



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB3294

Introduced 2/19/2021, by Rep. Keith R. Wheeler - Avery Bourne
- Norine K. Hammond - Tony McCombie - Brad Halbrook, et al.

SYNOPSIS AS INTRODUCED:

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

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

LRB102 17025 HLH 22448 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning revenue.

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

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

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

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

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

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

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

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

25 Nonreusable tangible personal property that is used by
26 persons engaged in the business of operating a restaurant,

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

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

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

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

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

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

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

1 pursuant to Section 2c or a retailer pursuant to Section 2a.

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

1 use tax administered by the Department. Effective December 1,
2 1985, "selling price" shall include charges that are added to
3 prices by sellers on account of the seller's tax liability
4 under the Cigarette Tax Act, on account of the sellers' duty to
5 collect, from the purchaser, the tax imposed under the
6 Cigarette Use Tax Act, and on account of the seller's duty to
7 collect, from the purchaser, any cigarette tax imposed by a
8 home rule unit.

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

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

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

1 Act to the contrary, lessors shall file all returns and make
2 all payments required under this paragraph to the Department
3 by electronic means in the manner and form as required by the
4 Department. This paragraph does not apply to leases of motor
5 vehicles for which, at the time the lease is entered into, the
6 term of the lease is not a defined period, including leases
7 with a defined initial period with the option to continue the
8 lease on a month-to-month or other basis beyond the initial
9 defined period.

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

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

1 "Department" means the Department of Revenue.

2 "Person" means any natural individual, firm, partnership,
3 association, joint stock company, joint adventure, public or
4 private corporation, limited liability company, or a receiver,
5 executor, trustee, guardian or other representative appointed
6 by order of any court.

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

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

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

1 property that are sold at retail.

2 Persons who engage in the business of transferring
3 tangible personal property upon the redemption of trading
4 stamps are engaged in the business of selling such property at
5 retail and shall be liable for and shall pay the tax imposed by
6 this Act on the basis of the retail value of the property
7 transferred upon redemption of such stamps.

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

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

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

26 "Marketplace facilitator" means a person who, pursuant to

1 an agreement with an unrelated third-party marketplace seller,
2 directly or indirectly through one or more affiliates
3 facilitates a retail sale by an unrelated third party
4 marketplace seller by:

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

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

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

20 "Marketplace facilitator" does not include any person
21 licensed under the Auction License Act. This exemption does
22 not apply to any person who is an Internet auction listing
23 service, as defined by the Auction License Act.

24 "Marketplace seller" means a person that makes sales
25 through a marketplace operated by an unrelated third party
26 marketplace facilitator.

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

2 (35 ILCS 120/2-5)

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

6 (1) Farm chemicals.

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

1 licensed, if the selling price of the tender is separately
2 stated.

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

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

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

26 (4) Until July 1, 2003 and beginning again September

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

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

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

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

23 (8) Personal property sold to an Illinois county fair
24 association for use in conducting, operating, or promoting
25 the county fair.

26 (9) Personal property sold to a not-for-profit arts or

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

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

22 (11) Personal property sold to a governmental body, to
23 a corporation, society, association, foundation, or
24 institution organized and operated exclusively for
25 charitable, religious, or educational purposes, or to a
26 not-for-profit corporation, society, association,

1 foundation, institution, or organization that has no
2 compensated officers or employees and that is organized
3 and operated primarily for the recreation of persons 55
4 years of age or older. A limited liability company may
5 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
9 exemption shall make tax-free purchases unless it has an
10 active identification number issued by the Department.

11 (12) (Blank).

12 (12-5) On and after July 1, 2003 and through June 30,
13 2004, motor vehicles of the second division with a gross
14 vehicle weight in excess of 8,000 pounds that are subject
15 to the commercial distribution fee imposed under Section
16 3-815.1 of the Illinois Vehicle Code. Beginning on July 1,
17 2004 and through June 30, 2005, the use in this State of
18 motor vehicles of the second division: (i) with a gross
19 vehicle weight rating in excess of 8,000 pounds; (ii) that
20 are subject to the commercial distribution fee imposed
21 under Section 3-815.1 of the Illinois Vehicle Code; and
22 (iii) that are primarily used for commercial purposes.
23 Through June 30, 2005, this exemption applies to repair
24 and replacement parts added after the initial purchase of
25 such a motor vehicle if that motor vehicle is used in a
26 manner that would qualify for the rolling stock exemption

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

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

14 (14) Machinery and equipment that will be used by the
15 purchaser, or a lessee of the purchaser, primarily in the
16 process of manufacturing or assembling tangible personal
17 property for wholesale or retail sale or lease, whether
18 the sale or lease is made directly by the manufacturer or
19 by some other person, whether the materials used in the
20 process are owned by the manufacturer or some other
21 person, or whether the sale or lease is made apart from or
22 as an incident to the seller's engaging in the service
23 occupation of producing machines, tools, dies, jigs,
24 patterns, gauges, or other similar items of no commercial
25 value on special order for a particular purchaser. The
26 exemption provided by this paragraph (14) does not include

1 machinery and equipment used in (i) the generation of
2 electricity for wholesale or retail sale; (ii) the
3 generation or treatment of natural or artificial gas for
4 wholesale or retail sale that is delivered to customers
5 through pipes, pipelines, or mains; or (iii) the treatment
6 of water for wholesale or retail sale that is delivered to
7 customers through pipes, pipelines, or mains. The
8 provisions of Public Act 98-583 are declaratory of
9 existing law as to the meaning and scope of this
10 exemption. Beginning on July 1, 2017, the exemption
11 provided by this paragraph (14) includes, but is not
12 limited to, graphic arts machinery and equipment, as
13 defined in paragraph (4) of this Section.

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

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

26 (17) Tangible personal property sold to a common

1 carrier by rail or motor that receives the physical
2 possession of the property in Illinois and that transports
3 the property, or shares with another common carrier in the
4 transportation of the property, out of Illinois on a
5 standard uniform bill of lading showing the seller of the
6 property as the shipper or consignor of the property to a
7 destination outside Illinois, for use outside Illinois.

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

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

22 (20) Photoprocessing machinery and equipment,
23 including repair and replacement parts, both new and used,
24 including that manufactured on special order, certified by
25 the purchaser to be used primarily for photoprocessing,
26 and including photoprocessing machinery and equipment

1 purchased for lease.

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

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

21 Beginning July 1, 2013, fuel and petroleum products
22 sold to or used by an air 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
25 flight that (i) is engaged in foreign trade or is engaged
26 in trade between the United States and any of its

1 possessions and (ii) transports at least one individual or
2 package for hire from the city of origination to the city
3 of final destination on the same aircraft, without regard
4 to a change in the flight number of that aircraft.

5 (23) A transaction in which the purchase order is
6 received by a florist who is located outside Illinois, but
7 who has a florist located in Illinois deliver the property
8 to the purchaser or the purchaser's donee in Illinois.

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

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

1 titled in this State.

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

1 the vehicle in his or her state of residence within 30 days
2 after the date of sale. The tax collected under this Act in
3 accordance with this item (25-5) shall be proportionately
4 distributed as if the tax were collected at the 6.25%
5 general rate imposed under this Act.

6 (25-7) Beginning on July 1, 2007, no tax is imposed
7 under this Act on the sale of an aircraft, as defined in
8 Section 3 of the Illinois Aeronautics Act, if all of the
9 following conditions are met:

10 (1) the aircraft leaves this State within 15 days
11 after the later of either the issuance of the final
12 billing for the sale of the aircraft, or the
13 authorized approval for return to service, completion
14 of the maintenance record entry, and completion of the
15 test flight and ground test for inspection, as
16 required by 14 C.F.R. 91.407;

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

19 (3) the seller retains in his or her books and
20 records and provides to the Department a signed and
21 dated certification from the purchaser, on a form
22 prescribed by the Department, certifying that the
23 requirements of this item (25-7) are met. The
24 certificate must also include the name and address of
25 the purchaser, the address of the location where the
26 aircraft is to be titled or registered, the address of

1 the primary physical location of the aircraft, and
2 other information that the Department may reasonably
3 require.

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

5 "Based in this State" means hangared, stored, or
6 otherwise used, excluding post-sale customizations as
7 defined in this Section, for 10 or more days in each
8 12-month period immediately following the date of the sale
9 of the aircraft.

10 "Registered in this State" means an aircraft
11 registered with the Department of Transportation,
12 Aeronautics Division, or titled or registered with the
13 Federal Aviation Administration to an address located in
14 this State.

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

17 (26) Semen used for artificial insemination of
18 livestock for direct agricultural production.

19 (27) Horses, or interests in horses, registered with
20 and meeting the requirements of any of the Arabian Horse
21 Club Registry of America, Appaloosa Horse Club, American
22 Quarter Horse Association, United States Trotting
23 Association, or Jockey Club, as appropriate, used for
24 purposes of breeding or racing for prizes. This item (27)
25 is exempt from the provisions of Section 2-70, and the
26 exemption provided for under this item (27) applies for

1 all periods beginning May 30, 1995, but no claim for
2 credit or refund is allowed on or after January 1, 2008
3 (the effective date of Public Act 95-88) for such taxes
4 paid during the period beginning May 30, 2000 and ending
5 on January 1, 2008 (the effective date of Public Act
6 95-88).

7 (28) Computers and communications equipment utilized
8 for any hospital purpose and equipment used in the
9 diagnosis, analysis, or treatment of hospital patients
10 sold to a lessor who leases the equipment, under a lease of
11 one year or longer executed or in effect at the time of the
12 purchase, to a hospital that has been issued an active tax
13 exemption identification number by the Department under
14 Section 1g of this Act.

15 (29) Personal property sold to a lessor who leases the
16 property, under a lease of one year or longer executed or
17 in effect at the time of the purchase, to a governmental
18 body that has been issued an active tax exemption
19 identification number by the Department under Section 1g
20 of this Act.

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

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

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

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

23 (33) A motor vehicle, as that term is defined in
24 Section 1-146 of the Illinois Vehicle Code, that is
25 donated to a corporation, limited liability company,
26 society, association, foundation, or institution that is

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

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

1 purchases the personal property sold at the events from
2 another individual or entity that sold the property for
3 the purpose of resale by the fundraising entity and that
4 profits from the sale to the fundraising entity. This
5 paragraph is exempt from the provisions of Section 2-70.

6 (35) Beginning January 1, 2000 and through December
7 31, 2001, new or used automatic vending machines that
8 prepare and serve hot food and beverages, including
9 coffee, soup, and other items, and replacement parts for
10 these machines. Beginning January 1, 2002 and through June
11 30, 2003, machines and parts for machines used in
12 commercial, coin-operated amusement and vending business
13 if a use or occupation tax is paid on the gross receipts
14 derived from the use of the commercial, coin-operated
15 amusement and vending machines. This paragraph is exempt
16 from the provisions of Section 2-70.

17 (35-5) Beginning August 23, 2001 and through June 30,
18 2016, food for human consumption that is to be consumed
19 off the premises where it is sold (other than alcoholic
20 beverages, soft drinks, and food that has been prepared
21 for immediate consumption) and prescription and
22 nonprescription medicines, drugs, medical appliances, and
23 insulin, urine testing materials, syringes, and needles
24 used by diabetics, for human use, when purchased for use
25 by a person receiving medical assistance under Article V
26 of the Illinois Public Aid Code who resides in a licensed

1 long-term care facility, as defined in the Nursing Home
2 Care Act, or a licensed facility as defined in the ID/DD
3 Community Care Act, the MC/DD Act, or the Specialized
4 Mental Health Rehabilitation Act of 2013.

5 (36) Beginning August 2, 2001, computers and
6 communications equipment utilized for any hospital purpose
7 and equipment used in the diagnosis, analysis, or
8 treatment of hospital patients sold to a lessor who leases
9 the equipment, under a lease of one year or longer
10 executed or in effect at the time of the purchase, to a
11 hospital that has been issued an active tax exemption
12 identification number by the Department under Section 1g
13 of this Act. This paragraph is exempt from the provisions
14 of Section 2-70.

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

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

1 property in Illinois (i) for the purpose of subsequently
2 transporting it outside this State for use or consumption
3 thereafter solely outside this State or (ii) for the
4 purpose of being processed, fabricated, or manufactured
5 into, attached to, or incorporated into other tangible
6 personal property to be transported outside this State and
7 thereafter used or consumed solely outside this State. The
8 Director of Revenue shall, pursuant to rules adopted in
9 accordance with the Illinois Administrative Procedure Act,
10 issue a permit to any taxpayer in good standing with the
11 Department who is eligible for the exemption under this
12 paragraph (38). The permit issued under this paragraph
13 (38) shall authorize the holder, to the extent and in the
14 manner specified in the rules adopted under this Act, to
15 purchase tangible personal property from a retailer exempt
16 from the taxes imposed by this Act. Taxpayers shall
17 maintain all necessary books and records to substantiate
18 the use and consumption of all such tangible personal
19 property outside of the State of Illinois.

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

1 provisions of Section 2-70.

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

1 passenger air service pursuant to authority issued under
2 Part 121 or Part 129 of the Federal Aviation Regulations.
3 The changes made to this paragraph (40) by Public Act
4 98-534 are declarative of existing law. It is the intent
5 of the General Assembly that the exemption under this
6 paragraph (40) applies continuously from January 1, 2010
7 through December 31, 2024; however, no claim for credit or
8 refund is allowed for taxes paid as a result of the
9 disallowance of this exemption on or after January 1, 2015
10 and prior to the effective date of this amendatory Act of
11 the 101st General Assembly.

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

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

3 (43) Merchandise that is subject to the Rental
4 Purchase Agreement Occupation and Use Tax. The purchaser
5 must certify that the item is purchased to be rented
6 subject to a rental purchase agreement, as defined in the
7 Rental Purchase Agreement Act, and provide proof of
8 registration under the Rental Purchase Agreement
9 Occupation and Use Tax Act. This paragraph is exempt from
10 the provisions of Section 2-70.

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

26 The Department of Commerce and Economic Opportunity

1 shall grant a certificate of exemption under this item
2 (44) to qualified data centers as defined by Section
3 605-1025 of the Department of Commerce and Economic
4 Opportunity Law of the Civil Administrative Code of
5 Illinois.

6 For the purposes of this item (44):

7 "Data center" means a building or a series of
8 buildings rehabilitated or constructed to house
9 working servers in one physical location or multiple
10 sites within the State of Illinois.

11 "Qualified tangible personal property" means:
12 electrical systems and equipment; climate control and
13 chilling equipment and systems; mechanical systems and
14 equipment; monitoring and secure systems; emergency
15 generators; hardware; computers; servers; data storage
16 devices; network connectivity equipment; racks;
17 cabinets; telecommunications cabling infrastructure;
18 raised floor systems; peripheral components or
19 systems; software; mechanical, electrical, or plumbing
20 systems; battery systems; cooling systems and towers;
21 temperature control systems; other cabling; and other
22 data center infrastructure equipment and systems
23 necessary to operate qualified tangible personal
24 property, including fixtures; and component parts of
25 any of the foregoing, including installation,
26 maintenance, repair, refurbishment, and replacement of

1 qualified tangible personal property to generate,
2 transform, transmit, distribute, or manage electricity
3 necessary to operate qualified tangible personal
4 property; and all other tangible personal property
5 that is essential to the operations of a computer data
6 center. The term "qualified tangible personal
7 property" also includes building materials physically
8 incorporated in to the qualifying data center. To
9 document the exemption allowed under this Section, the
10 retailer must obtain from the purchaser a copy of the
11 certificate of eligibility issued by the Department of
12 Commerce and Economic Opportunity.

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

15 (45) Beginning January 1, 2020 and through December
16 31, 2020, sales of tangible personal property made by a
17 marketplace seller over a marketplace for which tax is due
18 under this Act but for which use tax has been collected and
19 remitted to the Department by a marketplace facilitator
20 under Section 2d of the Use Tax Act are exempt from tax
21 under this Act. A marketplace seller claiming this
22 exemption shall maintain books and records demonstrating
23 that the use tax on such sales has been collected and
24 remitted by a marketplace facilitator. Marketplace sellers
25 that have properly remitted tax under this Act on such
26 sales may file a claim for credit as provided in Section 6

1 of this Act. No claim is allowed, however, for such taxes
2 for which a credit or refund has been issued to the
3 marketplace facilitator under the Use Tax Act, or for
4 which the marketplace facilitator has filed a claim for
5 credit or refund under the Use Tax Act.

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

10 (35 ILCS 120/3) (from Ch. 120, par. 442)

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

16 1. The name of the seller;

17 2. His residence address and the address of his
18 principal place of business and the address of the
19 principal place of business (if that is a different
20 address) from which he engages in the business of selling
21 tangible personal property at retail in this State;

22 3. Total amount of receipts received by him during the
23 preceding calendar month or quarter, as the case may be,
24 from sales of tangible personal property, and from
25 services furnished, by him during such preceding calendar

1 month or quarter;

2 4. Total amount received by him during the preceding
3 calendar month or quarter on charge and time sales of
4 tangible personal property, and from services furnished,
5 by him prior to the month or quarter for which the return
6 is filed;

7 5. Deductions allowed by law;

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

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

13 8. The amount of tax due;

14 9. The signature of the taxpayer; and

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

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

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

1 the proper notice and demand for signature by the Department,
2 the return shall be considered valid and any amount shown to be
3 due on the return shall be deemed assessed.

4 Each return shall be accompanied by the statement of
5 prepaid tax issued pursuant to Section 2e for which credit is
6 claimed.

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

1 any audit liability.

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 the business of selling tangible
12 personal property at retail in this State;

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

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

20 5. The amount of tax due; and

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

23 Every person engaged in the business of selling aviation
24 fuel at retail in this State during the preceding calendar
25 month shall, instead of reporting and paying tax as otherwise
26 required by this Section, report and pay such tax on a separate

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

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

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

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

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

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

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

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

1 and use tax laws administered by the Department, for the
2 immediately preceding calendar year divided by 12. Beginning
3 on October 1, 2002, a taxpayer who has a tax liability in the
4 amount set forth in subsection (b) of Section 2505-210 of the
5 Department of Revenue Law shall make all payments required by
6 rules of the Department by electronic funds transfer.

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

12 Any taxpayer not required to make payments by electronic
13 funds transfer may make payments by electronic funds transfer
14 with the permission of the Department.

15 All taxpayers required to make payment by electronic funds
16 transfer and any taxpayers authorized to voluntarily make
17 payments by electronic funds transfer shall make those
18 payments in the manner authorized by the Department.

19 The Department shall adopt such rules as are necessary to
20 effectuate a program of electronic funds transfer and the
21 requirements of this Section.

22 Any amount which is required to be shown or reported on any
23 return or other document under this Act shall, if such amount
24 is not a whole-dollar amount, be increased to the nearest
25 whole-dollar amount in any case where the fractional part of a
26 dollar is 50 cents or more, and decreased to the nearest

1 whole-dollar amount where the fractional part of a dollar is
2 less than 50 cents.

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

14 If the retailer is otherwise required to file a monthly or
15 quarterly return and if the retailer's average monthly tax
16 liability with the Department does not exceed \$50, the
17 Department may authorize his returns to be filed on an annual
18 basis, with the return for a given year being due by January 20
19 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 retailer may file his return, in the
25 case of any retailer who ceases to engage in a kind of business
26 which makes him responsible for filing returns under this Act,

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

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

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

1 motor vehicles or trailers involved in that transaction to the
2 Department on the same uniform invoice-transaction reporting
3 return form. For purposes of this Section, "watercraft" means
4 a Class 2, Class 3, or Class 4 watercraft as defined in Section
5 3-2 of the Boat Registration and Safety Act, a personal
6 watercraft, or any boat equipped with an inboard motor.

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

23 Any retailer who sells only motor vehicles, watercraft,
24 aircraft, or trailers that are required to be registered with
25 an agency of this State, so that all retailers' occupation tax
26 liability is required to be reported, and is reported, on such

1 transaction reporting returns and who is not otherwise
2 required to file monthly or quarterly returns, need not file
3 monthly or quarterly returns. However, those retailers shall
4 be required to file returns on an annual basis.

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

26 The transaction reporting return in the case of watercraft

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

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

1 will expedite the processing of applications for title or
2 registration.

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

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

24 If the user who would otherwise pay tax to the retailer
25 wants the transaction reporting return filed and the payment
26 of the tax or proof of exemption made to the Department before

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

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

24 Where the seller is a corporation, the return filed on
25 behalf of such corporation shall be signed by the president,
26 vice-president, secretary or treasurer or by the properly

1 accredited agent of such corporation.

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

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

1 shall be included in the amount on which such 2.1% or 1.75%
2 discount is computed. In the case of retailers who report and
3 pay the tax on a transaction by transaction basis, as provided
4 in this Section, such discount shall be taken with each such
5 tax remittance instead of when such retailer files his
6 periodic return. The discount allowed under this Section is
7 allowed only for returns that are filed in the manner required
8 by this Act. The Department may disallow the discount for
9 retailers whose certificate of registration is revoked at the
10 time the return is filed, but only if the Department's
11 decision to revoke the certificate of registration has become
12 final.

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

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

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

1 the taxpayer's business has occurred which causes the taxpayer
2 to anticipate that his average monthly tax liability for the
3 reasonably foreseeable future will fall below the \$10,000
4 threshold stated above, then such taxpayer may petition the
5 Department for a change in such taxpayer's reporting status.
6 On and after October 1, 2000, once applicable, the requirement
7 of the making of quarter monthly payments to the Department by
8 taxpayers having an average monthly tax liability of \$20,000
9 or more as determined in the manner provided above shall
10 continue until such taxpayer's average monthly liability to
11 the Department during the preceding 4 complete calendar
12 quarters (excluding the month of highest liability and the
13 month of lowest liability) is less than \$19,000 or until such
14 taxpayer's average monthly liability to the Department as
15 computed for each calendar quarter of the 4 preceding complete
16 calendar quarter period is less than \$20,000. However, if a
17 taxpayer can show the Department that a substantial change in
18 the taxpayer's business has occurred which causes the taxpayer
19 to anticipate that his average monthly tax liability for the
20 reasonably foreseeable future will fall below the \$20,000
21 threshold stated above, then such taxpayer may petition the
22 Department for a change in such taxpayer's reporting status.
23 The Department shall change such taxpayer's reporting status
24 unless it finds that such change is seasonal in nature and not
25 likely to be long term. If any such quarter monthly payment is
26 not paid at the time or in the amount required by this Section,

1 then the taxpayer shall be liable for penalties and interest
2 on the difference between the minimum amount due as a payment
3 and the amount of such quarter monthly payment actually and
4 timely paid, except insofar as the taxpayer has previously
5 made payments for that month to the Department in excess of the
6 minimum payments previously due as provided in this Section.
7 The Department shall make reasonable rules and regulations to
8 govern the quarter monthly payment amount and quarter monthly
9 payment dates for taxpayers who file on other than a calendar
10 monthly basis.

11 The provisions of this paragraph apply before October 1,
12 2001. Without regard to whether a taxpayer is required to make
13 quarter monthly payments as specified above, any taxpayer who
14 is required by Section 2d of this Act to collect and remit
15 prepaid taxes and has collected prepaid taxes which average in
16 excess of \$25,000 per month during the preceding 2 complete
17 calendar quarters, shall file a return with the Department as
18 required by Section 2f and shall make payments to the
19 Department on or before the 7th, 15th, 22nd and last day of the
20 month during which such liability is incurred. If the month
21 during which such tax liability is incurred began prior to
22 September 1, 1985 (the effective date of Public Act 84-221),
23 each payment shall be in an amount not less than 22.5% of the
24 taxpayer's actual liability under Section 2d. If the month
25 during which such tax liability is incurred begins on or after
26 January 1, 1986, each payment shall be in an amount equal to

1 22.5% of the taxpayer's actual liability for the month or
2 27.5% of the taxpayer's liability for the same calendar month
3 of the preceding calendar year. If the month during which such
4 tax liability is incurred begins on or after January 1, 1987,
5 each payment shall be in an amount equal to 22.5% of the
6 taxpayer's actual liability for the month or 26.25% of the
7 taxpayer's liability for the same calendar month of the
8 preceding year. The amount of such quarter monthly payments
9 shall be credited against the final tax liability of the
10 taxpayer's return for that month filed under this Section or
11 Section 2f, as the case may be. Once applicable, the
12 requirement of the making of quarter monthly payments to the
13 Department pursuant to this paragraph shall continue until
14 such taxpayer's average monthly prepaid tax collections during
15 the preceding 2 complete calendar quarters is \$25,000 or less.
16 If any such quarter monthly payment is not paid at the time or
17 in the amount required, the taxpayer shall be liable for
18 penalties and interest on such difference, except insofar as
19 the taxpayer has previously made payments for that month in
20 excess of the minimum payments previously due.

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

1 preceding 4 complete calendar quarters shall file a return
2 with the Department as required by Section 2f and shall make
3 payments to the Department on or before the 7th, 15th, 22nd and
4 last day of the month during which the liability is incurred.
5 Each payment shall be in an amount equal to 22.5% of the
6 taxpayer's actual liability for the month or 25% of the
7 taxpayer's liability for the same calendar month of the
8 preceding year. The amount of the quarter monthly payments
9 shall be credited against the final tax liability of the
10 taxpayer's return for that month filed under this Section or
11 Section 2f, as the case may be. Once applicable, the
12 requirement of the making of quarter monthly payments to the
13 Department pursuant to this paragraph shall continue until the
14 taxpayer's average monthly prepaid tax collections during the
15 preceding 4 complete calendar quarters (excluding the month of
16 highest liability and the month of lowest liability) is less
17 than \$19,000 or until such taxpayer's average monthly
18 liability to the Department as computed for each calendar
19 quarter of the 4 preceding complete calendar quarters is less
20 than \$20,000. If any such quarter monthly payment is not paid
21 at the time or in the amount required, the taxpayer shall be
22 liable for penalties and interest on such difference, except
23 insofar as the taxpayer has previously made payments for that
24 month in excess of the minimum payments previously due.

25 If any payment provided for in this Section exceeds the
26 taxpayer's liabilities under this Act, the Use Tax Act, the

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

21 If a retailer of motor fuel is entitled to a credit under
22 Section 2d of this Act which exceeds the taxpayer's liability
23 to the Department under this Act for the month which the
24 taxpayer is filing a return, the Department shall issue the
25 taxpayer a credit memorandum for the excess.

26 Beginning January 1, 1990, each month the Department shall

1 pay into the Local Government Tax Fund, a special fund in the
2 State treasury which is hereby created, the net revenue
3 realized for the preceding month from the 1% tax imposed under
4 this Act.

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

13 Beginning August 1, 2000, each month the Department shall
14 pay into the County and Mass Transit District Fund 20% of the
15 net revenue realized for the preceding month from the 1.25%
16 rate on the selling price of motor fuel and gasohol. Beginning
17 September 1, 2010, each month the Department shall pay into
18 the County and Mass Transit District Fund 20% of the net
19 revenue realized for the preceding month from the 1.25% rate
20 on the selling price of sales tax holiday items.

21 Beginning January 1, 1990, each month the Department shall
22 pay into the Local Government Tax Fund 16% of the net revenue
23 realized for the preceding month from the 6.25% general rate
24 on the selling price of tangible personal property other than
25 aviation fuel sold on or after December 1, 2019. This
26 exception for aviation fuel only applies for so long as the

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

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

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

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

1 candy, grooming and hygiene products, and soft drinks that had
2 been taxed at a rate of 1% prior to September 1, 2009 but that
3 are now taxed at 6.25%.

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

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

1 paragraph.

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

7 Of the remainder of the moneys received by the Department
8 pursuant to this Act, (a) 1.75% thereof shall be paid into the
9 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
10 and after July 1, 1989, 3.8% thereof shall be paid into the
11 Build Illinois Fund; provided, however, that if in any fiscal
12 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
13 may be, of the moneys received by the Department and required
14 to be paid into the Build Illinois Fund pursuant to this Act,
15 Section 9 of the Use Tax Act, Section 9 of the Service Use Tax
16 Act, and Section 9 of the Service Occupation Tax Act, such Acts
17 being hereinafter called the "Tax Acts" and such aggregate of
18 2.2% or 3.8%, as the case may be, of moneys being hereinafter
19 called the "Tax Act Amount", and (2) the amount transferred to
20 the Build Illinois Fund from the State and Local Sales Tax
21 Reform Fund shall be less than the Annual Specified Amount (as
22 hereinafter defined), an amount equal to the difference shall
23 be immediately paid into the Build Illinois Fund from other
24 moneys received by the Department pursuant to the Tax Acts;
25 the "Annual Specified Amount" means the amounts specified
26 below for fiscal years 1986 through 1993:

	Fiscal Year	Annual Specified Amount
1		
2	1986	\$54,800,000
3	1987	\$76,650,000
4	1988	\$80,480,000
5	1989	\$88,510,000
6	1990	\$115,330,000
7	1991	\$145,470,000
8	1992	\$182,730,000
9	1993	\$206,520,000;

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

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

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

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

19	Fiscal Year	Total Deposit
20	1993	\$0
21	1994	53,000,000
22	1995	58,000,000
23	1996	61,000,000
24	1997	64,000,000
25	1998	68,000,000
26	1999	71,000,000

1	2000	75,000,000
2	2001	80,000,000
3	2002	93,000,000
4	2003	99,000,000
5	2004	103,000,000
6	2005	108,000,000
7	2006	113,000,000
8	2007	119,000,000
9	2008	126,000,000
10	2009	132,000,000
11	2010	139,000,000
12	2011	146,000,000
13	2012	153,000,000
14	2013	161,000,000
15	2014	170,000,000
16	2015	179,000,000
17	2016	189,000,000
18	2017	199,000,000
19	2018	210,000,000
20	2019	221,000,000
21	2020	233,000,000
22	2021	300,000,000
23	2022	300,000,000
24	2023	300,000,000
25	2024	300,000,000
26	2025	300,000,000

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

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

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

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

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

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

1 price of tangible personal property.

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

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

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

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

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

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

11	Fiscal Year.....	Total Deposit
12	2024	\$200,000,000
13	2025	\$206,000,000
14	2026	\$212,200,000
15	2027	\$218,500,000
16	2028	\$225,100,000
17	2029	\$288,700,000
18	2030	\$298,900,000
19	2031	\$309,300,000
20	2032	\$320,100,000
21	2033	\$331,200,000
22	2034	\$341,200,000
23	2035	\$351,400,000
24	2036	\$361,900,000
25	2037	\$372,800,000
26	2038	\$384,000,000

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

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

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

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

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

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

1 retailer's business during such year and any additional
2 reasonable information which the Department deems would be
3 helpful in determining the accuracy of the monthly, quarterly
4 or annual returns filed by such retailer as provided for in
5 this Section.

6 If the annual information return required by this Section
7 is not filed when and as required, the taxpayer shall be liable
8 as follows:

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

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

19 The chief executive officer, proprietor, owner or highest
20 ranking manager shall sign the annual return to certify the
21 accuracy of the information contained therein. Any person who
22 willfully signs the annual return containing false or
23 inaccurate information shall be guilty of perjury and punished
24 accordingly. The annual return form prescribed by the
25 Department shall include a warning that the person signing the
26 return may be liable for perjury.

1 The provisions of this Section concerning the filing of an
2 annual information return do not apply to a retailer who is not
3 required to file an income tax return with the United States
4 Government.

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

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

16 For greater simplicity of administration, manufacturers,
17 importers and wholesalers whose products are sold at retail in
18 Illinois by numerous retailers, and who wish to do so, may
19 assume the responsibility for accounting and paying to the
20 Department all tax accruing under this Act with respect to
21 such sales, if the retailers who are affected do not make
22 written objection to the Department to this arrangement.

23 Any person who promotes, organizes, provides retail
24 selling space for concessionaires or other types of sellers at
25 the Illinois State Fair, DuQuoin State Fair, county fairs,
26 local fairs, art shows, flea markets and similar exhibitions

1 or events, including any transient merchant as defined by
2 Section 2 of the Transient Merchant Act of 1987, is required to
3 file a report with the Department providing the name of the
4 merchant's business, the name of the person or persons engaged
5 in merchant's business, the permanent address and Illinois
6 Retailers Occupation Tax Registration Number of the merchant,
7 the dates and location of the event and other reasonable
8 information that the Department may require. The report must
9 be filed not later than the 20th day of the month next
10 following the month during which the event with retail sales
11 was held. Any person who fails to file a report required by
12 this Section commits a business offense and is subject to a
13 fine not to exceed \$250.

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

1 business of selling tangible personal property at retail at
2 the exhibition or event, or other evidence of a significant
3 risk of loss of revenue to the State. The Department shall
4 notify concessionaires and other sellers affected by the
5 imposition of this requirement. In the absence of notification
6 by the Department, the concessionaires and other sellers shall
7 file their returns as otherwise required in this Section.

8 (Source: P.A. 100-303, eff. 8-24-17; 100-363, eff. 7-1-18;
9 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; 101-10, Article
10 15, Section 15-25, eff. 6-5-19; 101-10, Article 25, Section
11 25-120, eff. 6-5-19; 101-27, eff. 6-25-19; 101-32, eff.
12 6-28-19; 101-604, eff. 12-13-19; 101-636, eff. 6-10-20.)

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

16 (35 ILCS 185/5-5)

17 Sec. 5-5. Findings. The General Assembly finds that
18 certified service providers and certified automated systems
19 simplify use and occupation tax compliance for remote
20 retailers, which fosters higher levels of accurate tax
21 collection and remittance and generates administrative savings
22 and new marginal tax revenue for both State and local taxing
23 jurisdictions. By making the services of certified service
24 providers and certified automated systems available to remote

1 ~~retailers without charge, other than their retailer customer's~~
2 ~~retail discount,~~ as provided in this Act, the State will
3 substantially eliminate the burden on those remote retailers
4 to collect and remit both State and local taxing jurisdiction
5 use and occupation taxes. While providing a means for remote
6 retailers to collect and remit tax on an even basis with
7 Illinois retailers, this Act also protects existing local tax
8 revenue streams by retaining origin sourcing for all
9 transactions by retailers maintaining a physical presence in
10 Illinois.

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

12 (35 ILCS 185/5-25)

13 Sec. 5-25. Certification.

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

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

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

20 (3) establish a certification process to review the
21 systems of companies wishing to be designated as a
22 certified service provider in this State or of companies
23 wishing to use a certified automated process; this
24 certification process shall provide that companies that
25 meet all required standards and whose systems have been

1 tested and approved by the Department for properly
2 determining the taxability of items to be sold, the
3 correct tax rate to apply to a transaction, and the
4 appropriate jurisdictions to which the tax shall be
5 remitted, shall be certified;

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

10 (A) that the certified service provider shall be
11 held liable for the tax imposed under this Act and the
12 Use Tax Act and all applicable local occupation taxes
13 administered by the Department if the certified
14 service provider fails to correctly remit the tax
15 after having been provided with the tax and
16 information by a remote retailer to correctly remit
17 the taxes imposed under this Act and the Use Tax Act
18 and all applicable local occupation taxes administered
19 by the Department; if the certified service provider
20 demonstrates to the satisfaction of the Department
21 that its failure to correctly remit tax on a retail
22 sale resulted from the certified service provider's
23 good faith reliance on incorrect or insufficient
24 information provided by the remote retailer, the
25 certified service provider shall be relieved of
26 liability for the tax on that retail sale; in that

1 case, the remote retailer is liable for any resulting
2 tax due;

3 (B) the responsibilities of the certified service
4 provider and the remote retailers that contract with
5 the certified service provider ~~or the user of a~~
6 ~~certified automated system~~ related to record keeping
7 and auditing consistent with requirements imposed
8 under the Retailers' Occupation Tax Act and the Use
9 Tax Act;

10 (C) for the protection and confidentiality of tax
11 information consistent with requirements imposed under
12 the Retailers' Occupation Tax Act and the Use Tax Act;

13 (D) that a certified service provider may claim
14 the discount provided for in Section 3 of the
15 Retailers' Occupation Tax Act for the tax dollars it
16 collects and timely remits on returns that are timely
17 filed with the Department on behalf of remote
18 retailers; remote retailers using a certified service
19 provider may not claim the discount allowed in Section
20 3 of the Retailers' Occupation Tax Act with respect to
21 those collections ~~compensation equal to 1.75% of the~~
22 ~~tax dollars collected and remitted to the State by a~~
23 ~~certified service provider on a timely basis, along~~
24 ~~with a return that has been timely filed, on behalf of~~
25 ~~remote retailers; remote retailers using a certified~~
26 ~~service provider may not claim the vendor's discount~~

1 ~~allowed under the Retailers' Occupation Tax Act or the~~
2 ~~Service Occupation Tax Act; and~~

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

6 The provisions of this Section shall supersede the
7 provisions of the Illinois Procurement Code.

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

11 (c) When the systems of a certified service provider or
12 certified automated systems are updated or upgraded, they must
13 be recertified by the Department. Notification of changes
14 shall be provided to the Department prior to implementation.
15 Upon receipt of such notification, the Department shall review
16 and test the changes to assess whether the updated system of
17 the certified service provider or the updated certified
18 automated system can properly determine the taxability of
19 items to be sold, the correct tax rate to apply to a
20 transaction, and the appropriate jurisdictions to which the
21 tax shall be remitted. The Department shall recertify updated
22 systems that meet these requirements. The certified service
23 provider or retailer using a certified automated system shall
24 be liable for any tax resulting from errors caused by use of an
25 updated or upgraded system prior to recertification by the
26 Department. In addition to these procedures, the Department

1 may periodically review the system of a certified service
2 provider or the certified automated system used by a retailer
3 to ensure that the system can properly determine the
4 taxability of items to be sold, the correct tax rate to apply
5 to a transaction, and the appropriate jurisdictions to which
6 the tax shall be remitted.

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

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