



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB5807

Introduced 11/16/2022, by Rep. Janet Yang Rohr

SYNOPSIS AS INTRODUCED:

5 ILCS 100/5-45.21 new
35 ILCS 105/3-6.1 new
35 ILCS 120/2-8.1 new
35 ILCS 735/3-8.1 new

Amends the Use Tax Act and the Retailers' Occupation Tax Act. Provides that, if a retailer inadvertently collects from a purchaser the entire 6.25% rate of tax on a sales tax holiday item, and if the retailer does not refund the excess tax proceeds to the purchaser, then the retailer shall remit those proceeds to the Department of Revenue in accordance with rules adopted by the Department of Revenue. Amends the Uniform Penalty and Interest Act. Provides that no penalties or interest shall be imposed under the Act for failure to pay a tax under the Use Tax Act or the Retailers' Occupation Tax Act on tangible personal property that is sold between August 5, 2022 and August 14, 2022 if (i) the failure to pay the tax was due to the taxpayer's mistaken belief that the item was a sales tax holiday item and (ii) the taxpayer made a good faith effort to comply with the requirements of the sales tax holiday. Amends the Illinois Administrative Procedure Act to provide for emergency rulemaking. Effective immediately.

LRB102 28551 HLH 40428 b

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

6 (5 ILCS 100/5-45.21 new)

7 Sec. 5-45.21. Emergency rulemaking; sales tax holiday. To
8 provide for the expeditious and timely implementation of this
9 amendatory Act of the 102nd General Assembly, emergency rules
10 implementing this amendatory Act of the 102nd General Assembly
11 may be adopted in accordance with Section 5-45 by the
12 Department of Revenue. The adoption of emergency rules
13 authorized by Section 5-45 and this Section is deemed to be
14 necessary for the public interest, safety, and welfare.

15 This Section is repealed one year after the effective date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

17 Section 5. The Use Tax Act is amended by adding Section
18 3-6.1 as follows:

19 (35 ILCS 105/3-6.1 new)

20 Sec. 3-6.1. Tax collected on sales tax holiday items. If,
21 between August 5, 2022 and August 14, 2022, a retailer

1 inadvertently collects from a purchaser the entire 6.25% rate
2 of tax on a sales tax holiday item described in Section 3-6,
3 and if the retailer does not refund the excess tax proceeds to
4 the purchaser, then the retailer shall remit those proceeds to
5 the Department in accordance with rules adopted by the
6 Department. Excess tax proceeds remitted to the Department
7 under this Section shall be allocated in the manner described
8 in Section 9 for proceeds generated from the 6.25% general
9 rate on the selling price of tangible personal property.

10 Section 10. The Retailers' Occupation Tax Act is amended
11 by adding Section 2-8.1 as follows:

12 (35 ILCS 120/2-8.1 new)

13 Sec. 2-8.1. Tax collected on sales tax holiday items. If,
14 between August 5, 2022 and August 14, 2022, a retailer
15 inadvertently collects from a purchaser the entire 6.25% rate
16 of tax on a sales tax holiday item described in Section 2-8,
17 and if the retailer does not refund the excess tax proceeds to
18 the purchaser, then the retailer shall remit those proceeds to
19 the Department in accordance with rules adopted by the
20 Department. Excess tax proceeds remitted to the Department
21 under this Section shall be allocated in the manner described
22 in Section 3 for proceeds generated from the 6.25% general
23 rate on the selling price of tangible personal property.

1 Section 15. The Uniform Penalty and Interest Act is
2 amended by adding Section 3-8.1 as follows:

3 (35 ILCS 735/3-8.1 new)

4 Sec. 3-8.1. Sales tax holiday. No penalties or interest
5 shall be imposed under this Act for failure to pay a tax under
6 the Use Tax Act or the Retailers' Occupation Tax Act on
7 tangible personal property that is sold between August 5, 2022
8 and August 14, 2022 if (i) the failure to pay the tax was due
9 to the taxpayer's mistaken belief that the item was a sales tax
10 holiday item, as described in Section 3-6 of the Use Tax Act or
11 Section 2-8 of the Retailers' Occupation Tax Act, and (ii) the
12 taxpayer made a good faith effort to comply with the
13 requirements of the sales tax holiday that occurred between
14 August 5, 2022 and August 14, 2022.

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