7 of the Uniform
12 Penalty and Interest Act, as fully as if those provisions were
13 set forth herein.

14 No tax may be imposed by a home rule municipality pursuant
15 to this Section unless such municipality also imposes a tax at
16 the same rate pursuant to Section 8-11-1 of this Act.

17 Persons subject to any tax imposed pursuant to the
18 authority granted in this Section may reimburse themselves for
19 their serviceman's tax liability hereunder by separately
20 stating such tax as an additional charge, which charge may be
21 stated in combination, in a single amount, with State tax
22 which servicemen are authorized to collect under the Service
23 Use Tax Act, pursuant to such bracket schedules as the
24 Department may prescribe.

25 Whenever the Department determines that a refund should be
26 made under this Section to a claimant instead of issuing

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 such
4 notification from the Department. Such refund shall be paid by
5 the State Treasurer out of the home rule municipal retailers'
6 occupation tax fund or the Local Government Aviation Trust
7 Fund, as appropriate.

8 Except as otherwise provided in this paragraph, the
9 Department shall forthwith pay over to the State Treasurer, ex
10 officio, as trustee, all taxes and penalties collected
11 hereunder for deposit into the Home Rule Municipal Retailers'
12 Occupation Tax Fund. Taxes and penalties collected on aviation
13 fuel sold on or after December 1, 2019, shall be immediately
14 paid over by the Department to the State Treasurer, ex
15 officio, as trustee, for deposit into the Local Government
16 Aviation Trust Fund. The Department shall only pay moneys into
17 the Local Government Aviation Trust Fund under this Section
18 for so long as the revenue use requirements of 49 U.S.C.
19 47107(b) and 49 U.S.C. 47133 are binding on the municipality.

20 As soon as possible after the first day of each month,
21 beginning January 1, 2011, upon certification of the
22 Department of Revenue, the Comptroller shall order
23 transferred, and the Treasurer shall transfer, to the STAR
24 Bonds Revenue Fund the local sales tax increment, as defined
25 in the Innovation Development and Economy Act, collected under
26 this Section during the second preceding calendar month for

1 sales within a STAR bond district.

2 After the monthly transfer to the STAR Bonds Revenue Fund,
3 on or before the 25th day of each calendar month, the
4 Department shall prepare and certify to the Comptroller the
5 disbursement of stated sums of money to named municipalities,
6 the municipalities to be those from which suppliers and
7 servicemen have paid taxes or penalties hereunder to the
8 Department during the second preceding calendar month. The
9 amount to be paid to each municipality shall be the amount (not
10 including credit memoranda and not including taxes and
11 penalties collected on aviation fuel sold on or after December
12 1, 2019) collected hereunder during the second preceding
13 calendar month by the Department, and not including an amount
14 equal to the amount of refunds made during the second
15 preceding calendar month by the Department on behalf of such
16 municipality, and not including any amounts that are
17 transferred to the STAR Bonds Revenue Fund, less 1.5% of the
18 remainder, which the Department shall transfer into the Tax
19 Compliance and Administration Fund. The Department, at the
20 time of each monthly disbursement to the municipalities, shall
21 prepare and certify to the State Comptroller the amount to be
22 transferred into the Tax Compliance and Administration Fund
23 under this Section. Within 10 days after receipt, by the
24 Comptroller, of the disbursement certification to the
25 municipalities and the Tax Compliance and Administration Fund
26 provided for in this Section to be given to the Comptroller by

1 the Department, the Comptroller shall cause the orders to be
2 drawn for the respective amounts in accordance with the
3 directions contained in such certification.

4 In addition to the disbursement required by the preceding
5 paragraph and in order to mitigate delays caused by
6 distribution procedures, an allocation shall, if requested, be
7 made within 10 days after January 14, 1991, and in November of
8 1991 and each year thereafter, to each municipality that
9 received more than \$500,000 during the preceding fiscal year,
10 (July 1 through June 30) whether collected by the municipality
11 or disbursed by the Department as required by this Section.
12 Within 10 days after January 14, 1991, participating
13 municipalities shall notify the Department in writing of their
14 intent to participate. In addition, for the initial
15 distribution, participating municipalities shall certify to
16 the Department the amounts collected by the municipality for
17 each month under its home rule occupation and service
18 occupation tax during the period July 1, 1989 through June 30,
19 1990. The allocation within 10 days after January 14, 1991,
20 shall be in an amount equal to the monthly average of these
21 amounts, excluding the 2 months of highest receipts. Monthly
22 average for the period of July 1, 1990 through June 30, 1991
23 will be determined as follows: the amounts collected by the
24 municipality under its home rule occupation and service
25 occupation tax during the period of July 1, 1990 through
26 September 30, 1990, plus amounts collected by the Department

1 and paid to such municipality through June 30, 1991, excluding
2 the 2 months of highest receipts. The monthly average for each
3 subsequent period of July 1 through June 30 shall be an amount
4 equal to the monthly distribution made to each such
5 municipality under the preceding paragraph during this period,
6 excluding the 2 months of highest receipts. The distribution
7 made in November 1991 and each year thereafter under this
8 paragraph and the preceding paragraph shall be reduced by the
9 amount allocated and disbursed under this paragraph in the
10 preceding period of July 1 through June 30. The Department
11 shall prepare and certify to the Comptroller for disbursement
12 the allocations made in accordance with this paragraph.

13 Nothing in this Section shall be construed to authorize a
14 municipality to impose a tax upon the privilege of engaging in
15 any business which under the constitution of the United States
16 may not be made the subject of taxation by this State.

17 An ordinance or resolution imposing or discontinuing a tax
18 hereunder or effecting a change in the rate thereof shall be
19 adopted and a certified copy thereof filed with the Department
20 on or before the first day of June, whereupon the Department
21 shall proceed to administer and enforce this Section as of the
22 first day of September next following such adoption and
23 filing. Beginning January 1, 1992, an ordinance or resolution
24 imposing or discontinuing the tax hereunder or effecting a
25 change in the rate thereof shall be adopted and a certified
26 copy thereof filed with the Department on or before the first

1 day of July, whereupon the Department shall proceed to
2 administer and enforce this Section as of the first day of
3 October next following such adoption and filing. Beginning
4 January 1, 1993, an ordinance or resolution imposing or
5 discontinuing the tax hereunder or effecting a change in the
6 rate thereof shall be adopted and a certified copy thereof
7 filed with the Department on or before the first day of
8 October, whereupon the Department shall proceed to administer
9 and enforce this Section as of the first day of January next
10 following such adoption and filing. However, a municipality
11 located in a county with a population in excess of 3,000,000
12 that elected to become a home rule unit at the general primary
13 election in 1994 may adopt an ordinance or resolution imposing
14 the tax under this Section and file a certified copy of the
15 ordinance or resolution with the Department on or before July
16 1, 1994. The Department shall then proceed to administer and
17 enforce this Section as of October 1, 1994. Beginning April 1,
18 1998, an ordinance or resolution imposing or discontinuing the
19 tax hereunder or effecting a change in the rate thereof shall
20 either (i) be adopted and a certified copy thereof filed with
21 the Department on or before the first day of April, whereupon
22 the Department shall proceed to administer and enforce this
23 Section as of the first day of July next following the adoption
24 and filing; or (ii) be adopted and a certified copy thereof
25 filed with the Department on or before the first day of
26 October, whereupon the Department shall proceed to administer

1 and enforce this Section as of the first day of January next
2 following the adoption and filing.

3 Any unobligated balance remaining in the Municipal
4 Retailers' Occupation Tax Fund on December 31, 1989, which
5 fund was abolished by Public Act 85-1135, and all receipts of
6 municipal tax as a result of audits of liability periods prior
7 to January 1, 1990, shall be paid into the Local Government Tax
8 Fund, for distribution as provided by this Section prior to
9 the enactment of Public Act 85-1135. All receipts of municipal
10 tax as a result of an assessment not arising from an audit, for
11 liability periods prior to January 1, 1990, shall be paid into
12 the Local Government Tax Fund for distribution before July 1,
13 1990, as provided by this Section prior to the enactment of
14 Public Act 85-1135, and on and after July 1, 1990, all such
15 receipts shall be distributed as provided in Section 6z-18 of
16 the State Finance Act.

17 As used in this Section, "municipal" and "municipality"
18 means a city, village or incorporated town, including an
19 incorporated town which has superseded a civil township.

20 This Section shall be known and may be cited as the Home
21 Rule Municipal Service Occupation Tax Act.

22 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;
23 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-81, eff.
24 7-12-19; 101-604, eff. 12-13-19.)

1 Sec. 11-74.3-6. Business district revenue and obligations;
2 business district tax allocation fund.

3 (a) If the corporate authorities of a municipality have
4 approved a business district plan, have designated a business
5 district, and have elected to impose a tax by ordinance
6 pursuant to subsection (10) or (11) of Section 11-74.3-3, then
7 each year after the date of the approval of the ordinance but
8 terminating upon the date all business district project costs
9 and all obligations paying or reimbursing business district
10 project costs, if any, have been paid, but in no event later
11 than the dissolution date, all amounts generated by the
12 retailers' occupation tax and service occupation tax shall be
13 collected and the tax shall be enforced by the Department of
14 Revenue in the same manner as all retailers' occupation taxes
15 and service occupation taxes imposed in the municipality
16 imposing the tax and all amounts generated by the hotel
17 operators' occupation tax shall be collected and the tax shall
18 be enforced by the municipality in the same manner as all hotel
19 operators' occupation taxes imposed in the municipality
20 imposing the tax. The corporate authorities of the
21 municipality shall deposit the proceeds of the taxes imposed
22 under subsections (10) and (11) of Section 11-74.3-3 into a
23 special fund of the municipality called the "[Name of]
24 Business District Tax Allocation Fund" for the purpose of
25 paying or reimbursing business district project costs and
26 obligations incurred in the payment of those costs.

1 (b) The corporate authorities of a municipality that has
2 designated a business district under this Law may, by
3 ordinance, impose a Business District Retailers' Occupation
4 Tax upon all persons engaged in the business of selling
5 tangible personal property, other than an item of tangible
6 personal property titled or registered with an agency of this
7 State's government, at retail in the business district at a
8 rate not to exceed 1% of the gross receipts from the sales made
9 in the course of such business, to be imposed only in 0.25%
10 increments. The tax may not be imposed on tangible personal
11 property taxed at the rate of 1% under the Retailers'
12 Occupation Tax Act (or at the 0% rate imposed under this
13 amendatory Act of the 102nd General Assembly). Beginning
14 December 1, 2019 and through December 31, 2020, this tax is not
15 imposed on sales of aviation fuel unless the tax revenue is
16 expended for airport-related purposes. If the District does
17 not have an airport-related purpose to which it dedicates
18 aviation fuel tax revenue, then aviation fuel is excluded from
19 the tax. Each municipality must comply with the certification
20 requirements for airport-related purposes under Section 2-22
21 of the Retailers' Occupation Tax Act. For purposes of this
22 Section, "airport-related purposes" has the meaning ascribed
23 in Section 6z-20.2 of the State Finance Act. Beginning January
24 1, 2021, this tax is not imposed on sales of aviation fuel for
25 so long as the revenue use requirements of 49 U.S.C. 47107(b)
26 and 49 U.S.C. 47133 are binding on the District.

1 The tax imposed under this subsection and all civil
2 penalties that may be assessed as an incident thereof shall be
3 collected and enforced by the Department of Revenue. The
4 certificate of registration that is issued by the Department
5 to a retailer under the Retailers' Occupation Tax Act shall
6 permit the retailer to engage in a business that is taxable
7 under any ordinance or resolution enacted pursuant to this
8 subsection without registering separately with the Department
9 under such ordinance or resolution or under this subsection.
10 The Department of Revenue shall have full power to administer
11 and enforce this subsection; to collect all taxes and
12 penalties due under this subsection 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 under this subsection. In the administration of, and
16 compliance with, this subsection, the Department and persons
17 who are subject to this subsection shall have the same rights,
18 remedies, privileges, immunities, powers and duties, and be
19 subject to the same conditions, restrictions, limitations,
20 penalties, exclusions, exemptions, and definitions of terms
21 and employ the same modes of procedure, as are prescribed in
22 Sections 1, 1a through 1o, 2 through 2-65 (in respect to all
23 provisions therein other than the State rate of tax), 2c
24 through 2h, 3 (except as to the disposition of taxes and
25 penalties collected, and except that the retailer's discount
26 is not allowed for taxes paid on aviation fuel that are subject

1 to the revenue use requirements of 49 U.S.C. 47107(b) and 49
2 U.S.C. 47133), 4, 5, 5a, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 5k, 5l, 6,
3 6a, 6b, 6c, 7, 8, 9, 10, 11, 12, 13, and 14 of the Retailers'
4 Occupation Tax Act and all provisions of the Uniform Penalty
5 and Interest Act, as fully as if those provisions were set
6 forth herein.

7 Persons subject to any tax imposed under this subsection
8 may reimburse themselves for their seller's tax liability
9 under this subsection by separately stating the tax as an
10 additional charge, which charge may be stated in combination,
11 in a single amount, with State taxes that sellers are required
12 to collect under the Use Tax Act, in accordance with such
13 bracket schedules as the Department may prescribe.

14 Whenever the Department determines that a refund should be
15 made under this subsection to a claimant instead of issuing a
16 credit memorandum, the Department shall notify the State
17 Comptroller, who shall cause the order to be drawn for the
18 amount specified and to the person named in the notification
19 from the Department. The refund shall be paid by the State
20 Treasurer out of the business district retailers' occupation
21 tax fund or the Local Government Aviation Trust Fund, as
22 appropriate.

23 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, penalties, and interest
26 collected under this subsection for deposit into the business

1 district retailers' occupation tax fund. Taxes and penalties
2 collected on aviation fuel sold on or after December 1, 2019,
3 shall be immediately paid over by the Department to the State
4 Treasurer, ex officio, as trustee, for deposit into the Local
5 Government Aviation Trust Fund. The Department shall only pay
6 moneys into the Local Government Aviation Trust Fund under
7 this Section for so long as the revenue use requirements of 49
8 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
9 District.

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 subsection 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 from the business district retailers' occupation tax fund, the
23 municipalities to be those from which retailers have paid
24 taxes or penalties under this subsection to the Department
25 during the second preceding calendar month. The amount to be
26 paid to each municipality shall be the amount (not including

1 credit memoranda and not including taxes and penalties
2 collected on aviation fuel sold on or after December 1, 2019)
3 collected under this subsection during the second preceding
4 calendar month by the Department plus an amount the Department
5 determines is necessary to offset any amounts that were
6 erroneously paid to a different taxing body, and not including
7 an amount equal to the amount of refunds made during the second
8 preceding calendar month by the Department, less 2% of that
9 amount (except the amount collected on aviation fuel sold on
10 or after December 1, 2019), which shall be deposited into the
11 Tax Compliance and Administration Fund and shall be used by
12 the Department, subject to appropriation, to cover the costs
13 of the Department in administering and enforcing the
14 provisions of this subsection, on behalf of such municipality,
15 and not including any amount that the Department determines is
16 necessary to offset any amounts that were payable to a
17 different taxing body but were erroneously paid to the
18 municipality, and not including any amounts that are
19 transferred to the STAR Bonds Revenue Fund. Within 10 days
20 after receipt by the Comptroller of the disbursement
21 certification to the municipalities provided for in this
22 subsection to be given to the Comptroller by the Department,
23 the Comptroller shall cause the orders to be drawn for the
24 respective amounts in accordance with the directions contained
25 in the certification. The proceeds of the tax paid to
26 municipalities under this subsection shall be deposited into

1 the Business District Tax Allocation Fund by the municipality.

2 An ordinance imposing or discontinuing the tax under this
3 subsection or effecting a change in the rate thereof shall
4 either (i) be adopted and a certified copy thereof filed with
5 the Department on or before the first day of April, whereupon
6 the Department, if all other requirements of this subsection
7 are met, shall proceed to administer and enforce this
8 subsection as of the first day of July next following the
9 adoption and filing; or (ii) be adopted and a certified copy
10 thereof filed with the Department on or before the first day of
11 October, whereupon, if all other requirements of this
12 subsection are met, the Department shall proceed to administer
13 and enforce this subsection as of the first day of January next
14 following the adoption and filing.

15 The Department of Revenue shall not administer or enforce
16 an ordinance imposing, discontinuing, or changing the rate of
17 the tax under this subsection, until the municipality also
18 provides, in the manner prescribed by the Department, the
19 boundaries of the business district and each address in the
20 business district in such a way that the Department can
21 determine by its address whether a business is located in the
22 business district. The municipality must provide this boundary
23 and address information to the Department on or before April 1
24 for administration and enforcement of the tax under this
25 subsection by the Department beginning on the following July 1
26 and on or before October 1 for administration and enforcement

1 of the tax under this subsection by the Department beginning
2 on the following January 1. The Department of Revenue shall
3 not administer or enforce any change made to the boundaries of
4 a business district or address change, addition, or deletion
5 until the municipality reports the boundary change or address
6 change, addition, or deletion to the Department in the manner
7 prescribed by the Department. The municipality must provide
8 this boundary change information or address change, addition,
9 or deletion to the Department on or before April 1 for
10 administration and enforcement by the Department of the change
11 beginning on the following July 1 and on or before October 1
12 for administration and enforcement by the Department of the
13 change beginning on the following January 1. The retailers in
14 the business district shall be responsible for charging the
15 tax imposed under this subsection. If a retailer is
16 incorrectly included or excluded from the list of those
17 required to collect the tax under this subsection, both the
18 Department of Revenue and the retailer shall be held harmless
19 if they reasonably relied on information provided by the
20 municipality.

21 A municipality that imposes the tax under this subsection
22 must submit to the Department of Revenue any other information
23 as the Department may require for the administration and
24 enforcement of the tax.

25 When certifying the amount of a monthly disbursement to a
26 municipality under this subsection, the Department shall

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

5 Nothing in this subsection shall be construed to authorize
6 the municipality to impose a tax upon the privilege of
7 engaging in any business which under the Constitution of the
8 United States may not be made the subject of taxation by this
9 State.

10 If a tax is imposed under this subsection (b), a tax shall
11 also be imposed under subsection (c) of this Section.

12 (c) If a tax has been imposed under subsection (b), a
13 Business District Service Occupation Tax shall also be imposed
14 upon all persons engaged, in the business district, in the
15 business of making sales of service, who, as an incident to
16 making those sales of service, transfer tangible personal
17 property within the business district, either in the form of
18 tangible personal property or in the form of real estate as an
19 incident to a sale of service. The tax shall be imposed at the
20 same rate as the tax imposed in subsection (b) and shall not
21 exceed 1% of the selling price of tangible personal property
22 so transferred within the business district, to be imposed
23 only in 0.25% increments. The tax may not be imposed on
24 tangible personal property taxed at the 1% rate under the
25 Service Occupation Tax Act (or at the 0% rate imposed under
26 this amendatory Act of the 102nd General Assembly). Beginning

1 December 1, 2019, this tax is not imposed on sales of aviation
2 fuel unless the tax revenue is expended for airport-related
3 purposes. If the District does not have an airport-related
4 purpose to which it dedicates aviation fuel tax revenue, then
5 aviation fuel is excluded from the tax. Each municipality must
6 comply with the certification requirements for airport-related
7 purposes under Section 2-22 of the Retailers' Occupation Tax
8 Act. For purposes of this Act, "airport-related purposes" has
9 the meaning ascribed in Section 6z-20.2 of the State Finance
10 Act. Beginning January 1, 2021, this tax is not imposed on
11 sales of aviation fuel 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 District.

14 The tax imposed under this subsection and all civil
15 penalties that may be assessed as an incident thereof shall be
16 collected and enforced by the Department of Revenue. The
17 certificate of registration which is issued by the Department
18 to a retailer under the Retailers' Occupation Tax Act or under
19 the Service Occupation Tax Act shall permit such registrant to
20 engage in a business which is taxable under any ordinance or
21 resolution enacted pursuant to this subsection without
22 registering separately with the Department under such
23 ordinance or resolution or under this subsection. The
24 Department of Revenue shall have full power to administer and
25 enforce this subsection; to collect all taxes and penalties
26 due under this subsection; to dispose of taxes and penalties

1 so collected in the manner hereinafter provided; and to
2 determine all rights to credit memoranda arising on account of
3 the erroneous payment of tax or penalty under this subsection.
4 In the administration of, and compliance with this subsection,
5 the Department and persons who are subject to this subsection
6 shall 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 2, 2a through 2d, 3
11 through 3-50 (in respect to all provisions therein other than
12 the State rate of tax), 4 (except that the reference to the
13 State shall be to the business district), 5, 7, 8 (except that
14 the jurisdiction to which the tax shall be a debt to the extent
15 indicated in that Section 8 shall be the municipality), 9
16 (except as to the disposition of taxes and penalties
17 collected, and except that the returned merchandise credit for
18 this tax may not be taken against any State tax, and except
19 that the retailer's discount is not allowed for taxes paid on
20 aviation fuel that are subject to the revenue use requirements
21 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 10, 11, 12 (except
22 the reference therein to Section 2b of the Retailers'
23 Occupation Tax Act), 13 (except that any reference to the
24 State shall mean the municipality), the first paragraph of
25 Section 15, and Sections 16, 17, 18, 19 and 20 of the Service
26 Occupation Tax Act and all provisions of the Uniform Penalty

1 and Interest Act, as fully as if those provisions were set
2 forth herein.

3 Persons subject to any tax imposed under the authority
4 granted in this subsection may reimburse themselves for their
5 serviceman's tax liability hereunder by separately stating the
6 tax as an additional charge, which charge may be stated in
7 combination, in a single amount, with State tax that
8 servicemen are authorized to collect under the Service Use Tax
9 Act, in accordance with such bracket schedules as the
10 Department may prescribe.

11 Whenever the Department determines that a refund should be
12 made under this subsection to a claimant instead of issuing
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 such
16 notification from the Department. Such refund shall be paid by
17 the State Treasurer out of the business district retailers'
18 occupation tax fund or the Local Government Aviation Trust
19 Fund, as appropriate.

20 Except as otherwise provided in this paragraph, the
21 Department shall forthwith 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 suppliers and servicemen
21 have paid taxes or penalties under this subsection to the
22 Department during the second preceding calendar month. The
23 amount to be paid to each municipality shall be the amount (not
24 including credit memoranda and not including taxes and
25 penalties collected on aviation fuel sold on or after December
26 1, 2019) collected under this subsection during the second

1 preceding calendar month by the Department, less 2% of that
2 amount (except the amount collected on aviation fuel sold on
3 or after December 1, 2019), which shall be deposited into the
4 Tax Compliance and Administration Fund and shall be used by
5 the Department, subject to appropriation, to cover the costs
6 of the Department in administering and enforcing the
7 provisions of this subsection, and not including an amount
8 equal to the amount of refunds made during the second
9 preceding calendar month by the Department on behalf of such
10 municipality, and not including any amounts that are
11 transferred to the STAR Bonds Revenue Fund. Within 10 days
12 after receipt, by the Comptroller, of the disbursement
13 certification to the municipalities, provided for in this
14 subsection 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 such certification. The proceeds of the tax paid to
18 municipalities under this subsection shall be deposited into
19 the Business District Tax Allocation Fund by the municipality.

20 An ordinance imposing or discontinuing the tax under this
21 subsection or effecting a change in the rate thereof shall
22 either (i) be adopted and a certified copy thereof filed with
23 the Department on or before the first day of April, whereupon
24 the Department, if all other requirements of this subsection
25 are met, shall proceed to administer and enforce this
26 subsection as of the first day of July next following the

1 adoption and filing; or (ii) be adopted and a certified copy
2 thereof filed with the Department on or before the first day of
3 October, whereupon, if all other conditions of this subsection
4 are met, the Department shall proceed to administer and
5 enforce this subsection as of the first day of January next
6 following the adoption and filing.

7 The Department of Revenue shall not administer or enforce
8 an ordinance imposing, discontinuing, or changing the rate of
9 the tax under this subsection, until the municipality also
10 provides, in the manner prescribed by the Department, the
11 boundaries of the business district in such a way that the
12 Department can determine by its address whether a business is
13 located in the business district. The municipality must
14 provide this boundary and address information to the
15 Department on or before April 1 for administration and
16 enforcement of the tax under this subsection by the Department
17 beginning on the following July 1 and on or before October 1
18 for administration and enforcement of the tax under this
19 subsection by the Department beginning on the following
20 January 1. The Department of Revenue shall not administer or
21 enforce any change made to the boundaries of a business
22 district or address change, addition, or deletion until the
23 municipality reports the boundary change or address change,
24 addition, or deletion to the Department in the manner
25 prescribed by the Department. The municipality must provide
26 this boundary change information or address change, addition,

1 or deletion to the Department on or before April 1 for
2 administration and enforcement by the Department of the change
3 beginning on the following July 1 and on or before October 1
4 for administration and enforcement by the Department of the
5 change beginning on the following January 1. The retailers in
6 the business district shall be responsible for charging the
7 tax imposed under this subsection. If a retailer is
8 incorrectly included or excluded from the list of those
9 required to collect the tax under this subsection, both the
10 Department of Revenue and the retailer shall be held harmless
11 if they reasonably relied on information provided by the
12 municipality.

13 A municipality that imposes the tax under this subsection
14 must submit to the Department of Revenue any other information
15 as the Department may require for the administration and
16 enforcement of the tax.

17 Nothing in this subsection shall be construed to authorize
18 the municipality to impose a tax upon the privilege of
19 engaging in any business which under the Constitution of the
20 United States may not be made the subject of taxation by the
21 State.

22 If a tax is imposed under this subsection (c), a tax shall
23 also be imposed under subsection (b) of this Section.

24 (d) By ordinance, a municipality that has designated a
25 business district under this Law may impose an occupation tax
26 upon all persons engaged in the business district in the

1 business of renting, leasing, or letting rooms in a hotel, as
2 defined in the Hotel Operators' Occupation Tax Act, at a rate
3 not to exceed 1% of the gross rental receipts from the renting,
4 leasing, or letting of hotel rooms within the business
5 district, to be imposed only in 0.25% increments, excluding,
6 however, from gross rental receipts the proceeds of renting,
7 leasing, or letting to permanent residents of a hotel, as
8 defined in the Hotel Operators' Occupation Tax Act, and
9 proceeds from the tax imposed under subsection (c) of Section
10 13 of the Metropolitan Pier and Exposition Authority Act.

11 The tax imposed by the municipality under this subsection
12 and all civil penalties that may be assessed as an incident to
13 that tax shall be collected and enforced by the municipality
14 imposing the tax. The municipality shall have full power to
15 administer and enforce this subsection, to collect all taxes
16 and penalties due under this subsection, to dispose of taxes
17 and penalties so collected in the manner provided in this
18 subsection, and to determine all rights to credit memoranda
19 arising on account of the erroneous payment of tax or penalty
20 under this subsection. In the administration of and compliance
21 with this subsection, the municipality and persons who are
22 subject to this subsection shall have the same rights,
23 remedies, privileges, immunities, powers, and duties, shall be
24 subject to the same conditions, restrictions, limitations,
25 penalties, and definitions of terms, and shall employ the same
26 modes of procedure as are employed with respect to a tax

1 adopted by the municipality under Section 8-3-14 of this Code.

2 Persons subject to any tax imposed under the authority
3 granted in this subsection may reimburse themselves for their
4 tax liability for that tax by separately stating that tax as an
5 additional charge, which charge may be stated in combination,
6 in a single amount, with State taxes imposed under the Hotel
7 Operators' Occupation Tax Act, and with any other tax.

8 Nothing in this subsection shall be construed to authorize
9 a municipality to impose a tax upon the privilege of engaging
10 in any business which under the Constitution of the United
11 States may not be made the subject of taxation by this State.

12 The proceeds of the tax imposed under this subsection
13 shall be deposited into the Business District Tax Allocation
14 Fund.

15 (e) Obligations secured by the Business District Tax
16 Allocation Fund may be issued to provide for the payment or
17 reimbursement of business district project costs. Those
18 obligations, when so issued, shall be retired in the manner
19 provided in the ordinance authorizing the issuance of those
20 obligations by the receipts of taxes imposed pursuant to
21 subsections (10) and (11) of Section 11-74.3-3 and by other
22 revenue designated or pledged by the municipality. A
23 municipality may in the ordinance pledge, for any period of
24 time up to and including the dissolution date, all or any part
25 of the funds in and to be deposited in the Business District
26 Tax Allocation Fund to the payment of business district

1 project costs and obligations. Whenever a municipality pledges
2 all of the funds to the credit of a business district tax
3 allocation fund to secure obligations issued or to be issued
4 to pay or reimburse business district project costs, the
5 municipality may specifically provide that funds remaining to
6 the credit of such business district tax allocation fund after
7 the payment of such obligations shall be accounted for
8 annually and shall be deemed to be "surplus" funds, and such
9 "surplus" funds shall be expended by the municipality for any
10 business district project cost as approved in the business
11 district plan. Whenever a municipality pledges less than all
12 of the monies to the credit of a business district tax
13 allocation fund to secure obligations issued or to be issued
14 to pay or reimburse business district project costs, the
15 municipality shall provide that monies to the credit of the
16 business district tax allocation fund and not subject to such
17 pledge or otherwise encumbered or required for payment of
18 contractual obligations for specific business district project
19 costs shall be calculated annually and shall be deemed to be
20 "surplus" funds, and such "surplus" funds shall be expended by
21 the municipality for any business district project cost as
22 approved in the business district plan.

23 No obligation issued pursuant to this Law and secured by a
24 pledge of all or any portion of any revenues received or to be
25 received by the municipality from the imposition of taxes
26 pursuant to subsection (10) of Section 11-74.3-3, shall be

1 deemed to constitute an economic incentive agreement under
2 Section 8-11-20, notwithstanding the fact that such pledge
3 provides for the sharing, rebate, or payment of retailers'
4 occupation taxes or service occupation taxes imposed pursuant
5 to subsection (10) of Section 11-74.3-3 and received or to be
6 received by the municipality from the development or
7 redevelopment of properties in the business district.

8 Without limiting the foregoing in this Section, the
9 municipality may further secure obligations secured by the
10 business district tax allocation fund with a pledge, for a
11 period not greater than the term of the obligations and in any
12 case not longer than the dissolution date, of any part or any
13 combination of the following: (i) net revenues of all or part
14 of any business district project; (ii) taxes levied or imposed
15 by the municipality on any or all property in the
16 municipality, including, specifically, taxes levied or imposed
17 by the municipality in a special service area pursuant to the
18 Special Service Area Tax Law; (iii) the full faith and credit
19 of the municipality; (iv) a mortgage on part or all of the
20 business district project; or (v) any other taxes or
21 anticipated receipts that the municipality may lawfully
22 pledge.

23 Such obligations may be issued in one or more series, bear
24 such date or dates, become due at such time or times as therein
25 provided, but in any case not later than (i) 20 years after the
26 date of issue or (ii) the dissolution date, whichever is

1 earlier, bear interest payable at such intervals and at such
2 rate or rates as set forth therein, except as may be limited by
3 applicable law, which rate or rates may be fixed or variable,
4 be in such denominations, be in such form, either coupon,
5 registered, or book-entry, carry such conversion, registration
6 and exchange privileges, be subject to defeasance upon such
7 terms, have such rank or priority, be executed in such manner,
8 be payable in such medium or payment at such place or places
9 within or without the State, make provision for a corporate
10 trustee within or without the State with respect to such
11 obligations, prescribe the rights, powers, and duties thereof
12 to be exercised for the benefit of the municipality and the
13 benefit of the owners of such obligations, provide for the
14 holding in trust, investment, and use of moneys, funds, and
15 accounts held under an ordinance, provide for assignment of
16 and direct payment of the moneys to pay such obligations or to
17 be deposited into such funds or accounts directly to such
18 trustee, be subject to such terms of redemption with or
19 without premium, and be sold at such price, all as the
20 corporate authorities shall determine. No referendum approval
21 of the electors shall be required as a condition to the
22 issuance of obligations pursuant to this Law except as
23 provided in this Section.

24 In the event the municipality authorizes the issuance of
25 obligations pursuant to the authority of this Law secured by
26 the full faith and credit of the municipality, or pledges ad

1 valorem taxes pursuant to this subsection, which obligations
2 are other than obligations which may be issued under home rule
3 powers provided by Section 6 of Article VII of the Illinois
4 Constitution or which ad valorem taxes are other than ad
5 valorem taxes which may be pledged under home rule powers
6 provided by Section 6 of Article VII of the Illinois
7 Constitution or which are levied in a special service area
8 pursuant to the Special Service Area Tax Law, the ordinance
9 authorizing the issuance of those obligations or pledging
10 those taxes shall be published within 10 days after the
11 ordinance has been adopted, in a newspaper having a general
12 circulation within the municipality. The publication of the
13 ordinance shall be accompanied by a notice of (i) the specific
14 number of voters required to sign a petition requesting the
15 question of the issuance of the obligations or pledging such
16 ad valorem taxes to be submitted to the electors; (ii) the time
17 within which the petition must be filed; and (iii) the date of
18 the prospective referendum. The municipal clerk shall provide
19 a petition form to any individual requesting one.

20 If no petition is filed with the municipal clerk, as
21 hereinafter provided in this Section, within 21 days after the
22 publication of the ordinance, the ordinance shall be in
23 effect. However, if within that 21-day period a petition is
24 filed with the municipal clerk, signed by electors numbering
25 not less than 15% of the number of electors voting for the
26 mayor or president at the last general municipal election,

1 asking that the question of issuing obligations using full
2 faith and credit of the municipality as security for the cost
3 of paying or reimbursing business district project costs, or
4 of pledging such ad valorem taxes for the payment of those
5 obligations, or both, be submitted to the electors of the
6 municipality, the municipality shall not be authorized to
7 issue obligations of the municipality using the full faith and
8 credit of the municipality as security or pledging such ad
9 valorem taxes for the payment of those obligations, or both,
10 until the proposition has been submitted to and approved by a
11 majority of the voters voting on the proposition at a
12 regularly scheduled election. The municipality shall certify
13 the proposition to the proper election authorities for
14 submission in accordance with the general election law.

15 The ordinance authorizing the obligations may provide that
16 the obligations shall contain a recital that they are issued
17 pursuant to this Law, which recital shall be conclusive
18 evidence of their validity and of the regularity of their
19 issuance.

20 In the event the municipality authorizes issuance of
21 obligations pursuant to this Law secured by the full faith and
22 credit of the municipality, the ordinance authorizing the
23 obligations may provide for the levy and collection of a
24 direct annual tax upon all taxable property within the
25 municipality sufficient to pay the principal thereof and
26 interest thereon as it matures, which levy may be in addition

1 to and exclusive of the maximum of all other taxes authorized
2 to be levied by the municipality, which levy, however, shall
3 be abated to the extent that monies from other sources are
4 available for payment of the obligations and the municipality
5 certifies the amount of those monies available to the county
6 clerk.

7 A certified copy of the ordinance shall be filed with the
8 county clerk of each county in which any portion of the
9 municipality is situated, and shall constitute the authority
10 for the extension and collection of the taxes to be deposited
11 in the business district tax allocation fund.

12 A municipality may also issue its obligations to refund,
13 in whole or in part, obligations theretofore issued by the
14 municipality under the authority of this Law, whether at or
15 prior to maturity. However, the last maturity of the refunding
16 obligations shall not be expressed to mature later than the
17 dissolution date.

18 In the event a municipality issues obligations under home
19 rule powers or other legislative authority, the proceeds of
20 which are pledged to pay or reimburse business district
21 project costs, the municipality may, if it has followed the
22 procedures in conformance with this Law, retire those
23 obligations from funds in the business district tax allocation
24 fund in amounts and in such manner as if those obligations had
25 been issued pursuant to the provisions of this Law.

26 No obligations issued pursuant to this Law shall be

1 regarded as indebtedness of the municipality issuing those
2 obligations or any other taxing district for the purpose of
3 any limitation imposed by law.

4 Obligations issued pursuant to this Law shall not be
5 subject to the provisions of the Bond Authorization Act.

6 (f) When business district project costs, including,
7 without limitation, all obligations paying or reimbursing
8 business district project costs have been paid, any surplus
9 funds then remaining in the Business District Tax Allocation
10 Fund shall be distributed to the municipal treasurer for
11 deposit into the general corporate fund of the municipality.
12 Upon payment of all business district project costs and
13 retirement of all obligations paying or reimbursing business
14 district project costs, but in no event more than 23 years
15 after the date of adoption of the ordinance imposing taxes
16 pursuant to subsection (10) or (11) of Section 11-74.3-3, the
17 municipality shall adopt an ordinance immediately rescinding
18 the taxes imposed pursuant to subsection (10) or (11) of
19 Section 11-74.3-3.

20 (Source: P.A. 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19;
21 101-604, eff. 12-13-19.)

22 Section 50-50. The Flood Prevention District Act is
23 amended by changing Section 25 as follows:

24 (70 ILCS 750/25)

1 Sec. 25. Flood prevention retailers' and service
2 occupation taxes.

3 (a) If the Board of Commissioners of a flood prevention
4 district determines that an emergency situation exists
5 regarding levee repair or flood prevention, and upon an
6 ordinance confirming the determination adopted by the
7 affirmative vote of a majority of the members of the county
8 board of the county in which the district is situated, the
9 county may impose a flood prevention retailers' occupation tax
10 upon all persons engaged in the business of selling tangible
11 personal property at retail within the territory of the
12 district to provide revenue to pay the costs of providing
13 emergency levee repair and flood prevention and to secure the
14 payment of bonds, notes, and other evidences of indebtedness
15 issued under this Act for a period not to exceed 25 years or as
16 required to repay the bonds, notes, and other evidences of
17 indebtedness issued under this Act. The tax rate shall be
18 0.25% of the gross receipts from all taxable sales made in the
19 course of that business. Beginning December 1, 2019 and
20 through December 31, 2020, this tax is not imposed on sales of
21 aviation fuel unless the tax revenue is expended for
22 airport-related purposes. If the District does not have an
23 airport-related purpose to which it dedicates aviation fuel
24 tax revenue, then aviation fuel is excluded from the tax. The
25 County must comply with the certification requirements for
26 airport-related purposes under Section 2-22 of the Retailers'

1 Occupation Tax Act. The tax imposed under this Section and all
2 civil penalties that may be assessed as an incident thereof
3 shall be collected and enforced by the State Department of
4 Revenue. The Department shall have full power to administer
5 and enforce this Section; to collect all taxes and penalties
6 so collected in the manner hereinafter provided; and to
7 determine all rights to credit memoranda arising on account of
8 the erroneous payment of tax or penalty hereunder.

9 For purposes of this Act, "airport-related purposes" has
10 the meaning ascribed in Section 6z-20.2 of the State Finance
11 Act. Beginning January 1, 2021, this tax is not imposed on
12 sales of aviation fuel for so long as the revenue use
13 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
14 binding on the District.

15 In the administration of and compliance with this
16 subsection, the Department and persons who are subject to this
17 subsection (i) have the same rights, remedies, privileges,
18 immunities, powers, and duties, (ii) are subject to the same
19 conditions, restrictions, limitations, penalties, and
20 definitions of terms, and (iii) shall employ the same modes of
21 procedure as are set forth in Sections 1 through 1o, 2 through
22 2-70 (in respect to all provisions contained in those Sections
23 other than the State rate of tax), 2a through 2h, 3 (except as
24 to the disposition of taxes and penalties collected, and
25 except that the retailer's discount is not allowed for taxes
26 paid on aviation fuel that are subject to the revenue use

1 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5,
2 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5l, 6, 6a, 6b, 6c, 6d, 7,
3 8, 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation Tax
4 Act and all provisions of the Uniform Penalty and Interest Act
5 as if those provisions were set forth in this subsection.

6 Persons subject to any tax imposed under this Section may
7 reimburse themselves for their seller's tax liability
8 hereunder by separately stating the tax as an additional
9 charge, which charge may be stated in combination in a single
10 amount with State taxes that sellers are required to collect
11 under the Use Tax Act, under any bracket schedules the
12 Department may prescribe.

13 If a tax is imposed under this subsection (a), a tax shall
14 also be imposed under subsection (b) of this Section.

15 (b) If a tax has been imposed under subsection (a), a flood
16 prevention service occupation tax shall also be imposed upon
17 all persons engaged within the territory of the district in
18 the business of making sales of service, who, as an incident to
19 making the sales of service, transfer tangible personal
20 property, either in the form of tangible personal property or
21 in the form of real estate as an incident to a sale of service
22 to provide revenue to pay the costs of providing emergency
23 levee repair and flood prevention and to secure the payment of
24 bonds, notes, and other evidences of indebtedness issued under
25 this Act for a period not to exceed 25 years or as required to
26 repay the bonds, notes, and other evidences of indebtedness.

1 The tax rate shall be 0.25% of the selling price of all
2 tangible personal property transferred. Beginning December 1,
3 2019 and through December 31, 2020, this tax is not imposed on
4 sales of aviation fuel unless the tax revenue is expended for
5 airport-related purposes. If the District does not have an
6 airport-related purpose to which it dedicates aviation fuel
7 tax revenue, then aviation fuel is excluded from the tax. The
8 County must comply with the certification requirements for
9 airport-related purposes under Section 2-22 of the Retailers'
10 Occupation Tax Act. For purposes of this Act, "airport-related
11 purposes" has the meaning ascribed in Section 6z-20.2 of the
12 State Finance Act. Beginning January 1, 2021, this tax is not
13 imposed on sales of aviation fuel for so long as the revenue
14 use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
15 binding on the District.

16 The tax imposed under this subsection and all civil
17 penalties that may be assessed as an incident thereof shall be
18 collected and enforced by the State Department of Revenue. The
19 Department shall have full power to administer and enforce
20 this subsection; to collect all taxes and penalties due
21 hereunder; to dispose of taxes and penalties collected in the
22 manner hereinafter provided; and to determine all rights to
23 credit memoranda arising on account of the erroneous payment
24 of tax or penalty hereunder.

25 In the administration of and compliance with this
26 subsection, the Department and persons who are subject to this

1 subsection shall (i) have the same rights, remedies,
2 privileges, immunities, powers, and duties, (ii) be subject to
3 the same conditions, restrictions, limitations, penalties, and
4 definitions of terms, and (iii) employ the same modes of
5 procedure as are set forth in Sections 2 (except that the
6 reference to State in the definition of supplier maintaining a
7 place of business in this State means the district), 2a
8 through 2d, 3 through 3-50 (in respect to all provisions
9 contained in those Sections other than the State rate of tax),
10 4 (except that the reference to the State shall be to the
11 district), 5, 7, 8 (except that the jurisdiction to which the
12 tax is a debt to the extent indicated in that Section 8 is the
13 district), 9 (except as to the disposition of taxes and
14 penalties collected, and except that the retailer's discount
15 is not allowed for taxes paid on aviation fuel that are subject
16 to the revenue use requirements of 49 U.S.C. 47107(b) and 49
17 U.S.C. 47133), 10, 11, 12 (except the reference therein to
18 Section 2b of the Retailers' Occupation Tax Act), 13 (except
19 that any reference to the State means the district), Section
20 15, 16, 17, 18, 19, and 20 of the Service Occupation Tax Act
21 and all provisions of the Uniform Penalty and Interest Act, as
22 fully as if those provisions were set forth herein.

23 Persons subject to any tax imposed under the authority
24 granted in this subsection may reimburse themselves for their
25 serviceman's tax liability hereunder by separately stating the
26 tax as an additional charge, that charge may be stated in

1 combination in a single amount with State tax that servicemen
2 are authorized to collect under the Service Use Tax Act, under
3 any bracket schedules the Department may prescribe.

4 (c) The taxes imposed in subsections (a) and (b) may not be
5 imposed on personal property titled or registered with an
6 agency of the State or on personal property taxed at the 1%
7 rate under the Retailers' Occupation Tax Act and the Service
8 Occupation Tax Act (or at the 0% rate imposed under this
9 amendatory Act of the 102nd General Assembly).

10 (d) Nothing in this Section shall be construed to
11 authorize the district to impose a tax upon the privilege of
12 engaging in any business that under the Constitution of the
13 United States may not be made the subject of taxation by the
14 State.

15 (e) The certificate of registration that is issued by the
16 Department to a retailer under the Retailers' Occupation Tax
17 Act or a serviceman under the Service Occupation Tax Act
18 permits the retailer or serviceman to engage in a business
19 that is taxable without registering separately with the
20 Department under an ordinance or resolution under this
21 Section.

22 (f) Except as otherwise provided, the Department shall
23 immediately pay over to the State Treasurer, ex officio, as
24 trustee, all taxes and penalties collected under this Section
25 to be deposited into the Flood Prevention Occupation Tax Fund,
26 which shall be an unappropriated trust fund held outside the

1 State treasury. Taxes and penalties collected on aviation fuel
2 sold on or after December 1, 2019 and through December 31,
3 2020, shall be immediately paid over by the Department to the
4 State Treasurer, ex officio, as trustee, for deposit into the
5 Local Government Aviation Trust Fund. The Department shall
6 only pay moneys into the Local Government Aviation Trust Fund
7 under this Act for so long as the revenue use requirements of
8 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
9 District.

10 On or before the 25th day of each calendar month, the
11 Department shall prepare and certify to the Comptroller the
12 disbursement of stated sums of money to the counties from
13 which retailers or servicemen have paid taxes or penalties to
14 the Department during the second preceding calendar month. The
15 amount to be paid to each county is equal to the amount (not
16 including credit memoranda and not including taxes and
17 penalties collected on aviation fuel sold on or after December
18 1, 2019 and through December 31, 2020) collected from the
19 county under this Section during the second preceding calendar
20 month by the Department, (i) less 2% of that amount (except the
21 amount collected on aviation fuel sold on or after December 1,
22 2019 and through December 31, 2020), which shall be deposited
23 into the Tax Compliance and Administration Fund and shall be
24 used by the Department in administering and enforcing the
25 provisions of this Section on behalf of the county, (ii) plus
26 an amount that the Department determines is necessary to

1 offset any amounts that were erroneously paid to a different
2 taxing body; (iii) less an amount equal to the amount of
3 refunds made during the second preceding calendar month by the
4 Department on behalf of the county; and (iv) less any amount
5 that the Department determines is necessary to offset any
6 amounts that were payable to a different taxing body but were
7 erroneously paid to the county. When certifying the amount of
8 a monthly disbursement to a county under this Section, the
9 Department shall increase or decrease the amounts by an amount
10 necessary to offset any miscalculation of previous
11 disbursements within the previous 6 months from the time a
12 miscalculation is discovered.

13 Within 10 days after receipt by the Comptroller from the
14 Department of the disbursement certification to the counties
15 provided for in this Section, the Comptroller shall cause the
16 orders to be drawn for the respective amounts in accordance
17 with directions contained in the certification.

18 If the Department determines that a refund should be made
19 under this Section to a claimant instead of issuing a credit
20 memorandum, then the Department shall notify the Comptroller,
21 who shall cause the order to be drawn for the amount specified
22 and to the person named in the notification from the
23 Department. The refund shall be paid by the Treasurer out of
24 the Flood Prevention Occupation Tax Fund or the Local
25 Government Aviation Trust Fund, as appropriate.

26 (g) If a county imposes a tax under this Section, then the

1 county board shall, by ordinance, discontinue the tax upon the
2 payment of all indebtedness of the flood prevention district.
3 The tax shall not be discontinued until all indebtedness of
4 the District has been paid.

5 (h) Any ordinance imposing the tax under this Section, or
6 any ordinance that discontinues the tax, must be certified by
7 the county clerk and filed with the Illinois Department of
8 Revenue either (i) on or before the first day of April,
9 whereupon the Department shall proceed to administer and
10 enforce the tax or change in the rate as of the first day of
11 July next following the filing; or (ii) on or before the first
12 day of October, whereupon the Department shall proceed to
13 administer and enforce the tax or change in the rate as of the
14 first day of January next following the filing.

15 (j) County Flood Prevention Occupation Tax Fund. All
16 proceeds received by a county from a tax distribution under
17 this Section must be maintained in a special fund known as the
18 [name of county] flood prevention occupation tax fund. The
19 county shall, at the direction of the flood prevention
20 district, use moneys in the fund to pay the costs of providing
21 emergency levee repair and flood prevention and to pay bonds,
22 notes, and other evidences of indebtedness issued under this
23 Act.

24 (k) This Section may be cited as the Flood Prevention
25 Occupation Tax Law.

26 (Source: P.A. 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19;

1 101-604, eff. 12-13-19.)

2 Section 50-55. The Metro-East Park and Recreation District
3 Act is amended by changing Section 30 as follows:

4 (70 ILCS 1605/30)

5 Sec. 30. Taxes.

6 (a) The board shall impose a tax upon all persons engaged
7 in the business of selling tangible personal property, other
8 than personal property titled or registered with an agency of
9 this State's government, at retail in the District on the
10 gross receipts from the sales made in the course of business.
11 This tax shall be imposed only at the rate of one-tenth of one
12 per cent.

13 This additional 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 and through December 31, 2020, this tax is not
18 imposed on sales of aviation fuel unless the tax revenue is
19 expended for airport-related purposes. If the District does
20 not have an airport-related purpose to which it dedicates
21 aviation fuel tax revenue, then aviation fuel shall be
22 excluded from tax. The board must comply with the
23 certification requirements for airport-related purposes under
24 Section 2-22 of the Retailers' Occupation Tax Act. For

1 purposes of this Act, "airport-related purposes" has the
2 meaning ascribed in Section 6z-20.2 of the State Finance Act.
3 Beginning January 1, 2021, this tax is not imposed on sales of
4 aviation fuel 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. The tax imposed by the Board under this Section and
7 all civil penalties that may be assessed as an incident of the
8 tax shall be collected and enforced by the Department of
9 Revenue. The certificate of registration that is issued by the
10 Department to a retailer under the Retailers' Occupation Tax
11 Act shall permit 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 Section. The
14 Department has full power to administer and enforce this
15 Section, to collect all taxes and penalties due under this
16 Section, to dispose of taxes and penalties so collected in the
17 manner provided in this Section, and to determine all rights
18 to credit memoranda arising on account of the erroneous
19 payment of a tax or penalty under this Section. In the
20 administration of and compliance with this Section, the
21 Department and persons who are subject to this Section shall
22 (i) have the same rights, remedies, privileges, immunities,
23 powers, and duties, (ii) be subject to the same conditions,
24 restrictions, limitations, penalties, and definitions of
25 terms, and (iii) employ the same modes of procedure as are
26 prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 1k, 1m,

1 1n, 2, 2-5, 2-5.5, 2-10 (in respect to all provisions
2 contained in those Sections other than the State rate of tax),
3 2-12, 2-15 through 2-70, 2a, 2b, 2c, 3 (except provisions
4 relating to transaction returns and quarter monthly payments,
5 and except that the retailer's discount is not allowed for
6 taxes paid on aviation fuel that are subject to the revenue use
7 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5,
8 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c,
9 6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers'
10 Occupation Tax Act and the Uniform Penalty and Interest Act as
11 if those provisions were set forth in this Section.

12 Persons subject to any tax imposed under the authority
13 granted in this Section may reimburse themselves for their
14 sellers' tax liability by separately stating the tax as an
15 additional charge, which charge may be stated in combination,
16 in a single amount, with State tax which sellers are required
17 to collect under the Use Tax Act, pursuant to such bracketed
18 schedules as the Department may prescribe.

19 Whenever the Department determines that a refund should be
20 made under this Section to a claimant instead of issuing a
21 credit memorandum, the Department shall notify the State
22 Comptroller, who shall cause the order to be drawn for the
23 amount specified and to the person named in the notification
24 from the Department. The refund shall be paid by the State
25 Treasurer out of the State Metro-East Park and Recreation
26 District Fund or the Local Government Aviation Trust Fund, as

1 appropriate.

2 (b) If a tax has been imposed under subsection (a), a
3 service occupation tax shall also be imposed at the same rate
4 upon all persons engaged, in the District, in the business of
5 making sales of service, who, as an incident to making those
6 sales of service, transfer tangible personal property within
7 the District as an incident to a sale of service. This tax may
8 not be imposed on tangible personal property taxed at the 1%
9 rate under the Service Occupation Tax Act (or at the 0% rate
10 imposed under this amendatory Act of the 102nd General
11 Assembly). Beginning December 1, 2019 and through December 31,
12 2020, this tax may not be imposed on sales of aviation fuel
13 unless the tax revenue is expended for airport-related
14 purposes. If the District does not have an airport-related
15 purpose to which it dedicates aviation fuel tax revenue, then
16 aviation fuel shall be excluded from tax. The board must
17 comply with the certification requirements for airport-related
18 purposes under Section 2-22 of the Retailers' Occupation Tax
19 Act. For purposes of this Act, "airport-related purposes" has
20 the meaning ascribed in Section 6z-20.2 of the State Finance
21 Act. Beginning January 1, 2021, this tax is not imposed on
22 sales of aviation fuel for so long as the revenue use
23 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
24 binding on the District. The tax imposed under this subsection
25 and all civil penalties that may be assessed as an incident
26 thereof shall be collected and enforced by the Department of

1 Revenue. The Department has full power to administer and
2 enforce this subsection; to collect all taxes and penalties
3 due hereunder; to dispose of taxes and penalties so collected
4 in the manner hereinafter provided; and to determine all
5 rights to credit memoranda arising on account of the erroneous
6 payment of tax or penalty hereunder. In the administration of,
7 and compliance with this subsection, the Department and
8 persons who are subject to this paragraph shall (i) have the
9 same rights, remedies, privileges, immunities, powers, and
10 duties, (ii) be subject to the same conditions, restrictions,
11 limitations, penalties, exclusions, exemptions, and
12 definitions of terms, and (iii) employ the same modes of
13 procedure as are prescribed in Sections 2 (except that the
14 reference to State in the definition of supplier maintaining a
15 place of business in this State shall mean the District), 2a,
16 2b, 2c, 3 through 3-50 (in respect to all provisions therein
17 other than the State rate of tax), 4 (except that the reference
18 to the State shall be to the District), 5, 7, 8 (except that
19 the jurisdiction to which the tax shall be a debt to the extent
20 indicated in that Section 8 shall be the District), 9 (except
21 as 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), 10,
25 11, 12 (except the reference therein to Section 2b of the
26 Retailers' Occupation Tax Act), 13 (except that any reference

1 to the State shall mean the District), Sections 15, 16, 17, 18,
2 19 and 20 of the Service Occupation Tax Act and the Uniform
3 Penalty and Interest Act, as fully as if those provisions were
4 set forth herein.

5 Persons subject to any tax imposed under the authority
6 granted in this subsection may reimburse themselves for their
7 serviceman's tax liability by separately stating the tax as an
8 additional charge, which charge may be stated in combination,
9 in a single amount, with State tax that servicemen are
10 authorized to collect under the Service Use Tax Act, in
11 accordance with such bracket schedules as the Department may
12 prescribe.

13 Whenever the Department determines that a refund should be
14 made under this subsection to a claimant instead of issuing a
15 credit memorandum, the Department shall notify the State
16 Comptroller, who shall cause the warrant to be drawn for the
17 amount specified, and to the person named, in the notification
18 from the Department. The refund shall be paid by the State
19 Treasurer out of the State Metro-East Park and Recreation
20 District Fund or the Local Government Aviation Trust Fund, as
21 appropriate.

22 Nothing in this subsection shall be construed to authorize
23 the board to impose a tax upon the privilege of engaging in any
24 business which under the Constitution of the United States may
25 not be made the subject of taxation by the State.

26 (c) Except as otherwise provided in this paragraph, the

1 Department shall immediately pay over to the State Treasurer,
2 ex officio, as trustee, all taxes and penalties collected
3 under this Section to be deposited into the State Metro-East
4 Park and Recreation District Fund, which shall be an
5 unappropriated trust fund held outside of the State treasury.
6 Taxes and penalties collected on aviation fuel sold on or
7 after December 1, 2019 and through December 31, 2020, shall be
8 immediately paid over by the Department to the State
9 Treasurer, ex officio, as trustee, for deposit into the Local
10 Government Aviation Trust Fund. The Department shall only pay
11 moneys into the Local Government Aviation Trust Fund under
12 this Act for so long as the revenue use requirements of 49
13 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
14 District.

15 As soon as possible after the first day of each month,
16 beginning January 1, 2011, upon certification of the
17 Department of Revenue, the Comptroller shall order
18 transferred, and the Treasurer shall transfer, to the STAR
19 Bonds Revenue Fund the local sales tax increment, as defined
20 in the Innovation Development and Economy Act, collected under
21 this Section during the second preceding calendar month for
22 sales within a STAR bond district. The Department shall make
23 this certification only if the Metro East Park and Recreation
24 District imposes a tax on real property as provided in the
25 definition of "local sales taxes" under the Innovation
26 Development and Economy Act.

1 After the monthly transfer to the STAR Bonds Revenue Fund,
2 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 pursuant to Section 35 of
5 this Act to the District from which retailers have paid taxes
6 or penalties to the Department during the second preceding
7 calendar month. The amount to be paid to the District shall be
8 the amount (not including credit memoranda and not including
9 taxes and penalties collected on aviation fuel sold on or
10 after December 1, 2019 and through December 31, 2020)
11 collected under this Section during the second preceding
12 calendar month by the Department plus an amount the Department
13 determines is necessary to offset any amounts that were
14 erroneously paid to a different taxing body, and not including
15 (i) an amount equal to the amount of refunds made during the
16 second preceding calendar month by the Department on behalf of
17 the District, (ii) any amount that the Department determines
18 is necessary to offset any amounts that were payable to a
19 different taxing body but were erroneously paid to the
20 District, (iii) any amounts that are transferred to the STAR
21 Bonds Revenue Fund, and (iv) 1.5% of the remainder, which the
22 Department shall transfer into the Tax Compliance and
23 Administration Fund. The Department, at the time of each
24 monthly disbursement to the District, shall prepare and
25 certify to the State Comptroller the amount to be transferred
26 into the Tax Compliance and Administration Fund under this

1 subsection. Within 10 days after receipt by the Comptroller of
2 the disbursement certification to the District 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 directions contained in
7 the certification.

8 (d) For the purpose of determining whether a tax
9 authorized under this Section is applicable, a retail sale by
10 a producer of coal or another mineral mined in Illinois is a
11 sale at retail at the place where the coal or other mineral
12 mined in Illinois is extracted from the earth. This paragraph
13 does not apply to coal or another mineral when it is delivered
14 or shipped by the seller to the purchaser at a point outside
15 Illinois so that the sale is exempt under the United States
16 Constitution as a sale in interstate or foreign commerce.

17 (e) Nothing in this Section shall be construed to
18 authorize the board to impose a tax upon the privilege of
19 engaging in any business that under the Constitution of the
20 United States may not be made the subject of taxation by this
21 State.

22 (f) An ordinance imposing a tax under this Section or an
23 ordinance extending the imposition of a tax to an additional
24 county or counties shall be certified by the board and filed
25 with the 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 as of the first day of July next
2 following the filing; or (ii) on or before the first day of
3 October, whereupon the Department shall proceed to administer
4 and enforce the tax as of the first day of January next
5 following the filing.

6 (g) When certifying the amount of a monthly disbursement
7 to the District under this Section, the Department shall
8 increase or decrease the amounts by an amount necessary to
9 offset any misallocation of previous disbursements. The offset
10 amount shall be the amount erroneously disbursed within the
11 previous 6 months from the time a misallocation is discovered.

12 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;
13 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-81, eff.
14 7-12-19; 101-604, eff. 12-13-19.)

15 Section 50-60. The Regional Transportation Authority Act
16 is amended by changing Section 4.03 as follows:

17 (70 ILCS 3615/4.03) (from Ch. 111 2/3, par. 704.03)

18 Sec. 4.03. Taxes.

19 (a) In order to carry out any of the powers or purposes of
20 the Authority, the Board may by ordinance adopted with the
21 concurrence of 12 of the then Directors, impose throughout the
22 metropolitan region any or all of the taxes provided in this
23 Section. Except as otherwise provided in this Act, taxes
24 imposed under this Section and civil penalties imposed

1 incident thereto shall be collected and enforced by the State
2 Department of Revenue. The Department shall have the power to
3 administer and enforce the taxes and to determine all rights
4 for refunds for erroneous payments of the taxes. Nothing in
5 Public Act 95-708 is intended to invalidate any taxes
6 currently imposed by the Authority. The increased vote
7 requirements to impose a tax shall only apply to actions taken
8 after January 1, 2008 (the effective date of Public Act
9 95-708).

10 (b) The Board may impose a public transportation tax upon
11 all persons engaged in the metropolitan region in the business
12 of selling at retail motor fuel for operation of motor
13 vehicles upon public highways. The tax shall be at a rate not
14 to exceed 5% of the gross receipts from the sales of motor fuel
15 in the course of the business. As used in this Act, the term
16 "motor fuel" shall have the same meaning as in the Motor Fuel
17 Tax Law. The Board may provide for details of the tax. The
18 provisions of any tax shall conform, as closely as may be
19 practicable, to the provisions of the Municipal Retailers
20 Occupation Tax Act, including without limitation, conformity
21 to penalties with respect to the tax imposed and as to the
22 powers of the State Department of Revenue to promulgate and
23 enforce rules and regulations relating to the administration
24 and enforcement of the provisions of the tax imposed, except
25 that reference in the Act to any municipality shall refer to
26 the Authority and the tax shall be imposed only with regard to

1 receipts from sales of motor fuel in the metropolitan region,
2 at rates as limited by this Section.

3 (c) In connection with the tax imposed under paragraph (b)
4 of this Section, the Board may impose a tax upon the privilege
5 of using in the metropolitan region motor fuel for the
6 operation of a motor vehicle upon public highways, the tax to
7 be at a rate not in excess of the rate of tax imposed under
8 paragraph (b) of this Section. The Board may provide for
9 details of the tax.

10 (d) The Board may impose a motor vehicle parking tax upon
11 the privilege of parking motor vehicles at off-street parking
12 facilities in the metropolitan region at which a fee is
13 charged, and may provide for reasonable classifications in and
14 exemptions to the tax, for administration and enforcement
15 thereof and for civil penalties and refunds thereunder and may
16 provide criminal penalties thereunder, the maximum penalties
17 not to exceed the maximum criminal penalties provided in the
18 Retailers' Occupation Tax Act. The Authority may collect and
19 enforce the tax itself or by contract with any unit of local
20 government. The State Department of Revenue shall have no
21 responsibility for the collection and enforcement unless the
22 Department agrees with the Authority to undertake the
23 collection and enforcement. As used in this paragraph, the
24 term "parking facility" means a parking area or structure
25 having parking spaces for more than 2 vehicles at which motor
26 vehicles are permitted to park in return for an hourly, daily,

1 or other periodic fee, whether publicly or privately owned,
2 but does not include parking spaces on a public street, the use
3 of which is regulated by parking meters.

4 (e) The Board may impose a Regional Transportation
5 Authority Retailers' Occupation Tax upon all persons engaged
6 in the business of selling tangible personal property at
7 retail in the metropolitan region. In Cook County, the tax
8 rate shall be 1.25% of the gross receipts from sales of
9 tangible personal property taxed at the 1% rate under the
10 Retailers' Occupation Tax Act (or at the 0% rate imposed under
11 this amendatory Act of the 102nd General Assembly), and 1% of
12 the gross receipts from other taxable sales made in the course
13 of that business. In DuPage, Kane, Lake, McHenry, and Will
14 counties, the tax rate shall be 0.75% of the gross receipts
15 from all taxable sales made in the course of that business. The
16 rate of tax imposed in DuPage, Kane, Lake, McHenry, and Will
17 counties under this Section on sales of aviation fuel on or
18 after December 1, 2019 shall, however, be 0.25% unless the
19 Regional Transportation Authority in DuPage, Kane, Lake,
20 McHenry, and Will counties has an "airport-related purpose"
21 and the additional 0.50% of the 0.75% tax on aviation fuel is
22 expended for airport-related purposes. If there is no
23 airport-related purpose to which aviation fuel tax revenue is
24 dedicated, then aviation fuel is excluded from the additional
25 0.50% of the 0.75% tax. The tax imposed under this Section and
26 all civil penalties that may be assessed as an incident

1 thereof shall be collected and enforced by the State
2 Department of Revenue. The Department shall have full power to
3 administer and enforce this Section; to collect all taxes and
4 penalties so collected in the manner hereinafter provided; and
5 to determine all rights to credit memoranda arising on account
6 of the erroneous payment of tax or penalty hereunder. In the
7 administration of, and compliance with this Section, the
8 Department and persons who are subject to this Section shall
9 have the same rights, remedies, privileges, immunities,
10 powers, and duties, and be subject to the same conditions,
11 restrictions, limitations, penalties, exclusions, exemptions,
12 and definitions of terms, and employ the same modes of
13 procedure, as are prescribed in Sections 1, 1a, 1a-1, 1c, 1d,
14 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions
15 therein other than the State rate of tax), 2c, 3 (except as to
16 the disposition of taxes and penalties collected, and except
17 that the retailer's discount is not allowed for taxes paid on
18 aviation fuel that are subject to the revenue use requirements
19 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5b, 5c,
20 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9,
21 10, 11, 12, and 13 of the Retailers' Occupation Tax Act and
22 Section 3-7 of the Uniform Penalty and Interest Act, as fully
23 as if those provisions were set forth herein.

24 The Board and DuPage, Kane, Lake, McHenry, and Will
25 counties must comply with the certification requirements for
26 airport-related purposes under Section 2-22 of the Retailers'

1 Occupation Tax Act. For purposes of this Section,
2 "airport-related purposes" has the meaning ascribed in Section
3 6z-20.2 of the State Finance Act. This exclusion for aviation
4 fuel only applies for so long as the revenue use requirements
5 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
6 Authority.

7 Persons subject to any tax imposed under the authority
8 granted in this Section may reimburse themselves for their
9 seller's tax liability hereunder by separately stating the tax
10 as an additional charge, which charge may be stated in
11 combination in a single amount with State taxes that sellers
12 are required to collect under the Use Tax Act, under any
13 bracket schedules the Department may prescribe.

14 Whenever the Department determines that a refund should be
15 made under this Section to a claimant instead of issuing a
16 credit memorandum, the Department shall notify the State
17 Comptroller, who shall cause the warrant to be drawn for the
18 amount specified, and to the person named, in the notification
19 from the Department. The refund shall be paid by the State
20 Treasurer out of the Regional Transportation Authority tax
21 fund established under paragraph (n) of this Section or the
22 Local Government Aviation Trust Fund, as appropriate.

23 If a tax is imposed under this subsection (e), a tax shall
24 also be imposed under subsections (f) and (g) of this Section.

25 For the purpose of determining whether a tax authorized
26 under this Section is applicable, a retail sale by a producer

1 of coal or other 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 paragraph does not apply to
4 coal or other 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 Federal Constitution as a sale in
7 interstate or foreign commerce.

8 No tax shall be imposed or collected under this subsection
9 on the sale of a motor vehicle in this State to a resident of
10 another state if that motor vehicle will not be titled in this
11 State.

12 Nothing in this Section shall be construed to authorize
13 the Regional Transportation Authority to impose a tax upon the
14 privilege of engaging in any business that under the
15 Constitution of the United States may not be made the subject
16 of taxation by this State.

17 (f) If a tax has been imposed under paragraph (e), a
18 Regional Transportation Authority Service Occupation Tax shall
19 also be imposed upon all persons engaged, in the metropolitan
20 region in the business of making sales of service, who as an
21 incident to making the sales of service, transfer tangible
22 personal property within the metropolitan region, either in
23 the form of tangible personal property or in the form of real
24 estate as an incident to a sale of service. In Cook County, the
25 tax rate shall be: (1) 1.25% of the serviceman's cost price of
26 food prepared for immediate consumption and transferred

1 incident to a sale of service subject to the service
2 occupation tax by an entity licensed under the Hospital
3 Licensing Act, the Nursing Home Care Act, the Specialized
4 Mental Health Rehabilitation Act of 2013, the ID/DD Community
5 Care Act, or the MC/DD Act that is located in the metropolitan
6 region; (2) 1.25% of the selling price of tangible personal
7 property taxed at the 1% rate under the Service Occupation Tax
8 Act (or at the 0% rate imposed under this amendatory Act of the
9 102nd General Assembly); and (3) 1% of the selling price from
10 other taxable sales of tangible personal property transferred.
11 In DuPage, Kane, Lake, McHenry, and Will counties, the rate
12 shall be 0.75% of the selling price of all tangible personal
13 property transferred. The rate of tax imposed in DuPage, Kane,
14 Lake, McHenry, and Will counties under this Section on sales
15 of aviation fuel on or after December 1, 2019 shall, however,
16 be 0.25% unless the Regional Transportation Authority in
17 DuPage, Kane, Lake, McHenry, and Will counties has an
18 "airport-related purpose" and the additional 0.50% of the
19 0.75% tax on aviation fuel is expended for airport-related
20 purposes. If there is no airport-related purpose to which
21 aviation fuel tax revenue is dedicated, then aviation fuel is
22 excluded from the additional 0.5% of the 0.75% tax.

23 The Board and DuPage, Kane, Lake, McHenry, and Will
24 counties must comply with the certification requirements for
25 airport-related purposes under Section 2-22 of the Retailers'
26 Occupation Tax Act. For purposes of this Section,

1 "airport-related purposes" has the meaning ascribed in Section
2 6z-20.2 of the State Finance Act. This exclusion for aviation
3 fuel only applies for so long as the revenue use requirements
4 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
5 Authority.

6 The tax imposed under this paragraph and all civil
7 penalties that may be assessed as an incident thereof shall be
8 collected and enforced by the State Department of Revenue. The
9 Department shall have full power to administer and enforce
10 this paragraph; to collect all taxes and penalties due
11 hereunder; to dispose of taxes and penalties collected in the
12 manner hereinafter provided; and to determine all rights to
13 credit memoranda arising on account of the erroneous payment
14 of tax or penalty hereunder. In the administration of and
15 compliance with this paragraph, the Department and persons who
16 are subject to this paragraph 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 1a-1, 2, 2a, 3 through 3-50 (in respect to all
22 provisions therein other than the State rate of tax), 4
23 (except that the reference to the State shall be to the
24 Authority), 5, 7, 8 (except that the jurisdiction to which the
25 tax shall be a debt to the extent indicated in that Section 8
26 shall be the Authority), 9 (except as to the disposition of

1 taxes and penalties collected, and except that the returned
2 merchandise credit for this tax may not be taken against any
3 State tax, and except that the retailer's discount is not
4 allowed for taxes paid on aviation fuel that are subject to the
5 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
6 47133), 10, 11, 12 (except the reference therein to Section 2b
7 of the Retailers' Occupation Tax Act), 13 (except that any
8 reference to the State shall mean the Authority), the first
9 paragraph of Section 15, 16, 17, 18, 19, and 20 of the Service
10 Occupation Tax Act and Section 3-7 of the Uniform Penalty and
11 Interest Act, as fully as if those provisions were set forth
12 herein.

13 Persons subject to any tax imposed under the authority
14 granted in this paragraph may reimburse themselves for their
15 serviceman's tax liability hereunder by separately stating the
16 tax as an additional charge, that charge may be stated in
17 combination in a single amount with State tax that servicemen
18 are authorized to collect under the Service Use Tax Act, under
19 any bracket schedules the Department may prescribe.

20 Whenever the Department determines that a refund should be
21 made under this paragraph to a claimant instead of issuing a
22 credit memorandum, the Department shall notify the State
23 Comptroller, who shall cause the warrant to be drawn for the
24 amount specified, and to the person named in the notification
25 from the Department. The refund shall be paid by the State
26 Treasurer out of the Regional Transportation Authority tax

1 fund established under paragraph (n) of this Section or the
2 Local Government Aviation Trust Fund, as appropriate.

3 Nothing in this paragraph shall be construed to authorize
4 the Authority to impose a tax upon the privilege of engaging in
5 any business that under the Constitution of the United States
6 may not be made the subject of taxation by the State.

7 (g) If a tax has been imposed under paragraph (e), a tax
8 shall also be imposed upon the privilege of using in the
9 metropolitan region, any item of tangible personal property
10 that is purchased outside the metropolitan region at retail
11 from a retailer, and that is titled or registered with an
12 agency of this State's government. In Cook County, the tax
13 rate shall be 1% of the selling price of the tangible personal
14 property, as "selling price" is defined in the Use Tax Act. In
15 DuPage, Kane, Lake, McHenry, and Will counties, the tax rate
16 shall be 0.75% of the selling price of the tangible personal
17 property, as "selling price" is defined in the Use Tax Act. The
18 tax shall be collected from persons whose Illinois address for
19 titling or registration purposes is given as being in the
20 metropolitan region. The tax shall be collected by the
21 Department of Revenue for the Regional Transportation
22 Authority. The tax must be paid to the State, or an exemption
23 determination must be obtained from the Department of Revenue,
24 before the title or certificate of registration for the
25 property may be issued. The tax or proof of exemption may be
26 transmitted to the Department by way of the State agency with

1 which, or the State officer with whom, the tangible personal
2 property must be titled or registered if the Department and
3 the State agency or State officer determine that this
4 procedure will expedite the processing of applications for
5 title or registration.

6 The Department shall have full power to administer and
7 enforce this paragraph; to collect all taxes, penalties, and
8 interest due hereunder; to dispose of taxes, penalties, and
9 interest collected in the manner hereinafter provided; and to
10 determine all rights to credit memoranda or refunds arising on
11 account of the erroneous payment of tax, penalty, or interest
12 hereunder. In the administration of and compliance with this
13 paragraph, the Department and persons who are subject to this
14 paragraph shall have the same rights, remedies, privileges,
15 immunities, powers, and duties, and be subject to the same
16 conditions, restrictions, limitations, penalties, exclusions,
17 exemptions, and definitions of terms and employ the same modes
18 of procedure, as are prescribed in Sections 2 (except the
19 definition of "retailer maintaining a place of business in
20 this State"), 3 through 3-80 (except provisions pertaining to
21 the State rate of tax, and except provisions concerning
22 collection or refunding of the tax by retailers), 4, 11, 12,
23 12a, 14, 15, 19 (except the portions pertaining to claims by
24 retailers and except the last paragraph concerning refunds),
25 20, 21, and 22 of the Use Tax Act, and are not inconsistent
26 with this paragraph, as fully as if those provisions were set

1 forth herein.

2 Whenever the Department determines that a refund should be
3 made under this paragraph to a claimant instead of issuing a
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 the notification
7 from the Department. The refund shall be paid by the State
8 Treasurer out of the Regional Transportation Authority tax
9 fund established under paragraph (n) of this Section.

10 (h) The Authority may impose a replacement vehicle tax of
11 \$50 on any passenger car as defined in Section 1-157 of the
12 Illinois Vehicle Code purchased within the metropolitan region
13 by or on behalf of an insurance company to replace a passenger
14 car of an insured person in settlement of a total loss claim.
15 The tax imposed may not become effective before the first day
16 of the month following the passage of the ordinance imposing
17 the tax and receipt of a certified copy of the ordinance by the
18 Department of Revenue. The Department of Revenue shall collect
19 the tax for the Authority in accordance with Sections 3-2002
20 and 3-2003 of the Illinois Vehicle Code.

21 The Department shall immediately pay over to the State
22 Treasurer, ex officio, as trustee, all taxes collected
23 hereunder.

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 Authority. The
10 amount to be paid to the Authority shall be the amount
11 collected hereunder during the second preceding calendar month
12 by the Department, less any amount determined by the
13 Department to be necessary for the payment of refunds, and
14 less any amounts that are transferred to the STAR Bonds
15 Revenue Fund. Within 10 days after receipt by the Comptroller
16 of the disbursement certification to the Authority provided
17 for in this Section to be given to the Comptroller by the
18 Department, the Comptroller shall cause the orders to be drawn
19 for that amount in accordance with the directions contained in
20 the certification.

21 (i) The Board may not impose any other taxes except as it
22 may from time to time be authorized by law to impose.

23 (j) A certificate of registration issued by the State
24 Department of Revenue to a retailer under the Retailers'
25 Occupation Tax Act or under the Service Occupation Tax Act
26 shall permit the registrant to engage in a business that is

1 taxed under the tax imposed under paragraphs (b), (e), (f) or
2 (g) of this Section and no additional registration shall be
3 required under the tax. A certificate issued under the Use Tax
4 Act or the Service Use Tax Act shall be applicable with regard
5 to any tax imposed under paragraph (c) of this Section.

6 (k) The provisions of any tax imposed under paragraph (c)
7 of this Section shall conform as closely as may be practicable
8 to the provisions of the Use Tax Act, including without
9 limitation conformity as to penalties with respect to the tax
10 imposed and as to the powers of the State Department of Revenue
11 to promulgate and enforce rules and regulations relating to
12 the administration and enforcement of the provisions of the
13 tax imposed. The taxes shall be imposed only on use within the
14 metropolitan region and at rates as provided in the paragraph.

15 (l) The Board in imposing any tax as provided in
16 paragraphs (b) and (c) of this Section, shall, after seeking
17 the advice of the State Department of Revenue, provide means
18 for retailers, users or purchasers of motor fuel for purposes
19 other than those with regard to which the taxes may be imposed
20 as provided in those paragraphs to receive refunds of taxes
21 improperly paid, which provisions may be at variance with the
22 refund provisions as applicable under the Municipal Retailers
23 Occupation Tax Act. The State Department of Revenue may
24 provide for certificates of registration for users or
25 purchasers of motor fuel for purposes other than those with
26 regard to which taxes may be imposed as provided in paragraphs

1 (b) and (c) of this Section to facilitate the reporting and
2 nontaxability of the exempt sales or uses.

3 (m) Any ordinance imposing or discontinuing any tax under
4 this Section shall be adopted and a certified copy thereof
5 filed with the Department on or before June 1, whereupon the
6 Department of Revenue shall proceed to administer and enforce
7 this Section on behalf of the Regional Transportation
8 Authority as of September 1 next following such adoption and
9 filing. Beginning January 1, 1992, an ordinance or resolution
10 imposing or discontinuing the tax hereunder shall be adopted
11 and a certified copy thereof filed with the Department on or
12 before the first day of July, whereupon the Department shall
13 proceed to administer and enforce this Section as of the first
14 day of October next following such adoption and filing.
15 Beginning January 1, 1993, an ordinance or resolution
16 imposing, increasing, decreasing, or discontinuing the tax
17 hereunder shall be adopted and a certified copy thereof filed
18 with the Department, whereupon the Department shall proceed to
19 administer and enforce this Section as of the first day of the
20 first month to occur not less than 60 days following such
21 adoption and filing. Any ordinance or resolution of the
22 Authority imposing a tax under this Section and in effect on
23 August 1, 2007 shall remain in full force and effect and shall
24 be administered by the Department of Revenue under the terms
25 and conditions and rates of tax established by such ordinance
26 or resolution until the Department begins administering and

1 enforcing an increased tax under this Section as authorized by
2 Public Act 95-708. The tax rates authorized by Public Act
3 95-708 are effective only if imposed by ordinance of the
4 Authority.

5 (n) Except as otherwise provided in this subsection (n),
6 the State Department of Revenue shall, upon collecting any
7 taxes as provided in this Section, pay the taxes over to the
8 State Treasurer as trustee for the Authority. The taxes shall
9 be held in a trust fund outside the State Treasury. If an
10 airport-related purpose has been certified, taxes and
11 penalties collected in DuPage, Kane, Lake, McHenry and Will
12 counties on aviation fuel sold on or after December 1, 2019
13 from the 0.50% of the 0.75% rate shall be immediately paid over
14 by the Department to the State Treasurer, ex officio, as
15 trustee, for deposit into the Local Government Aviation Trust
16 Fund. The Department shall only pay moneys into the Local
17 Government Aviation Trust Fund under this Act for so long as
18 the revenue use requirements of 49 U.S.C. 47107(b) and 49
19 U.S.C. 47133 are binding on the Authority. On or before the
20 25th day of each calendar month, the State Department of
21 Revenue shall prepare and certify to the Comptroller of the
22 State of Illinois and to the Authority (i) the amount of taxes
23 collected in each county other than Cook County in the
24 metropolitan region, (not including, if an airport-related
25 purpose has been certified, the taxes and penalties collected
26 from the 0.50% of the 0.75% rate on aviation fuel sold on or

1 after December 1, 2019 that are deposited into the Local
2 Government Aviation Trust Fund) (ii) the amount of taxes
3 collected within the City of Chicago, and (iii) the amount
4 collected in that portion of Cook County outside of Chicago,
5 each amount less the amount necessary for the payment of
6 refunds to taxpayers located in those areas described in items
7 (i), (ii), and (iii), and less 1.5% of the remainder, which
8 shall be transferred from the trust fund into the Tax
9 Compliance and Administration Fund. The Department, at the
10 time of each monthly disbursement to the Authority, shall
11 prepare and certify to the State Comptroller the amount to be
12 transferred into the Tax Compliance and Administration Fund
13 under this subsection. Within 10 days after receipt by the
14 Comptroller of the certification of the amounts, the
15 Comptroller shall cause an order to be drawn for the transfer
16 of the amount certified into the Tax Compliance and
17 Administration Fund and the payment of two-thirds of the
18 amounts certified in item (i) of this subsection to the
19 Authority and one-third of the amounts certified in item (i)
20 of this subsection to the respective counties other than Cook
21 County and the amount certified in items (ii) and (iii) of this
22 subsection to the Authority.

23 In addition to the disbursement required by the preceding
24 paragraph, an allocation shall be made in July 1991 and each
25 year thereafter to the Regional Transportation Authority. The
26 allocation shall be made in an amount equal to the average

1 monthly distribution during the preceding calendar year
2 (excluding the 2 months of lowest receipts) and the allocation
3 shall include the amount of average monthly distribution from
4 the Regional Transportation Authority Occupation and Use Tax
5 Replacement Fund. The distribution made in July 1992 and each
6 year thereafter under this paragraph and the preceding
7 paragraph shall be reduced by the amount allocated and
8 disbursed under this paragraph in the preceding calendar year.
9 The Department of Revenue shall prepare and certify to the
10 Comptroller for disbursement the allocations made in
11 accordance with this paragraph.

12 (o) Failure to adopt a budget ordinance or otherwise to
13 comply with Section 4.01 of this Act or to adopt a Five-year
14 Capital Program or otherwise to comply with paragraph (b) of
15 Section 2.01 of this Act shall not affect the validity of any
16 tax imposed by the Authority otherwise in conformity with law.

17 (p) At no time shall a public transportation tax or motor
18 vehicle parking tax authorized under paragraphs (b), (c), and
19 (d) of this Section be in effect at the same time as any
20 retailers' occupation, use or service occupation tax
21 authorized under paragraphs (e), (f), and (g) of this Section
22 is in effect.

23 Any taxes imposed under the authority provided in
24 paragraphs (b), (c), and (d) shall remain in effect only until
25 the time as any tax authorized by paragraph (e), (f), or (g) of
26 this Section are imposed and becomes effective. Once any tax

1 authorized by paragraph (e), (f), or (g) is imposed the Board
2 may not reimpose taxes as authorized in paragraphs (b), (c),
3 and (d) of the Section unless any tax authorized by paragraph
4 (e), (f), or (g) of this Section becomes ineffective by means
5 other than an ordinance of the Board.

6 (q) Any existing rights, remedies and obligations
7 (including enforcement by the Regional Transportation
8 Authority) arising under any tax imposed under paragraph (b),
9 (c), or (d) of this Section shall not be affected by the
10 imposition of a tax under paragraph (e), (f), or (g) of this
11 Section.

12 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;
13 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-81, eff.
14 7-12-19; 101-604, eff. 12-13-19.)

15 ARTICLE 55. TRANSFERS FROM THE GENERAL REVENUE FUND

16 Section 55-5. The State Finance Act is amended by adding
17 Section 8g-2 as follows:

18 (30 ILCS 105/8g-2 new)

19 Sec. 8g-2. Transfers to the Local Government Distributive
20 Fund. In recognition of the one-time inflationary pressures
21 faced by local governments in fiscal year 2022, in addition to
22 any other transfers that may be provided for by law, on the
23 effective date of this amendatory Act of the 102nd General

1 Assembly, or as soon thereafter as practical, but no later
2 than June 30, 2022, the State Comptroller shall direct and the
3 State Treasurer shall transfer the sum of \$100,000,000 from
4 the General Revenue Fund to the Local Government Distributive
5 Fund.

6 ARTICLE 60. MOTOR FUEL

7 Section 60-3. The State Finance Act is amended by changing
8 Section 6z-108 as follows:

9 (30 ILCS 105/6z-108)

10 Sec. 6z-108. Transportation Renewal Fund.

11 (a) The Transportation Renewal Fund is created as a
12 special fund in the State treasury and shall receive Motor
13 Fuel Tax revenues as directed by Sections 2a and ~~Section~~ 8b of
14 the Motor Fuel Tax Law.

15 (b) Money in the Transportation Renewal Fund shall be used
16 exclusively for transportation-related purposes as described
17 in Section 11 of Article IX of the Illinois Constitution of
18 1970.

19 (Source: P.A. 101-30, eff. 6-28-19.)

20 Section 60-5. The Motor Fuel Tax Law is amended by
21 changing Sections 2, 8a, and 17 as follows:

1 (35 ILCS 505/2) (from Ch. 120, par. 418)

2 Sec. 2. A tax is imposed on the privilege of operating
3 motor vehicles upon the public highways and recreational-type
4 watercraft upon the waters of this State.

5 (a) Prior to August 1, 1989, the tax is imposed at the rate
6 of 13 cents per gallon on all motor fuel used in motor vehicles
7 operating on the public highways and recreational type
8 watercraft operating upon the waters of this State. Beginning
9 on August 1, 1989 and until January 1, 1990, the rate of the
10 tax imposed in this paragraph shall be 16 cents per gallon.
11 Beginning January 1, 1990 and until July 1, 2019, the rate of
12 tax imposed in this paragraph, including the tax on compressed
13 natural gas, shall be 19 cents per gallon. Beginning July 1,
14 2019 and until July 1, 2020, the rate of tax imposed in this
15 paragraph shall be 38 cents per gallon. Beginning July 1, 2020
16 and until July 1, 2021, the rate of tax imposed in this
17 paragraph shall be 38.7 cents per gallon. Beginning July 1,
18 2021 and until January 1, 2023, the rate of tax imposed in this
19 paragraph shall be 39.2 cents per gallon. On January 1, 2023,
20 the rate of tax imposed in this paragraph shall be increased by
21 an amount equal to the percentage increase, if any, in the
22 Consumer Price Index for All Urban Consumers for all items
23 published by the United States Department of Labor for the 12
24 months ending in September of 2022. On July 1, 2023, and on
25 July 1 of each subsequent year, the rate of tax imposed in this
26 paragraph shall be ~~and increased on July 1 of each subsequent~~

1 ~~year~~ by an amount equal to the percentage increase, if any, in
2 the Consumer Price Index for All Urban Consumers for all items
3 published by the United States Department of Labor for the 12
4 months ending in March of the year in which the increase takes
5 place ~~each year~~. The rate shall be rounded to the nearest
6 one-tenth of one cent.

7 (a-5) Beginning on July 1, 2022 and through December 31,
8 2022, each retailer of motor fuel shall cause the following
9 notice to be posted in a prominently visible place on each
10 retail dispensing device that is used to dispense motor fuel
11 in the State of Illinois: "As of July 1, 2022, the State of
12 Illinois has suspended the inflation adjustment to the motor
13 fuel tax through December 31, 2022. The price on this pump
14 should reflect the suspension of the tax increase." The notice
15 shall be printed in bold print on a sign that is no smaller
16 than 4 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, 2022 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 (b) Until July 1, 2019, the tax on the privilege of
22 operating motor vehicles which use diesel fuel, liquefied
23 natural gas, or propane shall be the rate according to
24 paragraph (a) plus an additional 2 1/2 cents per gallon.
25 Beginning July 1, 2019, the tax on the privilege of operating
26 motor vehicles which use diesel fuel, liquefied natural gas,

1 or propane shall be the rate according to subsection (a) plus
2 an additional 7.5 cents per gallon. "Diesel fuel" is defined
3 as any product intended for use or offered for sale as a fuel
4 for engines in which the fuel is injected into the combustion
5 chamber and ignited by pressure without electric spark.

6 (c) A tax is imposed upon the privilege of engaging in the
7 business of selling motor fuel as a retailer or reseller on all
8 motor fuel used in motor vehicles operating on the public
9 highways and recreational type watercraft operating upon the
10 waters of this State: (1) at the rate of 3 cents per gallon on
11 motor fuel owned or possessed by such retailer or reseller at
12 12:01 a.m. on August 1, 1989; and (2) at the rate of 3 cents
13 per gallon on motor fuel owned or possessed by such retailer or
14 reseller at 12:01 A.M. on January 1, 1990.

15 Retailers and resellers who are subject to this additional
16 tax shall be required to inventory such motor fuel and pay this
17 additional tax in a manner prescribed by the Department of
18 Revenue.

19 The tax imposed in this paragraph (c) shall be in addition
20 to all other taxes imposed by the State of Illinois or any unit
21 of local government in this State.

22 (d) Except as provided in Section 2a, the collection of a
23 tax based on gallonage of gasoline used for the propulsion of
24 any aircraft is prohibited on and after October 1, 1979, and
25 the collection of a tax based on gallonage of special fuel used
26 for the propulsion of any aircraft is prohibited on and after

1 December 1, 2019.

2 (e) The collection of a tax, based on gallonage of all
3 products commonly or commercially known or sold as 1-K
4 kerosene, regardless of its classification or uses, is
5 prohibited (i) on and after July 1, 1992 until December 31,
6 1999, except when the 1-K kerosene is either: (1) delivered
7 into bulk storage facilities of a bulk user, or (2) delivered
8 directly into the fuel supply tanks of motor vehicles and (ii)
9 on and after January 1, 2000. Beginning on January 1, 2000, the
10 collection of a tax, based on gallonage of all products
11 commonly or commercially known or sold as 1-K kerosene,
12 regardless of its classification or uses, is prohibited except
13 when the 1-K kerosene is delivered directly into a storage
14 tank that is located at a facility that has withdrawal
15 facilities that are readily accessible to and are capable of
16 dispensing 1-K kerosene into the fuel supply tanks of motor
17 vehicles. For purposes of this subsection (e), a facility is
18 considered to have withdrawal facilities that are not "readily
19 accessible to and capable of dispensing 1-K kerosene into the
20 fuel supply tanks of motor vehicles" only if the 1-K kerosene
21 is delivered from: (i) a dispenser hose that is short enough so
22 that it will not reach the fuel supply tank of a motor vehicle
23 or (ii) a dispenser that is enclosed by a fence or other
24 physical barrier so that a vehicle cannot pull alongside the
25 dispenser to permit fueling.

26 Any person who sells or uses 1-K kerosene for use in motor

1 vehicles upon which the tax imposed by this Law has not been
2 paid shall be liable for any tax due on the sales or use of 1-K
3 kerosene.

4 (Source: P.A. 100-9, eff. 7-1-17; 101-10, eff. 6-5-19; 101-32,
5 eff. 6-28-19; 101-604, eff. 12-13-19.)

6 (35 ILCS 505/8a) (from Ch. 120, par. 424a)

7 Sec. 8a. Deposit of proceeds. Until July 1, 2022 and
8 beginning again on July 1, 2023, all ~~All~~ money received by the
9 Department under Section 2a of this Act, except money received
10 from taxes on aviation fuel sold or used on or after December
11 1, 2019 and through December 31, 2020, shall be deposited in
12 the Underground Storage Tank Fund ~~created by Section 57.11 of~~
13 ~~the Environmental Protection Act, as now or hereafter amended.~~
14 All money received by the Department under Section 2a of this
15 Act for aviation fuel sold or used on or after December 1,
16 2019, shall be deposited into the State Aviation Program Fund.
17 This exception for aviation fuel only applies for so long as
18 the revenue use requirements of 49 U.S.C. 47107(b) and 49
19 U.S.C. 47133 are binding on the State. For purposes of this
20 Section, "aviation fuel" means jet fuel and aviation gasoline.
21 Beginning on July 1, 2022 and through June 30, 2023, all money
22 received by the Department under Section 2a shall be deposited
23 in the Transportation Renewal Fund.

24 (Source: P.A. 101-10, eff. 6-5-19; 101-604, eff. 12-13-19.)

1 (35 ILCS 505/17) (from Ch. 120, par. 433)

2 Sec. 17. It is the purpose of Sections 2 and 13a of this
3 Act to impose a tax upon the privilege of operating each motor
4 vehicle as defined in this Act upon the public highways and the
5 waters of this State, such tax to be based upon the consumption
6 of motor fuel in such motor vehicle, so far as the same may be
7 done, under the Constitution and statutes of the United
8 States, and the Constitution of the State of Illinois. It is
9 the purpose of Section 2a of this Act to impose a tax upon the
10 privilege of importing or receiving in this State fuel for
11 sale or use, such tax to be used to fund the Underground
12 Storage Tank Fund or the Transportation Renewal Fund. If any
13 of the provisions of this Act include transactions which are
14 not taxable or are in any other respect unconstitutional, it
15 is the intent of the General Assembly that, so far as possible,
16 the remaining provisions of the Act be given effect.

17 (Source: P.A. 86-125.)

18 Section 60-10. The Environmental Impact Fee Law is amended
19 by changing Section 320 as follows:

20 (415 ILCS 125/320)

21 (Section scheduled to be repealed on January 1, 2025)

22 Sec. 320. Deposit of fee receipts. Except as otherwise
23 provided in this paragraph, all money received by the
24 Department under this Law shall be deposited in the

1 Underground Storage Tank Fund ~~created by Section 57.11 of the~~
2 ~~Environmental Protection Act~~. All money received for aviation
3 fuel by the Department under this Law on or after December 1,
4 2019 and ending with returns due on January 20, 2021, shall be
5 immediately paid over by the Department to the State Aviation
6 Program Fund. The Department shall only pay such moneys into
7 the State Aviation Program Fund under this Act for so long as
8 the revenue use requirements of 49 U.S.C. 47107(b) and 49
9 U.S.C. 47133 are binding on the State. For purposes of this
10 Section, "aviation fuel" means jet fuel and aviation gasoline.
11 Beginning July 1, 2022 and through June 30, 2023, all money
12 received by the Department under this Law shall be deposited
13 into the Transportation Renewal Fund.

14 (Source: P.A. 101-10, eff. 6-5-19; 101-604, eff. 12-13-19.)

15 ARTICLE 65. BREAST PUMPS

16 Section 65-5. The Use Tax Act is amended by changing
17 Section 3-5 as follows:

18 (35 ILCS 105/3-5)

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

21 (1) Personal property purchased from a corporation,
22 society, association, foundation, institution, or
23 organization, other than a limited liability company, that is

1 organized and operated as a not-for-profit service enterprise
2 for the benefit of persons 65 years of age or older if the
3 personal property was not purchased by the enterprise for the
4 purpose of resale by the enterprise.

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

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

23 (4) Personal property purchased by a governmental body, by
24 a corporation, society, association, foundation, or
25 institution organized and operated exclusively for charitable,
26 religious, or educational purposes, or by a not-for-profit

1 corporation, society, association, foundation, institution, or
2 organization that has no compensated officers or employees and
3 that is organized and operated primarily for the recreation of
4 persons 55 years of age or older. A limited liability company
5 may qualify for the exemption under this paragraph only if the
6 limited liability company is organized and operated
7 exclusively for educational purposes. On and after July 1,
8 1987, however, no entity otherwise eligible for this exemption
9 shall make tax-free purchases unless it has an active
10 exemption identification number issued by the Department.

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

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

1 (7) Farm chemicals.

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

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

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

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

1 tanks and dry boxes shall include units sold separately from a
2 motor vehicle required to be licensed and units sold mounted
3 on a motor vehicle required to be licensed if the selling price
4 of the tender is separately stated.

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

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

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

1 domestic stopovers.

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

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

20 (14) 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 (15) Photoprocessing machinery and equipment, including
5 repair and replacement parts, both new and used, including
6 that manufactured on special order, certified by the purchaser
7 to be used primarily for photoprocessing, and including
8 photoprocessing machinery and equipment purchased for lease.

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

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

26 (18) Manufacturing and assembling machinery and equipment

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

26 (19) Personal property delivered to a purchaser or

1 purchaser's donee inside Illinois when the purchase order for
2 that personal property was received by a florist located
3 outside Illinois who has a florist located inside Illinois
4 deliver the personal property.

5 (20) Semen used for artificial insemination of livestock
6 for direct agricultural production.

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

18 (22) Computers and communications equipment utilized for
19 any hospital purpose and equipment used in the diagnosis,
20 analysis, or treatment of hospital patients purchased by a
21 lessor who leases the equipment, under a lease of one year or
22 longer executed or in effect at the time the lessor would
23 otherwise be subject to the tax imposed by this Act, to a
24 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 non-exempt 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 non-qualifying 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.

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

1 attempt to collect an amount (however designated) that
2 purports to reimburse that lessor for the tax imposed by this
3 Act or the Service Use Tax Act, as the case may be, if the tax
4 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.

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

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

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

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

11 (27) A motor vehicle, as that term is defined in Section
12 1-146 of the Illinois Vehicle Code, that is donated to a
13 corporation, limited liability company, society, association,
14 foundation, or institution that is determined by the
15 Department to be organized and operated exclusively for
16 educational purposes. For purposes of this exemption, "a
17 corporation, limited liability company, society, association,
18 foundation, or institution organized and operated exclusively
19 for educational purposes" means all tax-supported public
20 schools, private schools that offer systematic instruction in
21 useful branches of learning by methods common to public
22 schools and that compare favorably in their scope and
23 intensity with the course of study presented in tax-supported
24 schools, and vocational or technical schools or institutes
25 organized and operated exclusively to provide a course of
26 study of 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 (28) Beginning January 1, 2000, personal property,
5 including food, purchased through fundraising events for the
6 benefit of a public or private elementary or secondary school,
7 a group of those schools, or one or more school districts if
8 the events are sponsored by an entity recognized by the school
9 district that consists primarily of volunteers and includes
10 parents and teachers of the school children. This paragraph
11 does not apply to fundraising events (i) for the benefit of
12 private home instruction or (ii) for which the fundraising
13 entity purchases the personal property sold at the events from
14 another individual or entity that sold the property for the
15 purpose of resale by the fundraising entity and that profits
16 from the sale to the fundraising entity. This paragraph is
17 exempt from the provisions of Section 3-90.

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

1 paragraph is exempt from the provisions of Section 3-90.

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

15 (31) Beginning on August 2, 2001 (the effective date of
16 Public Act 92-227), computers and communications equipment
17 utilized for any hospital purpose and equipment used in the
18 diagnosis, analysis, or treatment of hospital patients
19 purchased by a lessor who leases the equipment, under a lease
20 of one year or longer executed or in effect at the time the
21 lessor would otherwise be subject to the tax imposed by this
22 Act, to a hospital that has been issued an active tax exemption
23 identification number by the Department under Section 1g of
24 the Retailers' Occupation Tax Act. If the equipment is leased
25 in a manner that does not qualify for this exemption or is used
26 in any other nonexempt manner, the lessor shall be liable for

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

14 (32) Beginning on August 2, 2001 (the effective date of
15 Public Act 92-227), personal property purchased by a lessor
16 who leases the property, under a lease of one year or longer
17 executed or in effect at the time the lessor would otherwise be
18 subject to the tax imposed by this Act, to a governmental body
19 that has been issued an active sales tax exemption
20 identification number by the Department under Section 1g of
21 the Retailers' Occupation Tax Act. If the property is leased
22 in a manner that does not qualify for this exemption or used in
23 any other nonexempt manner, the lessor shall be liable for the
24 tax imposed under this Act or the Service Use Tax Act, as the
25 case may be, based on the fair market value of the property at
26 the time the nonqualifying use occurs. No lessor shall collect

1 or attempt to collect an amount (however designated) that
2 purports to reimburse that lessor for the tax imposed by this
3 Act or the Service Use Tax Act, as the case may be, if the tax
4 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 (33) On and after July 1, 2003 and through June 30, 2004,
12 the use in this State of motor vehicles of the second division
13 with a gross vehicle weight in excess of 8,000 pounds and that
14 are subject to the commercial distribution fee imposed under
15 Section 3-815.1 of the Illinois Vehicle Code. Beginning on
16 July 1, 2004 and through June 30, 2005, the use in this State
17 of motor vehicles of the second division: (i) with a gross
18 vehicle weight rating in excess of 8,000 pounds; (ii) that are
19 subject to the commercial distribution fee imposed under
20 Section 3-815.1 of the Illinois Vehicle Code; and (iii) that
21 are primarily used for commercial purposes. Through June 30,
22 2005, this exemption applies to repair and replacement parts
23 added after the initial purchase of such a motor vehicle if
24 that motor vehicle is used in a manner that would qualify for
25 the rolling stock exemption otherwise provided for in this
26 Act. For purposes of this paragraph, the term "used for

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

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

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

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

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

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

8 (37) Beginning January 1, 2017 and through December 31,
9 2026, menstrual pads, tampons, and menstrual cups.

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

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

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

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

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

14 For the purposes of this item (40):

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

19 "Qualified tangible personal property" means:
20 electrical systems and equipment; climate control and
21 chilling equipment and systems; mechanical systems and
22 equipment; monitoring and secure systems; emergency
23 generators; hardware; computers; servers; data storage
24 devices; network connectivity equipment; racks; cabinets;
25 telecommunications cabling infrastructure; raised floor
26 systems; peripheral components or systems; software;

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

20 This item (40) is exempt from the provisions of Section
21 3-90.

22 (41) Beginning July 1, 2022, breast pumps, breast pump
23 collection and storage supplies, and breast pump kits. This
24 item (41) is exempt from the provisions of Section 3-90. As
25 used in this item (41):

26 "Breast pump" means an electrically controlled or

1 manually controlled pump device designed or marketed to be
2 used to express milk from a human breast during lactation,
3 including the pump device and any battery, AC adapter, or
4 other power supply unit that is used to power the pump
5 device and is packaged and sold with the pump device at the
6 time of sale.

7 "Breast pump collection and storage supplies" means
8 items of tangible personal property designed or marketed
9 to be used in conjunction with a breast pump to collect
10 milk expressed from a human breast and to store collected
11 milk until it is ready for consumption.

12 "Breast pump collection and storage supplies"
13 includes, but is not limited to: breast shields and breast
14 shield connectors; breast pump tubes and tubing adapters;
15 breast pump valves and membranes; backflow protectors and
16 backflow protector adaptors; bottles and bottle caps
17 specific to the operation of the breast pump; and breast
18 milk storage bags.

19 "Breast pump collection and storage supplies" does not
20 include: (1) bottles and bottle caps not specific to the
21 operation of the breast pump; (2) breast pump travel bags
22 and other similar carrying accessories, including ice
23 packs, labels, and other similar products; (3) breast pump
24 cleaning supplies; (4) nursing bras, bra pads, breast
25 shells, and other similar products; and (5) creams,
26 ointments, and other similar products that relieve

1 breastfeeding-related symptoms or conditions of the
2 breasts or nipples, unless sold as part of a breast pump
3 kit that is pre-packaged by the breast pump manufacturer
4 or distributor.

5 "Breast pump kit" means a kit that: (1) contains no
6 more than a breast pump, breast pump collection and
7 storage supplies, a rechargeable battery for operating the
8 breast pump, a breastmilk cooler, bottle stands, ice
9 packs, and a breast pump carrying case; and (2) is
10 pre-packaged as a breast pump kit by the breast pump
11 manufacturer or distributor.

12 (Source: P.A. 101-9, eff. 6-5-19; 101-31, eff. 6-28-19;
13 101-81, eff. 7-12-19; 101-629, eff. 2-5-20; 102-16, eff.
14 6-17-21.)

15 Section 65-10. The Service Use Tax Act is amended by
16 changing Section 3-5 as follows:

17 (35 ILCS 110/3-5)

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

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

1 personal property was not purchased by the enterprise for the
2 purpose of resale by the enterprise.

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

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

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

25 (5) Until July 1, 2003 and beginning again on September 1,
26 2004 through August 30, 2014, graphic arts machinery and

1 equipment, including repair and replacement parts, both new
2 and used, and including that manufactured on special order or
3 purchased for lease, certified by the purchaser to be used
4 primarily for graphic arts production. Equipment includes
5 chemicals or chemicals acting as catalysts but only if the
6 chemicals or chemicals acting as catalysts effect a direct and
7 immediate change upon a graphic arts product. Beginning on
8 July 1, 2017, graphic arts machinery and equipment is included
9 in the manufacturing and assembling machinery and equipment
10 exemption under Section 2 of this Act.

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

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

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

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

15 Farm machinery and equipment also includes computers,
16 sensors, software, and related equipment used primarily in the
17 computer-assisted operation of production agriculture
18 facilities, equipment, and activities such as, but not limited
19 to, the collection, monitoring, and correlation of animal and
20 crop data for the purpose of formulating animal diets and
21 agricultural chemicals. This item (7) is exempt from the
22 provisions of Section 3-75.

23 (8) Until June 30, 2013, fuel and petroleum products sold
24 to or used by an air common carrier, certified by the carrier
25 to be used for consumption, shipment, or storage in the
26 conduct of its business as an air common carrier, for a flight

1 destined for or returning from a location or locations outside
2 the United States without regard to previous or subsequent
3 domestic stopovers.

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

14 (9) Proceeds of mandatory service charges separately
15 stated on customers' bills for the purchase and consumption of
16 food and beverages acquired as an incident to the purchase of a
17 service from a serviceman, to the extent that the proceeds of
18 the service charge are in fact turned over as tips or as a
19 substitute for tips to the employees who participate directly
20 in preparing, serving, hosting or cleaning up the food or
21 beverage function with respect to which the service charge is
22 imposed.

23 (10) Until July 1, 2003, oil field exploration, drilling,
24 and production equipment, including (i) rigs and parts of
25 rigs, rotary rigs, cable tool rigs, and workover rigs, (ii)
26 pipe and tubular goods, including casing and drill strings,

1 (iii) pumps and pump-jack units, (iv) storage tanks and flow
2 lines, (v) any individual replacement part for oil field
3 exploration, drilling, and production equipment, and (vi)
4 machinery and equipment purchased for lease; but excluding
5 motor vehicles required to be registered under the Illinois
6 Vehicle Code.

7 (11) Proceeds from the sale of photoprocessing machinery
8 and equipment, including repair and replacement parts, both
9 new and used, including that manufactured on special order,
10 certified by the purchaser to be used primarily for
11 photoprocessing, and including photoprocessing machinery and
12 equipment purchased for lease.

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

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

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

1 meeting the requirements of any of the Arabian Horse Club
2 Registry of America, Appaloosa Horse Club, American Quarter
3 Horse Association, United States Trotting Association, or
4 Jockey Club, as appropriate, used for purposes of breeding or
5 racing for prizes. This item (14) is exempt from the
6 provisions of Section 3-75, and the exemption provided for
7 under this item (14) applies for all periods beginning May 30,
8 1995, but no claim for credit or refund is allowed on or after
9 January 1, 2008 (the effective date of Public Act 95-88) for
10 such taxes paid during the period beginning May 30, 2000 and
11 ending on January 1, 2008 (the effective date of Public Act
12 95-88).

13 (15) Computers and communications equipment utilized for
14 any hospital purpose and equipment used in the diagnosis,
15 analysis, or treatment of hospital patients purchased by a
16 lessor who leases the equipment, under a lease of one year or
17 longer executed or in effect at the time the lessor would
18 otherwise be subject to the tax imposed by this Act, 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. If the equipment is leased
22 in a manner that does not qualify for this exemption or is used
23 in any other non-exempt manner, the lessor shall be liable for
24 the tax imposed under this Act or the Use Tax Act, as the case
25 may be, based on the fair market value of the property at the
26 time the non-qualifying use occurs. No lessor shall collect or

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

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

1 refund of that amount from the lessor. If, however, that
2 amount is not refunded to the lessee for any reason, the lessor
3 is liable to pay that amount to the Department.

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

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

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

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

24 (21) Beginning January 1, 2000, personal property,
25 including food, purchased through fundraising events for the
26 benefit of a public or private elementary or secondary school,

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

12 (22) Beginning January 1, 2000 and through December 31,
13 2001, new or used automatic vending machines that prepare and
14 serve hot food and beverages, including coffee, soup, and
15 other items, and replacement parts for these machines.
16 Beginning January 1, 2002 and through June 30, 2003, machines
17 and parts for machines used in commercial, coin-operated
18 amusement and vending business if a use or occupation tax is
19 paid on the gross receipts derived from the use of the
20 commercial, coin-operated amusement and vending machines. This
21 paragraph is exempt from the provisions of Section 3-75.

22 (23) Beginning August 23, 2001 and through June 30, 2016,
23 food for human consumption that is to be consumed off the
24 premises where it is sold (other than alcoholic beverages,
25 soft drinks, and food that has been prepared for immediate
26 consumption) and prescription and nonprescription medicines,

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

9 (24) Beginning on August 2, 2001 (the effective date of
10 Public Act 92-227), computers and communications equipment
11 utilized for any hospital purpose and equipment used in the
12 diagnosis, analysis, or treatment of hospital patients
13 purchased by a lessor who leases the equipment, under a lease
14 of one year or longer executed or in effect at the time the
15 lessor would otherwise be subject to the tax imposed by this
16 Act, to a 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 nonexempt 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 nonqualifying 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. This paragraph is exempt from the provisions of
7 Section 3-75.

8 (25) Beginning on August 2, 2001 (the effective date of
9 Public Act 92-227), personal property purchased by a lessor
10 who leases the property, under a lease of one year or longer
11 executed or in effect at the time the lessor would otherwise be
12 subject to the tax imposed by this Act, to a governmental body
13 that has been issued an active tax exemption identification
14 number by the Department under Section 1g of the Retailers'
15 Occupation Tax Act. If the property is leased in a manner that
16 does not qualify for this exemption or is used in any other
17 nonexempt manner, the lessor shall be liable for the tax
18 imposed under this Act or the Use Tax Act, as the case may be,
19 based on the fair market value of the property at the time the
20 nonqualifying use occurs. No lessor shall collect or attempt
21 to collect an amount (however designated) that purports to
22 reimburse that lessor for the tax imposed by this Act or the
23 Use Tax Act, as the case may be, if the tax has not been paid
24 by the lessor. If a lessor improperly collects any such amount
25 from the lessee, the lessee shall have a legal right to claim a
26 refund of that amount from the lessor. If, however, that

1 amount is not refunded to the lessee for any reason, the lessor
2 is liable to pay that amount to the Department. This paragraph
3 is exempt from the provisions of Section 3-75.

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

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

1 personal property transferred incident to the modification,
2 refurbishment, completion, replacement, repair, or maintenance
3 of aircraft by persons who (i) hold an Air Agency Certificate
4 and are empowered to operate an approved repair station by the
5 Federal Aviation Administration, (ii) have a Class IV Rating,
6 and (iii) conduct operations in accordance with Part 145 of
7 the Federal Aviation Regulations. The exemption does not
8 include aircraft operated by a commercial air carrier
9 providing scheduled passenger air service pursuant to
10 authority issued under Part 121 or Part 129 of the Federal
11 Aviation Regulations. The changes made to this paragraph (27)
12 by Public Act 98-534 are declarative of existing law. It is the
13 intent of the General Assembly that the exemption under this
14 paragraph (27) applies continuously from January 1, 2010
15 through December 31, 2024; however, no claim for credit or
16 refund is allowed for taxes paid as a result of the
17 disallowance of this exemption on or after January 1, 2015 and
18 prior to the effective date of this amendatory Act of the 101st
19 General Assembly.

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

1 of the completion of the municipal convention hall or upon the
2 retirement or redemption of any bonds or other debt
3 instruments issued by the public-facilities corporation in
4 connection with the development of the municipal convention
5 hall. This exemption includes existing public-facilities
6 corporations as provided in Section 11-65-25 of the Illinois
7 Municipal Code. This paragraph is exempt from the provisions
8 of Section 3-75.

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

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

15 (31) Qualified tangible personal property used in the
16 construction or operation of a data center that has been
17 granted a certificate of exemption by the Department of
18 Commerce and Economic Opportunity, whether that tangible
19 personal property is purchased by the owner, operator, or
20 tenant of the data center or by a contractor or subcontractor
21 of the owner, operator, or tenant. Data centers that would
22 have qualified for a certificate of exemption prior to January
23 1, 2020 had this amendatory Act of the 101st General Assembly
24 been in effect, may apply for and obtain an exemption for
25 subsequent purchases of computer equipment or enabling
26 software purchased or leased to upgrade, supplement, or

1 replace computer equipment or enabling software purchased or
2 leased in the original investment that would have qualified.

3 The Department of Commerce and Economic Opportunity shall
4 grant a certificate of exemption under this item (31) to
5 qualified data centers as defined by Section 605-1025 of the
6 Department of Commerce and Economic Opportunity Law of the
7 Civil Administrative Code of Illinois.

8 For the purposes of this item (31):

9 "Data center" means a building or a series of
10 buildings rehabilitated or constructed to house working
11 servers in one physical location or multiple sites within
12 the State of Illinois.

13 "Qualified tangible personal property" means:
14 electrical systems and equipment; climate control and
15 chilling equipment and systems; mechanical systems and
16 equipment; monitoring and secure systems; emergency
17 generators; hardware; computers; servers; data storage
18 devices; network connectivity equipment; racks; cabinets;
19 telecommunications cabling infrastructure; raised floor
20 systems; peripheral components or systems; software;
21 mechanical, electrical, or plumbing systems; battery
22 systems; cooling systems and towers; temperature control
23 systems; other cabling; and other data center
24 infrastructure equipment and systems necessary to operate
25 qualified tangible personal property, including fixtures;
26 and component parts of any of the foregoing, including

1 installation, maintenance, repair, refurbishment, and
2 replacement of qualified tangible personal property to
3 generate, transform, transmit, distribute, or manage
4 electricity necessary to operate qualified tangible
5 personal property; and all other tangible personal
6 property that is essential to the operations of a computer
7 data center. The term "qualified tangible personal
8 property" also includes building materials physically
9 incorporated in to the qualifying data center. To document
10 the exemption allowed under this Section, the retailer
11 must obtain from the purchaser a copy of the certificate
12 of eligibility issued by the Department of Commerce and
13 Economic Opportunity.

14 This item (31) is exempt from the provisions of Section
15 3-75.

16 (32) Beginning July 1, 2022, breast pumps, breast pump
17 collection and storage supplies, and breast pump kits. This
18 item (32) is exempt from the provisions of Section 3-75. As
19 used in this item (32):

20 "Breast pump" means an electrically controlled or
21 manually controlled pump device designed or marketed to be
22 used to express milk from a human breast during lactation,
23 including the pump device and any battery, AC adapter, or
24 other power supply unit that is used to power the pump
25 device and is packaged and sold with the pump device at the
26 time of sale.

1 "Breast pump collection and storage supplies" means
2 items of tangible personal property designed or marketed
3 to be used in conjunction with a breast pump to collect
4 milk expressed from a human breast and to store collected
5 milk until it is ready for consumption.

6 "Breast pump collection and storage supplies"
7 includes, but is not limited to: breast shields and breast
8 shield connectors; breast pump tubes and tubing adapters;
9 breast pump valves and membranes; backflow protectors and
10 backflow protector adaptors; bottles and bottle caps
11 specific to the operation of the breast pump; and breast
12 milk storage bags.

13 "Breast pump collection and storage supplies" does not
14 include: (1) bottles and bottle caps not specific to the
15 operation of the breast pump; (2) breast pump travel bags
16 and other similar carrying accessories, including ice
17 packs, labels, and other similar products; (3) breast pump
18 cleaning supplies; (4) nursing bras, bra pads, breast
19 shells, and other similar products; and (5) creams,
20 ointments, and other similar products that relieve
21 breastfeeding-related symptoms or conditions of the
22 breasts or nipples, unless sold as part of a breast pump
23 kit that is pre-packaged by the breast pump manufacturer
24 or distributor.

25 "Breast pump kit" means a kit that: (1) contains no
26 more than a breast pump, breast pump collection and

1 storage supplies, a rechargeable battery for operating the
2 breast pump, a breastmilk cooler, bottle stands, ice
3 packs, and a breast pump carrying case; and (2) is
4 pre-packaged as a breast pump kit by the breast pump
5 manufacturer or distributor.

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

8 Section 65-15. The Service Occupation Tax Act is amended
9 by changing Section 3-5 as follows:

10 (35 ILCS 115/3-5)

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

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

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

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

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

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

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

1 July 1, 2017, graphic arts machinery and equipment is included
2 in the manufacturing and assembling machinery and equipment
3 exemption under Section 2 of this Act.

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

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

26 Farm machinery and equipment shall include precision

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

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

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

23 Beginning July 1, 2013, fuel and petroleum products sold
24 to or used by an air carrier, certified by the carrier to be
25 used for consumption, shipment, or storage in the conduct of
26 its business as an air common carrier, for a flight that (i) is

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

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

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

25 (11) Photoprocessing machinery and equipment, including
26 repair and replacement parts, both new and used, including

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

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

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

1 Specialized Mental Health Rehabilitation Act of 2013.

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

4 (15) 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 (15) is exempt from the
10 provisions of Section 3-55, and the exemption provided for
11 under this item (15) 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 (the effective date of Public Act 95-88) for
14 such taxes paid during the period beginning May 30, 2000 and
15 ending on January 1, 2008 (the effective date of Public Act
16 95-88).

17 (16) Computers and communications equipment utilized for
18 any hospital purpose and equipment used in the diagnosis,
19 analysis, or treatment of hospital patients sold to a lessor
20 who leases 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 of
24 the Retailers' Occupation Tax Act.

25 (17) Personal property sold to a lessor who leases the
26 property, under a lease of one year or longer executed or in

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

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 donated
8 for disaster relief to be used in a State or federally declared
9 disaster area in Illinois or bordering Illinois by a
10 manufacturer or retailer that is registered in this State to a
11 corporation, society, association, foundation, or institution
12 that has been issued a sales tax exemption identification
13 number by the Department that assists victims of the disaster
14 who reside within the declared disaster area.

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

1 disaster.

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

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

25 (22) Beginning January 1, 2000, personal property,
26 including food, purchased through fundraising events for the

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

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

23 (24) Beginning on August 2, 2001 (the effective date of
24 Public Act 92-227), computers and communications equipment
25 utilized for any hospital purpose and equipment used in the
26 diagnosis, analysis, or treatment of hospital patients sold to

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

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

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

1 adopted in accordance with the Illinois Administrative
2 Procedure Act, issue a permit to any taxpayer in good standing
3 with the Department who is eligible for the exemption under
4 this paragraph (26). The permit issued under this paragraph
5 (26) shall authorize the holder, to the extent and in the
6 manner specified in the rules adopted under this Act, to
7 purchase tangible personal property from a retailer exempt
8 from the taxes imposed by this Act. Taxpayers shall maintain
9 all necessary books and records to substantiate the use and
10 consumption of all such tangible personal property outside of
11 the State of Illinois.

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

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

1 retirement or redemption of any bonds or other debt
2 instruments issued by the public-facilities corporation in
3 connection with the development of the municipal convention
4 hall. This exemption includes existing public-facilities
5 corporations as provided in Section 11-65-25 of the Illinois
6 Municipal Code. This paragraph is exempt from the provisions
7 of Section 3-55.

8 (29) 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 transfer of qualifying tangible
24 personal property incident to the modification, refurbishment,
25 completion, replacement, repair, or maintenance of an aircraft
26 by persons who (i) hold an Air Agency Certificate and are

1 empowered to operate an approved repair station by the Federal
2 Aviation Administration, (ii) have a Class IV Rating, and
3 (iii) conduct operations in accordance with Part 145 of the
4 Federal Aviation Regulations. The exemption does not include
5 aircraft operated by a commercial air carrier providing
6 scheduled passenger air service pursuant to authority issued
7 under Part 121 or Part 129 of the Federal Aviation
8 Regulations. The changes made to this paragraph (29) by Public
9 Act 98-534 are declarative of existing law. It is the intent of
10 the General Assembly that the exemption under this paragraph
11 (29) applies continuously from January 1, 2010 through
12 December 31, 2024; however, no claim for credit or refund is
13 allowed for taxes paid as a result of the disallowance of this
14 exemption on or after January 1, 2015 and prior to the
15 effective date of this amendatory Act of the 101st General
16 Assembly.

17 (30) Beginning January 1, 2017 and through December 31,
18 2026, menstrual pads, tampons, and menstrual cups.

19 (31) Tangible personal property transferred to a purchaser
20 who is exempt from tax by operation of federal law. This
21 paragraph is exempt from the provisions of Section 3-55.

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

10 The Department of Commerce and Economic Opportunity shall
11 grant a certificate of exemption under this item (32) to
12 qualified data centers as defined by Section 605-1025 of the
13 Department of Commerce and Economic Opportunity Law of the
14 Civil Administrative Code of Illinois.

15 For the purposes of this item (32):

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

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

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

21 This item (32) is exempt from the provisions of Section
22 3-55.

23 (33) Beginning July 1, 2022, breast pumps, breast pump
24 collection and storage supplies, and breast pump kits. This
25 item (33) is exempt from the provisions of Section 3-55. As
26 used in this item (33):

1 "Breast pump" means an electrically controlled or
2 manually controlled pump device designed or marketed to be
3 used to express milk from a human breast during lactation,
4 including the pump device and any battery, AC adapter, or
5 other power supply unit that is used to power the pump
6 device and is packaged and sold with the pump device at the
7 time of sale.

8 "Breast pump collection and storage supplies" means
9 items of tangible personal property designed or marketed
10 to be used in conjunction with a breast pump to collect
11 milk expressed from a human breast and to store collected
12 milk until it is ready for consumption.

13 "Breast pump collection and storage supplies"
14 includes, but is not limited to: breast shields and breast
15 shield connectors; breast pump tubes and tubing adapters;
16 breast pump valves and membranes; backflow protectors and
17 backflow protector adaptors; bottles and bottle caps
18 specific to the operation of the breast pump; and breast
19 milk storage bags.

20 "Breast pump collection and storage supplies" does not
21 include: (1) bottles and bottle caps not specific to the
22 operation of the breast pump; (2) breast pump travel bags
23 and other similar carrying accessories, including ice
24 packs, labels, and other similar products; (3) breast pump
25 cleaning supplies; (4) nursing bras, bra pads, breast
26 shells, and other similar products; and (5) creams,

1 ointments, and other similar products that relieve
2 breastfeeding-related symptoms or conditions of the
3 breasts or nipples, unless sold as part of a breast pump
4 kit that is pre-packaged by the breast pump manufacturer
5 or distributor.

6 "Breast pump kit" means a kit that: (1) contains no
7 more than a breast pump, breast pump collection and
8 storage supplies, a rechargeable battery for operating the
9 breast pump, a breastmilk cooler, bottle stands, ice
10 packs, and a breast pump carrying case; and (2) is
11 pre-packaged as a breast pump kit by the breast pump
12 manufacturer or distributor.

13 (Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;
14 101-629, eff. 2-5-20; 102-16, eff. 6-17-21.)

15 Section 65-20. The Retailers' Occupation Tax Act is
16 amended by changing Section 2-5 as follows:

17 (35 ILCS 120/2-5)

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

21 (1) Farm chemicals.

22 (2) Farm machinery and equipment, both new and used,
23 including that manufactured on special order, certified by
24 the purchaser to be used primarily for production

1 agriculture or State or federal agricultural programs,
2 including individual replacement parts for the machinery
3 and equipment, including machinery and equipment purchased
4 for lease, and including implements of husbandry defined
5 in Section 1-130 of the Illinois Vehicle Code, farm
6 machinery and agricultural chemical and fertilizer
7 spreaders, and nurse wagons required to be registered
8 under Section 3-809 of the Illinois Vehicle Code, but
9 excluding other motor vehicles required to be registered
10 under the Illinois Vehicle Code. Horticultural polyhouses
11 or hoop houses used for propagating, growing, or
12 overwintering plants shall be considered farm machinery
13 and equipment under this item (2). Agricultural chemical
14 tender tanks and dry boxes shall include units sold
15 separately from a motor vehicle required to be licensed
16 and units sold mounted on a motor vehicle required to be
17 licensed, if the selling price of the tender is separately
18 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
22 not limited to, tractors, harvesters, sprayers, planters,
23 seeders, or spreaders. Precision farming equipment
24 includes, but is not limited to, soil testing sensors,
25 computers, monitors, software, global positioning and
26 mapping systems, and other such equipment.

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

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

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

1 manufacturing and assembling machinery and equipment
2 exemption under paragraph (14).

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

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

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

13 (8) Personal property sold to an Illinois county fair
14 association for use in conducting, operating, or promoting
15 the county fair.

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

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

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

12 (11) Personal property sold to a governmental body, to
13 a corporation, society, association, foundation, or
14 institution organized and operated exclusively for
15 charitable, religious, or educational purposes, or to a
16 not-for-profit corporation, society, association,
17 foundation, institution, or organization that has no
18 compensated officers or employees and that is organized
19 and operated primarily for the recreation of persons 55
20 years of age or older. A limited liability company may
21 qualify for the exemption under this paragraph only if the
22 limited liability company is organized and operated
23 exclusively for educational purposes. On and after July 1,
24 1987, however, no entity otherwise eligible for this
25 exemption shall make tax-free purchases unless it has an
26 active identification number issued by the Department.

1 (12) (Blank).

2 (12-5) On and after July 1, 2003 and through June 30,
3 2004, motor vehicles of the second division with a gross
4 vehicle weight in excess of 8,000 pounds that are subject
5 to the commercial distribution fee imposed under Section
6 3-815.1 of the Illinois Vehicle Code. Beginning on July 1,
7 2004 and through June 30, 2005, the use in this State of
8 motor vehicles of the second division: (i) with a gross
9 vehicle weight rating in excess of 8,000 pounds; (ii) that
10 are subject to the commercial distribution fee imposed
11 under Section 3-815.1 of the Illinois Vehicle Code; and
12 (iii) that are primarily used for commercial purposes.
13 Through June 30, 2005, this exemption applies to repair
14 and replacement parts added after the initial purchase of
15 such a motor vehicle if that motor vehicle is used in a
16 manner that would qualify for the rolling stock exemption
17 otherwise provided for in this Act. For purposes of this
18 paragraph, "used for commercial purposes" means the
19 transportation of persons or property in furtherance of
20 any commercial or industrial enterprise whether for-hire
21 or not.

22 (13) Proceeds from sales to owners, lessors, or
23 shippers of tangible personal property that is utilized by
24 interstate carriers for hire for use as rolling stock
25 moving in interstate commerce and equipment operated by a
26 telecommunications provider, licensed as a common carrier

1 by the Federal Communications Commission, which is
2 permanently installed in or affixed to aircraft moving in
3 interstate commerce.

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

1 provided by this paragraph (14) includes, but is not
2 limited to, graphic arts machinery and equipment, as
3 defined in paragraph (4) of this Section.

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

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

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

24 (18) Legal tender, currency, medallions, or gold or
25 silver coinage issued by the State of Illinois, the
26 government of the United States of America, or the

1 government of any foreign country, and bullion.

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

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

18 (21) Until July 1, 2023, coal and aggregate
19 exploration, mining, off-highway hauling, processing,
20 maintenance, and reclamation equipment, including
21 replacement parts and equipment, and including equipment
22 purchased for lease, but excluding motor vehicles required
23 to be registered under the Illinois Vehicle Code. The
24 changes made to this Section by Public Act 97-767 apply on
25 and after July 1, 2003, but no claim for credit or refund
26 is allowed on or after August 16, 2013 (the effective date

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

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

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

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

25 (24) Fuel consumed or used in the operation of ships,
26 barges, or vessels that are used primarily in or for the

1 transportation of property or the conveyance of persons
2 for hire on rivers bordering on this State if the fuel is
3 delivered by the seller to the purchaser's barge, ship, or
4 vessel while it is afloat upon that bordering river.

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

18 (25-5) The exemption under item (25) does not apply if
19 the state in which the motor vehicle will be titled does
20 not allow a reciprocal exemption for a motor vehicle sold
21 and delivered in that state to an Illinois resident but
22 titled in Illinois. The tax collected under this Act on
23 the sale of a motor vehicle in this State to a resident of
24 another state that does not allow a reciprocal exemption
25 shall be imposed at a rate equal to the state's rate of tax
26 on taxable property in the state in which the purchaser is

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

22 (25-7) Beginning on July 1, 2007, no tax is imposed
23 under this Act on the sale of an aircraft, as defined in
24 Section 3 of the Illinois Aeronautics Act, if all of the
25 following conditions are met:

26 (1) the aircraft leaves this State within 15 days

1 after the later of either the issuance of the final
2 billing for the sale of the aircraft, or the
3 authorized approval for return to service, completion
4 of the maintenance record entry, and completion of the
5 test flight and ground test for inspection, as
6 required by 14 C.F.R. 91.407;

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

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

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

21 "Based in this State" means hangared, stored, or
22 otherwise used, excluding post-sale customizations as
23 defined in this Section, for 10 or more days in each
24 12-month period immediately following the date of the sale
25 of the aircraft.

26 "Registered in this State" means an aircraft

1 registered with the Department of Transportation,
2 Aeronautics Division, or titled or registered with the
3 Federal Aviation Administration to an address located in
4 this State.

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

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

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

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

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

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

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

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

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

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

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

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

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

22 (35) Beginning January 1, 2000 and through December
23 31, 2001, new or used automatic vending machines that
24 prepare and serve hot food and beverages, including
25 coffee, soup, and other items, and replacement parts for
26 these machines. Beginning January 1, 2002 and through June

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

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

21 (36) Beginning August 2, 2001, computers and
22 communications equipment utilized for any hospital purpose
23 and equipment used in the diagnosis, analysis, or
24 treatment of hospital patients sold to a lessor who leases
25 the equipment, under a lease of one year or longer
26 executed or in effect at the time of the purchase, to a

1 hospital that has been issued an active tax exemption
2 identification number by the Department under Section 1g
3 of this Act. This paragraph is exempt from the provisions
4 of Section 2-70.

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

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

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

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

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

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

1 the 101st General Assembly.

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

17 (42) Beginning January 1, 2017 and through December
18 31, 2026, menstrual pads, tampons, and menstrual cups.

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

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

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

22 For the purposes of this item (44):

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

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

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

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

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

22 (46) Beginning July 1, 2022, breast pumps, breast pump
23 collection and storage supplies, and breast pump kits.
24 This item (46) is exempt from the provisions of Section
25 2-70. As used in this item (46):

26 "Breast pump" means an electrically controlled or

1 manually controlled pump device designed or marketed to be
2 used to express milk from a human breast during lactation,
3 including the pump device and any battery, AC adapter, or
4 other power supply unit that is used to power the pump
5 device and is packaged and sold with the pump device at the
6 time of sale.

7 "Breast pump collection and storage supplies" means
8 items of tangible personal property designed or marketed
9 to be used in conjunction with a breast pump to collect
10 milk expressed from a human breast and to store collected
11 milk until it is ready for consumption.

12 "Breast pump collection and storage supplies"
13 includes, but is not limited to: breast shields and breast
14 shield connectors; breast pump tubes and tubing adapters;
15 breast pump valves and membranes; backflow protectors and
16 backflow protector adaptors; bottles and bottle caps
17 specific to the operation of the breast pump; and breast
18 milk storage bags.

19 "Breast pump collection and storage supplies" does not
20 include: (1) bottles and bottle caps not specific to the
21 operation of the breast pump; (2) breast pump travel bags
22 and other similar carrying accessories, including ice
23 packs, labels, and other similar products; (3) breast pump
24 cleaning supplies; (4) nursing bras, bra pads, breast
25 shells, and other similar products; and (5) creams,
26 ointments, and other similar products that relieve

1 breastfeeding-related symptoms or conditions of the
2 breasts or nipples, unless sold as part of a breast pump
3 kit that is pre-packaged by the breast pump manufacturer
4 or distributor.

5 "Breast pump kit" means a kit that: (1) contains no
6 more than a breast pump, breast pump collection and
7 storage supplies, a rechargeable battery for operating the
8 breast pump, a breastmilk cooler, bottle stands, ice
9 packs, and a breast pump carrying case; and (2) is
10 pre-packaged as a breast pump kit by the breast pump
11 manufacturer or distributor.

12 (Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;
13 101-629, eff. 2-5-20; 102-16, eff. 6-17-21; 102-634, eff.
14 8-27-21; revised 11-9-21.)

15 ARTICLE 70. INCOME TAX REFUND

16 Section 70-5. The Illinois Administrative Procedure Act is
17 amended by adding Section 5-45.22 as follows:

18 (5 ILCS 100/5-45.22 new)

19 Sec. 5-45.22. Emergency rulemaking. To provide for the
20 expeditious and timely implementation of this amendatory Act
21 of the 102nd General Assembly, emergency rules implementing
22 Section 212.1 of the Illinois Income Tax Act may be adopted in
23 accordance with Section 5-45 by the Department of Revenue. The

1 adoption of emergency rules authorized by Section 5-45 and
2 this Section is deemed to be necessary for the public
3 interest, safety, and welfare.

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

6 Section 70-10. The State Finance Act is amended by
7 changing Section 8g-1 as follows:

8 (30 ILCS 105/8g-1)

9 Sec. 8g-1. Fund transfers.

10 (a) (Blank) .

11 (b) (Blank) .

12 (c) (Blank) .

13 (d) (Blank) .

14 (e) (Blank) .

15 (f) (Blank) .

16 (g) (Blank) .

17 (h) (Blank) .

18 (i) (Blank) .

19 (j) (Blank) .

20 (k) (Blank) .

21 (l) (Blank) .

22 (m) (Blank) .

23 (n) (Blank) .

24 (o) (Blank) .

1 (p) (Blank).

2 (q) (Blank).

3 (r) (Blank).

4 (s) (Blank).

5 (t) (Blank).

6 (u) In addition to any other transfers that may be
7 provided for by law, on July 1, 2021, or as soon thereafter as
8 practical, only as directed by the Director of the Governor's
9 Office of Management and Budget, the State Comptroller shall
10 direct and the State Treasurer shall transfer the sum of
11 \$5,000,000 from the General Revenue Fund to the DoIT Special
12 Projects Fund, and on June 1, 2022, or as soon thereafter as
13 practical, but no later than June 30, 2022, the State
14 Comptroller shall direct and the State Treasurer shall
15 transfer the sum so transferred from the DoIT Special Projects
16 Fund to the General Revenue Fund.

17 (v) In addition to any other transfers that may be
18 provided for by law, on July 1, 2021, or as soon thereafter as
19 practical, the State Comptroller shall direct and the State
20 Treasurer shall transfer the sum of \$500,000 from the General
21 Revenue Fund to the Governor's Administrative Fund.

22 (w) In addition to any other transfers that may be
23 provided for by law, on July 1, 2021, or as soon thereafter as
24 practical, the State Comptroller shall direct and the State
25 Treasurer shall transfer the sum of \$500,000 from the General
26 Revenue Fund to the Grant Accountability and Transparency

1 Fund.

2 (x) In addition to any other transfers that may be
3 provided for by law, at a time or times during Fiscal Year 2022
4 as directed by the Governor, the State Comptroller shall
5 direct and the State Treasurer shall transfer up to a total of
6 \$20,000,000 from the General Revenue Fund to the Illinois
7 Sports Facilities Fund to be credited to the Advance Account
8 within the Fund.

9 (y) In addition to any other transfers that may be
10 provided for by law, on June 15, 2021, or as soon thereafter as
11 practical, but no later than June 30, 2021, the State
12 Comptroller shall direct and the State Treasurer shall
13 transfer the sum of \$100,000,000 from the General Revenue Fund
14 to the Technology Management Revolving Fund.

15 (z) In addition to any other transfers that may be
16 provided by law, on the effective date of this amendatory Act
17 of the 102nd General Assembly, or as soon thereafter as
18 practical, but no later than June 30, 2022, the State
19 Comptroller shall direct and the State Treasurer shall
20 transfer the sum of \$175,000,000 from the General Revenue Fund
21 to the Income Tax Refund Fund. Moneys from this transfer shall
22 be used for the purpose of one-time rebate payments provided
23 under Section 212.1 of the Illinois Income Tax Act.

24 (aa) In addition to any other transfers that may be
25 provided by law, beginning on the effective date of this
26 amendatory Act of the 102nd General Assembly and until

1 December 31, 2022, at the direction of the Department of
2 Revenue, the State Comptroller shall direct and the State
3 Treasurer shall transfer from the General Revenue Fund to the
4 Income Tax Refund Fund any amounts needed beyond those
5 transferred in subsection (z) to make payments of the one-time
6 rebate payments provided under Section 212.1 of the Illinois
7 Income Tax Act.

8 (Source: P.A. 101-10, eff. 6-5-19; 101-636, eff. 6-10-20;
9 102-16, eff. 6-17-21.)

10 Section 70-15. The Illinois Income Tax Act is amended by
11 changing Section 901 and by adding Section 212.1 as follows:

12 (35 ILCS 5/212.1 new)

13 Sec. 212.1. Fiscal Year 2023 individual income tax
14 rebates.

15 (a) Each taxpayer who files an individual income tax
16 return under this Act, on or before October 17, 2022, for the
17 taxable year that began on January 1, 2021 and received a
18 credit under subsection (a) of Section 212 is entitled to a
19 one-time rebate under this Section. The amount of the rebate
20 shall be \$100 for single filers and \$200 for spouses filing a
21 joint return, plus an additional \$50 for each person who is
22 claimed as a dependent on the taxpayer's federal income tax
23 return for the taxable year that began on January 1, 2021. A
24 taxpayer who files an individual income tax return under this

1 Act for the taxable year that began on January 1, 2021, and who
2 is claimed as a dependent on another individual's return for
3 that year, is ineligible for the rebate provided under this
4 Section. Spouses who qualify for a rebate under this Section
5 and who file a joint return shall be treated as a single
6 taxpayer for the purposes of the rebate under this Section.
7 For a part-year resident, the amount of the rebate under this
8 Section shall be in proportion to the amount of the taxpayer's
9 income that is attributable to this State for the taxable year
10 that began on January 1, 2021. Taxpayers who were
11 non-residents for the taxable year that began on January 1,
12 2021 are not entitled to a rebate under this Section.

13 (b) As soon as practical after the effective date of this
14 amendatory Act of the 102nd General Assembly, the Department
15 shall examine each individual income tax return filed for the
16 taxable year that began on January 1, 2021 for the purpose of
17 granting rebates under this Section. Based on those
18 examinations, the Department shall submit a voucher to the
19 State Comptroller and the State Treasurer for the amount of
20 each rebate under this Section. Those vouchers shall be issued
21 no later than August 1, 2022. Except as provided in subsection
22 (c), payment shall be made to the taxpayer no later than
23 October 1, 2022 by a warrant drawn on the State treasury by the
24 State Comptroller and countersigned by the State Treasurer.

25 (c) Notwithstanding the provisions of subsection (b), if a
26 qualified taxpayer has been granted an extension for the

1 filing of his or her Illinois income tax return for the taxable
2 year beginning on January 1, 2021, then the voucher for
3 payment shall be issued no later than 60 days after the
4 extended return is accepted by the Department, and payment
5 shall be made to the taxpayer within 30 days after the voucher
6 is received by the State Comptroller. If the taxpayer files an
7 amended return indicating that he or she is entitled to a
8 rebate under this Section that he or she did not receive, or
9 indicating that he or she did not receive the full rebate
10 amount to which he or she is entitled, then the rebate shall be
11 processed in the same manner as a claim for refund under
12 Article 9. If the taxpayer files an amended return indicating
13 that he or she received a rebate under this Section to which he
14 or she is not entitled, then the Department shall issue a
15 notice of deficiency as provided in Article 9.

16 (d) The Department shall make the rebate payments
17 authorized by this Section from the Income Tax Refund Fund.

18 (e) The amount of a rebate under this Section shall not be
19 included in the taxpayer's income or resources for the
20 purposes of determining eligibility or benefit level in any
21 means-tested benefit program administered by a governmental
22 entity unless required by federal law.

23 (f) Nothing in this Section prevents a taxpayer from
24 receiving the earned income tax credit and the rebate under
25 this Section for the same taxable year.

26 (g) Notwithstanding any other law to the contrary, the

1 rebates shall not be subject to offset by the Comptroller
2 against any liability owed either to the State or to any unit
3 of local government.

4 (h) The Department shall adopt rules for the
5 implementation of this Section, including emergency rules
6 under Section 5-45 of the Illinois Administrative Procedure
7 Act.

8 (i) This Section is repealed one year after the effective
9 date of this amendatory Act of the 102nd General Assembly.

10 (35 ILCS 5/901)

11 Sec. 901. Collection authority.

12 (a) In general. The Department shall collect the taxes
13 imposed by this Act. The Department shall collect certified
14 past due child support amounts under Section 2505-650 of the
15 Department of Revenue Law of the Civil Administrative Code of
16 Illinois. Except as provided in subsections (b), (c), (e),
17 (f), (g), and (h) of this Section, money collected pursuant to
18 subsections (a) and (b) of Section 201 of this Act shall be
19 paid into the General Revenue Fund in the State treasury;
20 money collected pursuant to subsections (c) and (d) of Section
21 201 of this Act shall be paid into the Personal Property Tax
22 Replacement Fund, a special fund in the State Treasury; and
23 money collected under Section 2505-650 of the Department of
24 Revenue Law of the Civil Administrative Code of Illinois shall
25 be paid into the Child Support Enforcement Trust Fund, a

1 special fund outside the State Treasury, or to the State
2 Disbursement Unit established under Section 10-26 of the
3 Illinois Public Aid Code, as directed by the Department of
4 Healthcare and Family Services.

5 (b) Local Government Distributive Fund. Beginning August
6 1, 2017, the Treasurer shall transfer each month from the
7 General Revenue Fund to the Local Government Distributive Fund
8 an amount equal to the sum of: (i) 6.06% (10% of the ratio of
9 the 3% individual income tax rate prior to 2011 to the 4.95%
10 individual income tax rate after July 1, 2017) of the net
11 revenue realized from the tax imposed by subsections (a) and
12 (b) of Section 201 of this Act upon individuals, trusts, and
13 estates during the preceding month; (ii) 6.85% (10% of the
14 ratio of the 4.8% corporate income tax rate prior to 2011 to
15 the 7% corporate income tax rate after July 1, 2017) of the net
16 revenue realized from the tax imposed by subsections (a) and
17 (b) of Section 201 of this Act upon corporations during the
18 preceding month; and (iii) beginning February 1, 2022, 6.06%
19 of the net revenue realized from the tax imposed by subsection
20 (p) of Section 201 of this Act upon electing pass-through
21 entities. Net revenue realized for a month shall be defined as
22 the revenue from the tax imposed by subsections (a) and (b) of
23 Section 201 of this Act which is deposited in the General
24 Revenue Fund, the Education Assistance Fund, the Income Tax
25 Surcharge Local Government Distributive Fund, the Fund for the
26 Advancement of Education, and the Commitment to Human Services

1 Fund during the month minus the amount paid out of the General
2 Revenue Fund in State warrants during that same month as
3 refunds to taxpayers for overpayment of liability under the
4 tax imposed by subsections (a) and (b) of Section 201 of this
5 Act.

6 Notwithstanding any provision of law to the contrary,
7 beginning on July 6, 2017 (the effective date of Public Act
8 100-23), those amounts required under this subsection (b) to
9 be transferred by the Treasurer into the Local Government
10 Distributive Fund from the General Revenue Fund shall be
11 directly deposited into the Local Government Distributive Fund
12 as the revenue is realized from the tax imposed by subsections
13 (a) and (b) of Section 201 of this Act.

14 (c) Deposits Into Income Tax Refund Fund.

15 (1) Beginning on January 1, 1989 and thereafter, the
16 Department shall deposit a percentage of the amounts
17 collected pursuant to subsections (a) and (b) (1), (2), and
18 (3) of Section 201 of this Act into a fund in the State
19 treasury known as the Income Tax Refund Fund. Beginning
20 with State fiscal year 1990 and for each fiscal year
21 thereafter, the percentage deposited into the Income Tax
22 Refund Fund during a fiscal year shall be the Annual
23 Percentage. For fiscal year 2011, the Annual Percentage
24 shall be 8.75%. For fiscal year 2012, the Annual
25 Percentage shall be 8.75%. For fiscal year 2013, the
26 Annual Percentage shall be 9.75%. For fiscal year 2014,

1 the Annual Percentage shall be 9.5%. For fiscal year 2015,
2 the Annual Percentage shall be 10%. For fiscal year 2018,
3 the Annual Percentage shall be 9.8%. For fiscal year 2019,
4 the Annual Percentage shall be 9.7%. For fiscal year 2020,
5 the Annual Percentage shall be 9.5%. For fiscal year 2021,
6 the Annual Percentage shall be 9%. For fiscal year 2022,
7 the Annual Percentage shall be 9.25%. For all other fiscal
8 years, the Annual Percentage shall be calculated as a
9 fraction, the numerator of which shall be the amount of
10 refunds approved for payment by the Department during the
11 preceding fiscal year as a result of overpayment of tax
12 liability under subsections (a) and (b)(1), (2), and (3)
13 of Section 201 of this Act plus the amount of such refunds
14 remaining approved but unpaid at the end of the preceding
15 fiscal year, minus the amounts transferred into the Income
16 Tax Refund Fund from the Tobacco Settlement Recovery Fund,
17 and the denominator of which shall be the amounts which
18 will be collected pursuant to subsections (a) and (b)(1),
19 (2), and (3) of Section 201 of this Act during the
20 preceding fiscal year; except that in State fiscal year
21 2002, the Annual Percentage shall in no event exceed 7.6%.
22 The Director of Revenue shall certify the Annual
23 Percentage to the Comptroller on the last business day of
24 the fiscal year immediately preceding the fiscal year for
25 which it is to be effective.

26 (2) Beginning on January 1, 1989 and thereafter, the

1 Department shall deposit a percentage of the amounts
2 collected pursuant to subsections (a) and (b) (6), (7), and
3 (8), (c) and (d) of Section 201 of this Act into a fund in
4 the State treasury known as the Income Tax Refund Fund.
5 Beginning with State fiscal year 1990 and for each fiscal
6 year thereafter, the percentage deposited into the Income
7 Tax Refund Fund during a fiscal year shall be the Annual
8 Percentage. For fiscal year 2011, the Annual Percentage
9 shall be 17.5%. For fiscal year 2012, the Annual
10 Percentage shall be 17.5%. For fiscal year 2013, the
11 Annual Percentage shall be 14%. For fiscal year 2014, the
12 Annual Percentage shall be 13.4%. For fiscal year 2015,
13 the Annual Percentage shall be 14%. For fiscal year 2018,
14 the Annual Percentage shall be 17.5%. For fiscal year
15 2019, the Annual Percentage shall be 15.5%. For fiscal
16 year 2020, the Annual Percentage shall be 14.25%. For
17 fiscal year 2021, the Annual Percentage shall be 14%. For
18 fiscal year 2022, the Annual Percentage shall be 15%. For
19 all other fiscal years, the Annual Percentage shall be
20 calculated as a fraction, the numerator of which shall be
21 the amount of refunds approved for payment by the
22 Department during the preceding fiscal year as a result of
23 overpayment of tax liability under subsections (a) and
24 (b) (6), (7), and (8), (c) and (d) of Section 201 of this
25 Act plus the amount of such refunds remaining approved but
26 unpaid at the end of the preceding fiscal year, and the

1 denominator of which shall be the amounts which will be
2 collected pursuant to subsections (a) and (b) (6), (7), and
3 (8), (c) and (d) of Section 201 of this Act during the
4 preceding fiscal year; except that in State fiscal year
5 2002, the Annual Percentage shall in no event exceed 23%.
6 The Director of Revenue shall certify the Annual
7 Percentage to the Comptroller on the last business day of
8 the fiscal year immediately preceding the fiscal year for
9 which it is to be effective.

10 (3) The Comptroller shall order transferred and the
11 Treasurer shall transfer from the Tobacco Settlement
12 Recovery Fund to the Income Tax Refund Fund (i)
13 \$35,000,000 in January, 2001, (ii) \$35,000,000 in January,
14 2002, and (iii) \$35,000,000 in January, 2003.

15 (d) Expenditures from Income Tax Refund Fund.

16 (1) Beginning January 1, 1989, money in the Income Tax
17 Refund Fund shall be expended exclusively for the purpose
18 of paying refunds resulting from overpayment of tax
19 liability under Section 201 of this Act and for making
20 transfers pursuant to this subsection (d), except that in
21 State fiscal years 2022 and 2023, money in the Income Tax
22 Refund Fund shall also be used to pay one-time rebate
23 payments as provided under Section 212.1.

24 (2) The Director shall order payment of refunds
25 resulting from overpayment of tax liability under Section
26 201 of this Act from the Income Tax Refund Fund only to the

1 extent that amounts collected pursuant to Section 201 of
2 this Act and transfers pursuant to this subsection (d) and
3 item (3) of subsection (c) have been deposited and
4 retained in the Fund.

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

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

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

3 (4.5) As soon as possible after the end of fiscal year
4 1999 and of each fiscal year thereafter, the Director
5 shall order transferred and the State Treasurer and State
6 Comptroller shall transfer from the Income Tax Refund Fund
7 to the General Revenue Fund any surplus remaining in the
8 Income Tax Refund Fund as of the end of such fiscal year;
9 excluding for fiscal years 2000, 2001, and 2002 amounts
10 attributable to transfers under item (3) of subsection (c)
11 less refunds resulting from the earned income tax credit
12 and excluding for fiscal year 2022 amounts attributable to
13 transfers authorized by this amendatory Act of the 102nd
14 General Assembly under subsections (z) and (aa) of Section
15 8g-1 of the State Finance Act.

16 (5) This Act shall constitute an irrevocable and
17 continuing appropriation from the Income Tax Refund Fund
18 for the purpose of paying refunds upon the order of the
19 Director in accordance with the provisions of this Section
20 and for the purpose of paying one-time rebate payments
21 provided under Section 212.1.

22 (e) Deposits into the Education Assistance Fund and the
23 Income Tax Surcharge Local Government Distributive Fund. On
24 July 1, 1991, and thereafter, of the amounts collected
25 pursuant to subsections (a) and (b) of Section 201 of this Act,
26 minus deposits into the Income Tax Refund Fund, the Department

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

19 (f) Deposits into the Fund for the Advancement of
20 Education. Beginning February 1, 2015, the Department shall
21 deposit the following portions of the revenue realized from
22 the tax imposed upon individuals, trusts, and estates by
23 subsections (a) and (b) of Section 201 of this Act, minus
24 deposits into the Income Tax Refund Fund, into the Fund for the
25 Advancement of Education:

26 (1) beginning February 1, 2015, and prior to February

1 1, 2025, 1/30; and

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

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

8 (g) Deposits into the Commitment to Human Services Fund.
9 Beginning February 1, 2015, the Department shall deposit the
10 following portions of the revenue realized from the tax
11 imposed upon individuals, trusts, and estates by subsections
12 (a) and (b) of Section 201 of this Act, minus deposits into the
13 Income Tax Refund Fund, into the Commitment to Human Services
14 Fund:

15 (1) beginning February 1, 2015, and prior to February
16 1, 2025, 1/30; and

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

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

23 (h) Deposits into the Tax Compliance and Administration
24 Fund. Beginning on the first day of the first calendar month to
25 occur on or after August 26, 2014 (the effective date of Public
26 Act 98-1098), each month the Department shall pay into the Tax

1 Compliance and Administration Fund, to be used, subject to
2 appropriation, to fund additional auditors and compliance
3 personnel at the Department, an amount equal to 1/12 of 5% of
4 the cash receipts collected during the preceding fiscal year
5 by the Audit Bureau of the Department from the tax imposed by
6 subsections (a), (b), (c), and (d) of Section 201 of this Act,
7 net of deposits into the Income Tax Refund Fund made from those
8 cash receipts.

9 (Source: P.A. 101-8, see Section 99 for effective date;
10 101-10, eff. 6-5-19; 101-81, eff. 7-12-19; 101-636, eff.
11 6-10-20; 102-16, eff. 6-17-21; 102-558, eff. 8-20-21; 102-658,
12 eff. 8-27-21; revised 10-19-21.)

13 ARTICLE 75. LIVE THEATER TAX CREDIT

14 Section 75-5. The Live Theater Production Tax Credit Act
15 is amended by changing Sections 10-10 and 10-20 as follows:

16 (35 ILCS 17/10-10)

17 Sec. 10-10. Definitions. As used in this Act:

18 "Accredited theater production" means a for-profit live
19 stage presentation in a qualified production facility, as
20 defined in this Section, that is either (i) a pre-Broadway
21 production or (ii) a long-run production for which the
22 aggregate Illinois labor and marketing expenditures exceed
23 \$100,000. For Fiscal Year 2023, commercial Broadway touring

1 shows are also considered accredited theater productions.

2 "Commercial Broadway touring show" means a production that
3 (i) plays in more than one other market in North America
4 outside of Illinois and (ii) is recognized as a commercial
5 Broadway touring show by the Broadway League, the national
6 trade association for the Broadway industry.

7 "Pre-Broadway production" means a live stage production
8 that, in its original or adaptive version, is performed in a
9 qualified production facility having a presentation scheduled
10 for Broadway's Theater District in New York City within 12
11 months after its Illinois presentation.

12 "Long-run production" means a live stage production that
13 is performed in a qualified production facility for longer
14 than 8 weeks, with at least 6 performances per week, and
15 includes a production that spans the end of one tax year and
16 the commencement of a new tax year that, in combination, meets
17 the criteria set forth in this definition making it a long-run
18 production eligible for a theater tax credit award in each tax
19 year or portion thereof.

20 "Accredited theater production certificate" means a
21 certificate issued by the Department certifying that the
22 production is an accredited theater production that meets the
23 guidelines of this Act.

24 "Applicant" means a taxpayer that is a theater producer,
25 owner, licensee, operator, or presenter that is presenting or
26 has presented a live stage presentation located within the

1 State of Illinois who:

2 (1) owns or licenses the theatrical rights of the
3 stage presentation for the Illinois production period; or

4 (2) has contracted or will contract directly with the
5 owner or licensee of the theatrical rights or a person
6 acting on behalf of the owner or licensee to provide live
7 performances of the production.

8 An applicant that directly or indirectly owns, controls,
9 or operates multiple qualified production facilities shall be
10 presumed to be and considered for the purposes of this Act to
11 be a single applicant; provided, however, that as to each of
12 the applicant's qualified production facilities, the applicant
13 shall be eligible to separately and contemporaneously (i)
14 apply for and obtain accredited theater production
15 certificates, (ii) stage accredited theater productions, and
16 (iii) apply for and receive a tax credit award certificate for
17 each of the applicant's accredited theater productions
18 performed at each of the applicant's qualified production
19 facilities.

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

22 "Director" means the Director of the Department.

23 "Illinois labor expenditure" means gross salary or wages
24 including, but not limited to, taxes, benefits, and any other
25 consideration incurred or paid to non-talent employees of the
26 applicant for services rendered to and on behalf of the

1 accredited theater production. To qualify as an Illinois labor
2 expenditure, the expenditure must be:

3 (1) incurred or paid by the applicant on or after the
4 effective date of the Act for services related to any
5 portion of an accredited theater production from its
6 pre-production stages, including, but not limited to, the
7 writing of the script, casting, hiring of service
8 providers, purchases from vendors, marketing, advertising,
9 public relations, load in, rehearsals, performances, other
10 accredited theater production related activities, and load
11 out;

12 (2) directly attributable to the accredited theater
13 production;

14 (3) limited to the first \$100,000 of wages incurred or
15 paid to each employee of an accredited theater production
16 in each tax year;

17 (4) included in the federal income tax basis of the
18 property;

19 (5) paid in the tax year for which the applicant is
20 claiming the tax credit award, or no later than 60 days
21 after the end of the tax year;

22 (6) paid to persons residing in Illinois at the time
23 payments were made; and

24 (7) reasonable in the circumstances.

25 "Illinois production spending" means any and all expenses
26 directly or indirectly incurred relating to an accredited

1 theater production presented in any qualified production
2 facility of the applicant, including, but not limited to,
3 expenditures for:

4 (1) national marketing, public relations, and the
5 creation and placement of print, electronic, television,
6 billboard, and other forms of advertising; and

7 (2) the construction and fabrication of scenic
8 materials and elements; provided, however, that the
9 maximum amount of expenditures attributable to the
10 construction and fabrication of scenic materials and
11 elements eligible for a tax credit award shall not exceed
12 \$500,000 per applicant per production in any single tax
13 year.

14 "Qualified production facility" means a facility located
15 in the State in which live theatrical productions are, or are
16 intended to be, exclusively presented that contains at least
17 one stage, a seating capacity of 1,200 or more seats, and
18 dressing rooms, storage areas, and other ancillary amenities
19 necessary for the accredited theater production.

20 "Tax credit award" means the issuance to a taxpayer by the
21 Department of a tax credit award in conformance with Sections
22 10-40 and 10-45 of this Act.

23 "Tax year" means a calendar year for the period January 1
24 to and including December 31.

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

1 (35 ILCS 17/10-20)

2 Sec. 10-20. Tax credit award. Subject to the conditions
3 set forth in this Act, an applicant is entitled to a tax credit
4 award as approved by the Department for qualifying Illinois
5 labor expenditures and Illinois production spending for each
6 tax year in which the applicant is awarded an accredited
7 theater production certificate issued by the Department. The
8 amount of tax credits awarded pursuant to this Act shall not
9 exceed \$2,000,000 in any fiscal year, except that the amount
10 of tax credits awarded pursuant to this Act for Fiscal Year
11 2023 shall not exceed \$4,000,000. For Fiscal Year 2023,
12 \$2,000,000 of the \$4,000,000 cap shall be reserved for
13 commercial Broadway touring shows at qualified production
14 facilities. Credits shall be awarded on a first-come,
15 first-served basis. Notwithstanding the foregoing, if the
16 amount of credits applied for in any fiscal year exceeds the
17 amount authorized to be awarded under this Section, the excess
18 credit amount shall be awarded in the next fiscal year in which
19 credits remain available for award and shall be treated as
20 having been applied for on the first day of that fiscal year.

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

22 ARTICLE 99. EFFECTIVE DATE

23 Section 99-99. Effective date. This Act takes effect upon
24 becoming law."