



## 102ND GENERAL ASSEMBLY

### State of Illinois

### 2021 and 2022

### SB4164

Introduced 2/9/2022, by Sen. Donald P. DeWitte

#### SYNOPSIS AS INTRODUCED:

35 ILCS 105/3-5	
35 ILCS 105/3-10	
35 ILCS 105/9	from Ch. 120, par. 439.9
35 ILCS 110/3-5	
35 ILCS 110/3-10	from Ch. 120, par. 439.33-10
35 ILCS 110/9	from Ch. 120, par. 439.39
35 ILCS 115/3-5	
35 ILCS 115/3-10	from Ch. 120, par. 439.103-10
35 ILCS 115/9	from Ch. 120, par. 439.109
35 ILCS 120/2-5	
35 ILCS 120/2-10	
35 ILCS 120/3	from Ch. 120, par. 442

Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Provides that certain food, drugs, and medical appliances that were taxed at the rate of 1% shall be exempt from the taxes under those Acts. Provides that certain amounts shall be transferred from the General Revenue Fund to certain local tax funds. Effective immediately.

LRB102 26254 HLH 36122 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 5. The Use Tax Act is amended by changing Sections  
5 3-5, 3-10, and 9 as follows:

6 (35 ILCS 105/3-5)

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

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

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

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

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

11 (4) Personal property purchased by a governmental body, by  
12 a corporation, society, association, foundation, or  
13 institution organized and operated exclusively for charitable,  
14 religious, or educational purposes, or by a not-for-profit  
15 corporation, society, association, foundation, institution, or  
16 organization that has no compensated officers or employees and  
17 that is organized and operated primarily for the recreation of  
18 persons 55 years of age or older. A limited liability company  
19 may qualify for the exemption under this paragraph only if the  
20 limited liability company is organized and operated  
21 exclusively for educational purposes. On and after July 1,  
22 1987, however, no entity otherwise eligible for this exemption  
23 shall make tax-free purchases unless it has an active  
24 exemption identification number issued by the Department.

25 (5) Until July 1, 2003, a passenger car that is a  
26 replacement vehicle to the extent that the purchase price of

1 the car is subject to the Replacement Vehicle Tax.

2 (6) Until July 1, 2003 and beginning again on September 1,  
3 2004 through August 30, 2014, graphic arts machinery and  
4 equipment, including repair and replacement parts, both new  
5 and used, and including that manufactured on special order,  
6 certified by the purchaser to be used primarily for graphic  
7 arts production, and including machinery and equipment  
8 purchased for lease. Equipment includes chemicals or chemicals  
9 acting as catalysts but only if the chemicals or chemicals  
10 acting as catalysts effect a direct and immediate change upon  
11 a graphic arts product. Beginning on July 1, 2017, graphic  
12 arts machinery and equipment is included in the manufacturing  
13 and assembling machinery and equipment exemption under  
14 paragraph (18).

15 (7) Farm chemicals.

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

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

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

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

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

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

1 Farm machinery and equipment also includes computers,  
2 sensors, software, and related equipment used primarily in the  
3 computer-assisted operation of production agriculture  
4 facilities, equipment, and activities such as, but not limited  
5 to, the collection, monitoring, and correlation of animal and  
6 crop data for the purpose of formulating animal diets and  
7 agricultural chemicals. This item (11) is exempt from the  
8 provisions of Section 3-90.

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

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

26 (13) Proceeds of mandatory service charges separately

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

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

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

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

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

8 (17) Until July 1, 2003, distillation machinery and  
9 equipment, sold as a unit or kit, assembled or installed by the  
10 retailer, certified by the user to be used only for the  
11 production of ethyl alcohol that will be used for consumption  
12 as motor fuel or as a component of motor fuel for the personal  
13 use of the user, and not subject to sale or resale.

14 (18) Manufacturing and assembling machinery and equipment  
15 used primarily in the process of manufacturing or assembling  
16 tangible personal property for wholesale or retail sale or  
17 lease, whether that sale or lease is made directly by the  
18 manufacturer or by some other person, whether the materials  
19 used in the process are owned by the manufacturer or some other  
20 person, or whether that sale or lease is made apart from or as  
21 an incident to the seller's engaging in the service occupation  
22 of producing machines, tools, dies, jigs, patterns, gauges, or  
23 other similar items of no commercial value on special order  
24 for a particular purchaser. The exemption provided by this  
25 paragraph (18) includes production related tangible personal  
26 property, as defined in Section 3-50, purchased on or after



1 July 1, 2019. The exemption provided by this paragraph (18)  
2 does not include machinery and equipment used in (i) the  
3 generation of electricity for wholesale or retail sale; (ii)  
4 the generation or treatment of natural or artificial gas for  
5 wholesale or retail sale that is delivered to customers  
6 through pipes, pipelines, or mains; or (iii) the treatment of  
7 water for wholesale or retail sale that is delivered to  
8 customers through pipes, pipelines, or mains. The provisions  
9 of Public Act 98-583 are declaratory of existing law as to the  
10 meaning and scope of this exemption. Beginning on July 1,  
11 2017, the exemption provided by this paragraph (18) includes,  
12 but is not limited to, graphic arts machinery and equipment,  
13 as defined in paragraph (6) of this Section.

14 (19) Personal property delivered to a purchaser or  
15 purchaser's donee inside Illinois when the purchase order for  
16 that personal property was received by a florist located  
17 outside Illinois who has a florist located inside Illinois  
18 deliver the personal property.

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

21 (21) Horses, or interests in horses, registered with and  
22 meeting the requirements of any of the Arabian Horse Club  
23 Registry of America, Appaloosa Horse Club, American Quarter  
24 Horse Association, United States Trotting Association, or  
25 Jockey Club, as appropriate, used for purposes of breeding or  
26 racing for prizes. This item (21) is exempt from the

1 provisions of Section 3-90, and the exemption provided for  
2 under this item (21) applies for all periods beginning May 30,  
3 1995, but no claim for credit or refund is allowed on or after  
4 January 1, 2008 for such taxes paid during the period  
5 beginning May 30, 2000 and ending on January 1, 2008.

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

1 for any reason, the lessor is liable to pay that amount to the  
2 Department.

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

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

1 for disaster relief to be used in a State or federally declared  
2 disaster area in Illinois or bordering Illinois by a  
3 manufacturer or retailer that is registered in this State to a  
4 corporation, society, association, foundation, or institution  
5 that has been issued a sales tax exemption identification  
6 number by the Department that assists victims of the disaster  
7 who reside within the declared disaster area.

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

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

25 (27) A motor vehicle, as that term is defined in Section  
26 1-146 of the Illinois Vehicle Code, that is donated to a

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

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

1 entity purchases the personal property sold at the events from  
2 another individual or entity that sold the property for the  
3 purpose of resale by the fundraising entity and that profits  
4 from the sale to the fundraising entity. This paragraph is  
5 exempt from the provisions of Section 3-90.

6 (29) Beginning January 1, 2000 and through December 31,  
7 2001, new or used automatic vending machines that prepare and  
8 serve hot food and beverages, including coffee, soup, and  
9 other items, and replacement parts for these machines.  
10 Beginning January 1, 2002 and through June 30, 2003, machines  
11 and parts for machines used in commercial, coin-operated  
12 amusement and vending business if a use or occupation tax is  
13 paid on the gross receipts derived from the use of the  
14 commercial, coin-operated amusement and vending machines. This  
15 paragraph is exempt from the provisions of Section 3-90.

16 (30) Beginning January 1, 2001 and through June 30, 2016,  
17 food for human consumption that is to be consumed off the  
18 premises where it is sold (other than alcoholic beverages,  
19 soft drinks, and food that has been prepared for immediate  
20 consumption) and prescription and nonprescription medicines,  
21 drugs, medical appliances, and insulin, urine testing  
22 materials, syringes, and needles used by diabetics, for human  
23 use, when purchased for use by a person receiving medical  
24 assistance under Article V of the Illinois Public Aid Code who  
25 resides in a licensed long-term care facility, as defined in  
26 the Nursing Home Care Act, or in a licensed facility as defined

1 in the ID/DD Community Care Act, the MC/DD Act, or the  
2 Specialized Mental Health Rehabilitation Act of 2013.

3 (31) Beginning on August 2, 2001 (the effective date of  
4 Public Act 92-227), computers and communications equipment  
5 utilized for any hospital purpose and equipment used in the  
6 diagnosis, analysis, or treatment of hospital patients  
7 purchased by a lessor who leases the equipment, under a lease  
8 of one year or longer executed or in effect at the time the  
9 lessor would otherwise be subject to the tax imposed by this  
10 Act, to a hospital that has been issued an active tax exemption  
11 identification number by the Department under Section 1g of  
12 the Retailers' Occupation Tax Act. If the equipment is leased  
13 in a manner that does not qualify for this exemption or is used  
14 in any other nonexempt manner, the lessor shall be liable for  
15 the tax imposed under this Act or the Service Use Tax Act, as  
16 the case may be, based on the fair market value of the property  
17 at the time the nonqualifying use occurs. No lessor shall  
18 collect or attempt to collect an amount (however designated)  
19 that purports to reimburse that lessor for the tax imposed by  
20 this Act or the Service Use Tax Act, as the case may be, if the  
21 tax has not been paid by the lessor. If a lessor improperly  
22 collects any such amount from the lessee, the lessee shall  
23 have a legal right to claim a refund of that amount from the  
24 lessor. If, however, that amount is not refunded to the lessee  
25 for any reason, the lessor is liable to pay that amount to the  
26 Department. This paragraph is exempt from the provisions of

1 Section 3-90.

2 (32) Beginning on August 2, 2001 (the effective date of  
3 Public Act 92-227), personal property purchased by a lessor  
4 who leases the property, under a lease of one year or longer  
5 executed or in effect at the time the lessor would otherwise be  
6 subject to the tax imposed by this Act, to a governmental body  
7 that has been issued an active sales tax exemption  
8 identification number by the Department under Section 1g of  
9 the Retailers' Occupation Tax Act. If the property is leased  
10 in a manner that does not qualify for this exemption or used in  
11 any other nonexempt manner, the lessor shall be liable for the  
12 tax imposed under this Act or the Service Use Tax Act, as the  
13 case may be, based on the fair market value of the property at  
14 the time the nonqualifying use occurs. No lessor shall collect  
15 or attempt to collect an amount (however designated) that  
16 purports to reimburse that lessor for the tax imposed by this  
17 Act or the Service Use Tax Act, as the case may be, if the tax  
18 has not been paid by the lessor. If a lessor improperly  
19 collects any such amount from the lessee, the lessee shall  
20 have a legal right to claim a refund of that amount from the  
21 lessor. If, however, that amount is not refunded to the lessee  
22 for any reason, the lessor is liable to pay that amount to the  
23 Department. This paragraph is exempt from the provisions of  
24 Section 3-90.

25 (33) On and after July 1, 2003 and through June 30, 2004,  
26 the use in this State of motor vehicles of the second division



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

18 (34) Beginning January 1, 2008, tangible personal property  
19 used in the construction or maintenance of a community water  
20 supply, as defined under Section 3.145 of the Environmental  
21 Protection Act, that is operated by a not-for-profit  
22 corporation that holds a valid water supply permit issued  
23 under Title IV of the Environmental Protection Act. This  
24 paragraph is exempt from the provisions of Section 3-90.

25 (35) Beginning January 1, 2010 and continuing through  
26 December 31, 2024, materials, parts, equipment, components,

1 and furnishings incorporated into or upon an aircraft as part  
2 of the modification, refurbishment, completion, replacement,  
3 repair, or maintenance of the aircraft. This exemption  
4 includes consumable supplies used in the modification,  
5 refurbishment, completion, replacement, repair, and  
6 maintenance of aircraft, but excludes any materials, parts,  
7 equipment, components, and consumable supplies used in the  
8 modification, replacement, repair, and maintenance of aircraft  
9 engines or power plants, whether such engines or power plants  
10 are installed or uninstalled upon any such aircraft.  
11 "Consumable supplies" include, but are not limited to,  
12 adhesive, tape, sandpaper, general purpose lubricants,  
13 cleaning solution, latex gloves, and protective films. This  
14 exemption applies only to the use of qualifying tangible  
15 personal property by persons who modify, refurbish, complete,  
16 repair, replace, or maintain aircraft and who (i) hold an Air  
17 Agency Certificate and are empowered to operate an approved  
18 repair station by the Federal Aviation Administration, (ii)  
19 have a Class IV Rating, and (iii) conduct operations in  
20 accordance with Part 145 of the Federal Aviation Regulations.  
21 The exemption does not include aircraft operated by a  
22 commercial air carrier providing scheduled passenger air  
23 service pursuant to authority issued under Part 121 or Part  
24 129 of the Federal Aviation Regulations. The changes made to  
25 this paragraph (35) by Public Act 98-534 are declarative of  
26 existing law. It is the intent of the General Assembly that the

1 exemption under this paragraph (35) applies continuously from  
2 January 1, 2010 through December 31, 2024; however, no claim  
3 for credit or refund is allowed for taxes paid as a result of  
4 the disallowance of this exemption on or after January 1, 2015  
5 and prior to the effective date of this amendatory Act of the  
6 101st General Assembly.

7 (36) Tangible personal property purchased by a  
8 public-facilities corporation, as described in Section  
9 11-65-10 of the Illinois Municipal Code, for purposes of  
10 constructing or furnishing a municipal convention hall, but  
11 only if the legal title to the municipal convention hall is  
12 transferred to the municipality without any further  
13 consideration by or on behalf of the municipality at the time  
14 of the completion of the municipal convention hall or upon the  
15 retirement or redemption of any bonds or other debt  
16 instruments issued by the public-facilities corporation in  
17 connection with the development of the municipal convention  
18 hall. This exemption includes existing public-facilities  
19 corporations as provided in Section 11-65-25 of the Illinois  
20 Municipal Code. This paragraph is exempt from the provisions  
21 of Section 3-90.

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

24 (38) Merchandise that is subject to the Rental Purchase  
25 Agreement Occupation and Use Tax. The purchaser must certify  
26 that the item is purchased to be rented subject to a rental

1 purchase agreement, as defined in the Rental Purchase  
2 Agreement Act, and provide proof of registration under the  
3 Rental Purchase Agreement Occupation and Use Tax Act. This  
4 paragraph is exempt from the provisions of Section 3-90.

5 (39) Tangible personal property purchased by a purchaser  
6 who is exempt from the tax imposed by this Act by operation of  
7 federal law. This paragraph is exempt from the provisions of  
8 Section 3-90.

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

23 The Department of Commerce and Economic Opportunity shall  
24 grant a certificate of exemption under this item (40) to  
25 qualified data centers as defined by Section 605-1025 of the  
26 Department of Commerce and Economic Opportunity Law of the

1 Civil Administrative Code of Illinois.

2 For the purposes of this item (40):

3 "Data center" means a building or a series of  
4 buildings rehabilitated or constructed to house working  
5 servers in one physical location or multiple sites within  
6 the State of Illinois.

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

1 data center. The term "qualified tangible personal  
2 property" also includes building materials physically  
3 incorporated in to the qualifying data center. To document  
4 the exemption allowed under this Section, the retailer  
5 must obtain from the purchaser a copy of the certificate  
6 of eligibility issued by the Department of Commerce and  
7 Economic Opportunity.

8 This item (40) is exempt from the provisions of Section  
9 3-90.

10 (41) Beginning July 1, 2022, food for human consumption  
11 that is to be consumed off the premises where it is sold (other  
12 than alcoholic beverages, food consisting of or infused with  
13 adult use cannabis, soft drinks, and food that has been  
14 prepared for immediate consumption) and prescription and  
15 nonprescription medicines, drugs, medical appliances, products  
16 classified as Class III medical devices by the United States  
17 Food and Drug Administration that are used for cancer  
18 treatment pursuant to a prescription, as well as any  
19 accessories and components related to those devices,  
20 modifications to a motor vehicle for the purpose of rendering  
21 it usable by a person with a disability, and insulin, blood  
22 sugar testing materials, syringes, and needles used by human  
23 diabetics. This item (41) is exempt from the provisions of  
24 Section 3-90.

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

1 6-17-21.)

2 (35 ILCS 105/3-10)

3 Sec. 3-10. Rate of tax. Unless otherwise provided in this  
4 Section, the tax imposed by this Act is at the rate of 6.25% of  
5 either the selling price or the fair market value, if any, of  
6 the tangible personal property. In all cases where property  
7 functionally used or consumed is the same as the property that  
8 was purchased at retail, then the tax is imposed on the selling  
9 price of the property. In all cases where property  
10 functionally used or consumed is a by-product or waste product  
11 that has been refined, manufactured, or produced from property  
12 purchased at retail, then the tax is imposed on the lower of  
13 the fair market value, if any, of the specific property so used  
14 in this State or on the selling price of the property purchased  
15 at retail. For purposes of this Section "fair market value"  
16 means the price at which property would change hands between a  
17 willing buyer and a willing seller, neither being under any  
18 compulsion to buy or sell and both having reasonable knowledge  
19 of the relevant facts. The fair market value shall be  
20 established by Illinois sales by the taxpayer of the same  
21 property as that functionally used or consumed, or if there  
22 are no such sales by the taxpayer, then comparable sales or  
23 purchases of property of like kind and character in Illinois.

24 Beginning on July 1, 2000 and through December 31, 2000,  
25 with respect to motor fuel, as defined in Section 1.1 of the

1 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of  
2 the Use Tax Act, the tax is imposed at the rate of 1.25%.

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

6 With respect to gasohol, the tax imposed by this Act  
7 applies to (i) 70% of the proceeds of sales made on or after  
8 January 1, 1990, and before July 1, 2003, (ii) 80% of the  
9 proceeds of sales made on or after July 1, 2003 and on or  
10 before July 1, 2017, and (iii) 100% of the proceeds of sales  
11 made thereafter. If, at any time, however, the tax under this  
12 Act on sales of gasohol is imposed at the rate of 1.25%, then  
13 the tax imposed by this Act applies to 100% of the proceeds of  
14 sales of gasohol made during that time.

15 With respect to majority blended ethanol fuel, the tax  
16 imposed by this Act does not apply to the proceeds of sales  
17 made on or after July 1, 2003 and on or before December 31,  
18 2023 but applies to 100% of the proceeds of sales made  
19 thereafter.

20 With respect to biodiesel blends with no less than 1% and  
21 no more than 10% biodiesel, the tax imposed by this Act applies  
22 to (i) 80% of the proceeds of sales made on or after July 1,  
23 2003 and on or before December 31, 2018 and (ii) 100% of the  
24 proceeds of sales made thereafter. If, at any time, however,  
25 the tax under this Act on sales of biodiesel blends with no  
26 less than 1% and no more than 10% biodiesel is imposed at the



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

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

9 Until July 1, 2022, with ~~With~~ respect to food for human  
10 consumption that is to be consumed off the premises where it is  
11 sold (other than alcoholic beverages, food consisting of or  
12 infused with adult use cannabis, soft drinks, and food that  
13 has been prepared for immediate consumption) and prescription  
14 and nonprescription medicines, drugs, medical appliances,  
15 products classified as Class III medical devices by the United  
16 States Food and Drug Administration that are used for cancer  
17 treatment pursuant to a prescription, as well as any  
18 accessories and components related to those devices,  
19 modifications to a motor vehicle for the purpose of rendering  
20 it usable by a person with a disability, and insulin, blood  
21 sugar testing materials, syringes, and needles used by human  
22 diabetics, the tax is imposed at the rate of 1%. Beginning on  
23 July 1, 2022, items that had been subject to a 1% rate of tax  
24 under this paragraph shall be exempt as provided in item (41)  
25 of Section 3-5. For the purposes of this Section, until  
26 September 1, 2009: the term "soft drinks" means any complete,

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

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

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

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

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

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

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

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

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

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

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

13 If the property that is purchased at retail from a  
14 retailer is acquired outside Illinois and used outside  
15 Illinois before being brought to Illinois for use here and is  
16 taxable under this Act, the "selling price" on which the tax is  
17 computed shall be reduced by an amount that represents a  
18 reasonable allowance for depreciation for the period of prior  
19 out-of-state use.

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

22 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

23 Sec. 9. Except as to motor vehicles, watercraft, aircraft,  
24 and trailers that are required to be registered with an agency  
25 of this State, each retailer required or authorized to collect

1 the tax imposed by this Act shall pay to the Department the  
2 amount of such tax (except as otherwise provided) at the time  
3 when he is required to file his return for the period during  
4 which such tax was collected, less a discount of 2.1% prior to  
5 January 1, 1990, and 1.75% on and after January 1, 1990, or \$5  
6 per calendar year, whichever is greater, which is allowed to  
7 reimburse the retailer for expenses incurred in collecting the  
8 tax, keeping records, preparing and filing returns, remitting  
9 the tax and supplying data to the Department on request. The  
10 discount under this Section is not allowed for the 1.25%  
11 portion of taxes paid on aviation fuel that is subject to the  
12 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.  
13 47133. In the case of retailers who report and pay the tax on a  
14 transaction by transaction basis, as provided in this Section,  
15 such discount shall be taken with each such tax remittance  
16 instead of when such retailer files his periodic return. The  
17 discount allowed under this Section is allowed only for  
18 returns that are filed in the manner required by this Act. The  
19 Department may disallow the discount for retailers whose  
20 certificate of registration is revoked at the time the return  
21 is filed, but only if the Department's decision to revoke the  
22 certificate of registration has become final. A retailer need  
23 not remit that part of any tax collected by him to the extent  
24 that he is required to remit and does remit the tax imposed by  
25 the Retailers' Occupation Tax Act, with respect to the sale of  
26 the same property.

1           Where such tangible personal property is sold under a  
2 conditional sales contract, or under any other form of sale  
3 wherein the payment of the principal sum, or a part thereof, is  
4 extended beyond the close of the period for which the return is  
5 filed, the retailer, in collecting the tax (except as to motor  
6 vehicles, watercraft, aircraft, and trailers that are required  
7 to be registered with an agency of this State), may collect for  
8 each tax return period, only the tax applicable to that part of  
9 the selling price actually received during such tax return  
10 period.

11           Except as provided in this Section, on or before the  
12 twentieth day of each calendar month, such retailer shall file  
13 a return for the preceding calendar month. Such return shall  
14 be filed on forms prescribed by the Department and shall  
15 furnish such information as the Department may reasonably  
16 require. On and after January 1, 2018, except for returns for  
17 motor vehicles, watercraft, aircraft, and trailers that are  
18 required to be registered with an agency of this State, with  
19 respect to retailers whose annual gross receipts average  
20 \$20,000 or more, all returns required to be filed pursuant to  
21 this Act shall be filed electronically. Retailers who  
22 demonstrate that they do not have access to the Internet or  
23 demonstrate hardship in filing electronically may petition the  
24 Department to waive the electronic filing requirement.

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

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

6 1. The name of the seller;

7 2. The address of the principal place of business from  
8 which he engages in the business of selling tangible  
9 personal property at retail in this State;

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

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

17 5. The amount of tax due;

18 5-5. The signature of the taxpayer; and

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

21 Each retailer required or authorized to collect the tax  
22 imposed by this Act on aviation fuel sold at retail in this  
23 State during the preceding calendar month shall, instead of  
24 reporting and paying tax on aviation fuel as otherwise  
25 required by this Section, report and pay such tax on a separate  
26 aviation fuel tax return. The requirements related to the

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

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

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

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



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

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

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

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

1 payments in the manner authorized by the Department.

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

5 Before October 1, 2000, if the taxpayer's average monthly  
6 tax liability to the Department under this Act, the Retailers'  
7 Occupation Tax Act, the Service Occupation Tax Act, the  
8 Service Use Tax Act was \$10,000 or more during the preceding 4  
9 complete calendar quarters, he shall file a return with the  
10 Department each month by the 20th day of the month next  
11 following the month during which such tax liability is  
12 incurred and shall make payments to the Department on or  
13 before the 7th, 15th, 22nd and last day of the month during  
14 which such liability is incurred. On and after October 1,  
15 2000, if the taxpayer's average monthly tax liability to the  
16 Department under this Act, the Retailers' Occupation Tax Act,  
17 the Service Occupation Tax Act, and the Service Use Tax Act was  
18 \$20,000 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 payment to the Department on or before the 7th, 15th, 22nd and  
23 last day of the month during which such liability is incurred.  
24 If the month during which such tax liability is incurred began  
25 prior to January 1, 1985, each payment shall be in an amount  
26 equal to 1/4 of the taxpayer's actual liability for the month

1 or an amount set by the Department not to exceed 1/4 of the  
2 average monthly liability of the taxpayer to the Department  
3 for the preceding 4 complete calendar quarters (excluding the  
4 month of highest liability and the month of lowest liability  
5 in such 4 quarter period). If the month during which such tax  
6 liability is incurred begins on or after January 1, 1985, and  
7 prior to January 1, 1987, each payment shall be in an amount  
8 equal to 22.5% of the taxpayer's actual liability for the  
9 month or 27.5% of the taxpayer's liability for the same  
10 calendar month of the preceding year. If the month during  
11 which such tax liability is incurred begins on or after  
12 January 1, 1987, and prior to January 1, 1988, each payment  
13 shall be in an amount equal to 22.5% of the taxpayer's actual  
14 liability for the month or 26.25% of the taxpayer's liability  
15 for the same calendar month of the preceding year. If the month  
16 during which such tax liability is incurred begins on or after  
17 January 1, 1988, and prior to January 1, 1989, or begins on or  
18 after January 1, 1996, each payment shall be in an amount equal  
19 to 22.5% of the taxpayer's actual liability for the month or  
20 25% of the taxpayer's liability for the same calendar month of  
21 the preceding year. If the month during which such tax  
22 liability is incurred begins on or after January 1, 1989, and  
23 prior to January 1, 1996, each payment shall be in an amount  
24 equal to 22.5% of the taxpayer's actual liability for the  
25 month or 25% of the taxpayer's liability for the same calendar  
26 month of the preceding year or 100% of the taxpayer's actual

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

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

22 If any such payment provided for in this Section exceeds  
23 the taxpayer's liabilities under this Act, the Retailers'  
24 Occupation Tax Act, the Service Occupation Tax Act and the  
25 Service Use Tax Act, as shown by an original monthly return,  
26 the Department shall issue to the taxpayer a credit memorandum

1 no later than 30 days after the date of payment, which  
2 memorandum may be submitted by the taxpayer to the Department  
3 in payment of tax liability subsequently to be remitted by the  
4 taxpayer to the Department or be assigned by the taxpayer to a  
5 similar taxpayer under this Act, the Retailers' Occupation Tax  
6 Act, the Service Occupation Tax Act or the Service Use Tax Act,  
7 in accordance with reasonable rules and regulations to be  
8 prescribed by the Department, except that if such excess  
9 payment is shown on an original monthly return and is made  
10 after December 31, 1986, no credit memorandum shall be issued,  
11 unless requested by the taxpayer. If no such request is made,  
12 the taxpayer may credit such excess payment against tax  
13 liability subsequently to be remitted by the taxpayer to the  
14 Department under this Act, the Retailers' Occupation Tax Act,  
15 the Service Occupation Tax Act or the Service Use Tax Act, in  
16 accordance with reasonable rules and regulations prescribed by  
17 the Department. If the Department subsequently determines that  
18 all or any part of the credit taken was not actually due to the  
19 taxpayer, the taxpayer's 2.1% or 1.75% vendor's discount shall  
20 be reduced by 2.1% or 1.75% of the difference between the  
21 credit taken and that actually due, and the taxpayer shall be  
22 liable for penalties and interest on such difference.

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

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

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

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

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

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

1 Section, every retailer selling this kind of tangible personal  
2 property shall file, with the Department, upon a form to be  
3 prescribed and supplied by the Department, a separate return  
4 for each such item of tangible personal property which the  
5 retailer sells, except that if, in the same transaction, (i) a  
6 retailer of aircraft, watercraft, motor vehicles or trailers  
7 transfers more than one aircraft, watercraft, motor vehicle or  
8 trailer to another aircraft, watercraft, motor vehicle or  
9 trailer retailer for the purpose of resale or (ii) a retailer  
10 of aircraft, watercraft, motor vehicles, or trailers transfers  
11 more than one aircraft, watercraft, motor vehicle, or trailer  
12 to a purchaser for use as a qualifying rolling stock as  
13 provided in Section 3-55 of this Act, then that seller may  
14 report the transfer of all the aircraft, watercraft, motor  
15 vehicles or trailers involved in that transaction to the  
16 Department on the same uniform invoice-transaction reporting  
17 return form. For purposes of this Section, "watercraft" means  
18 a Class 2, Class 3, or Class 4 watercraft as defined in Section  
19 3-2 of the Boat Registration and Safety Act, a personal  
20 watercraft, or any boat equipped with an inboard motor.

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



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

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

1 if that is claimed to be the fact); the place and date of the  
2 sale; a sufficient identification of the property sold; such  
3 other information as is required in Section 5-402 of the  
4 Illinois Vehicle Code, and such other information as the  
5 Department may reasonably require.

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

23 Such transaction reporting return shall be filed not later  
24 than 20 days after the date of delivery of the item that is  
25 being sold, but may be filed by the retailer at any time sooner  
26 than that if he chooses to do so. The transaction reporting

1 return and tax remittance or proof of exemption from the tax  
2 that is imposed by this Act may be transmitted to the  
3 Department by way of the State agency with which, or State  
4 officer with whom, the tangible personal property must be  
5 titled or registered (if titling or registration is required)  
6 if the Department and such agency or State officer determine  
7 that this procedure will expedite the processing of  
8 applications for title or registration.

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

22 No retailer's failure or refusal to remit tax under this  
23 Act precludes a user, who has paid the proper tax to the  
24 retailer, from obtaining his certificate of title or other  
25 evidence of title or registration (if titling or registration  
26 is required) upon satisfying the Department that such user has

1 paid the proper tax (if tax is due) to the retailer. The  
2 Department shall adopt appropriate rules to carry out the  
3 mandate of this paragraph.

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

22 Where a retailer collects the tax with respect to the  
23 selling price of tangible personal property which he sells and  
24 the purchaser thereafter returns such tangible personal  
25 property and the retailer refunds the selling price thereof to  
26 the purchaser, such retailer shall also refund, to the

1 purchaser, the tax so collected from the purchaser. When  
2 filing his return for the period in which he refunds such tax  
3 to the purchaser, the retailer may deduct the amount of the tax  
4 so refunded by him to the purchaser from any other use tax  
5 which such retailer may be required to pay or remit to the  
6 Department, as shown by such return, if the amount of the tax  
7 to be deducted was previously remitted to the Department by  
8 such retailer. If the retailer has not previously remitted the  
9 amount of such tax to the Department, he is entitled to no  
10 deduction under this Act upon refunding such tax to the  
11 purchaser.

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

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

26 Where the retailer has more than one business registered

1 with the Department under separate registration under this  
2 Act, such retailer may not file each return that is due as a  
3 single return covering all such registered businesses, but  
4 shall file separate returns for each such registered business.

5 Beginning January 1, 1990 and until August 1, 2022, each  
6 month the Department shall pay into the State and Local Sales  
7 Tax Reform Fund, a special fund in the State Treasury which is  
8 hereby created, the net revenue realized for the preceding  
9 month from the 1% tax imposed under this Act.

10 Beginning August 1, 2022, the State Comptroller shall  
11 order transferred and the State Treasurer shall transfer from  
12 the General Revenue Fund to the State and Local Sales Tax  
13 Reform Fund, the amount deposited into the State and Local  
14 Sales Tax Reform Fund for the same month in calendar year 2021.  
15 On August 1 of each year, the amount transferred from the  
16 General Revenue Fund to the State and Local Sales Tax Reform  
17 Fund shall be increased by the percentage change, if any, in  
18 the Consumer Price Index for All Urban Consumers as issued by  
19 the United States Department of Labor for the most recent  
20 12-month period for which data is available.

21 Beginning January 1, 1990, each month the Department shall  
22 pay into the County and Mass Transit District Fund 4% of the  
23 net revenue realized for the preceding month from the 6.25%  
24 general rate on the selling price of tangible personal  
25 property which is purchased outside Illinois at retail from a  
26 retailer and which is titled or registered by an agency of this

1 State's government.

2 Beginning January 1, 1990, each month the Department shall  
3 pay into the State and Local Sales Tax Reform Fund, a special  
4 fund in the State Treasury, 20% of the net revenue realized for  
5 the preceding month from the 6.25% general rate on the selling  
6 price of tangible personal property, other than (i) tangible  
7 personal property which is purchased outside Illinois at  
8 retail from a retailer and which is titled or registered by an  
9 agency of this State's government and (ii) aviation fuel sold  
10 on or after December 1, 2019. This exception for aviation fuel  
11 only 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 For aviation fuel sold on or after December 1, 2019, each  
14 month the Department shall pay into the State Aviation Program  
15 Fund 20% of the net revenue realized for the preceding month  
16 from the 6.25% general rate on the selling price of aviation  
17 fuel, less an amount estimated by the Department to be  
18 required for refunds of the 20% portion of the tax on aviation  
19 fuel under this Act, which amount shall be deposited into the  
20 Aviation Fuel Sales Tax Refund Fund. The Department shall only  
21 pay moneys into the State Aviation Program Fund and the  
22 Aviation Fuels Sales Tax Refund Fund under this Act for so long  
23 as the revenue use requirements of 49 U.S.C. 47107(b) and 49  
24 U.S.C. 47133 are binding on the State.

25 Beginning August 1, 2000, each month the Department shall  
26 pay into the State and Local Sales Tax Reform Fund 100% of the

1 net revenue realized for the preceding month from the 1.25%  
2 rate on the selling price of motor fuel and gasohol. Beginning  
3 September 1, 2010, each month the Department shall pay into  
4 the State and Local Sales Tax Reform Fund 100% of the net  
5 revenue realized for the preceding month from the 1.25% rate  
6 on the selling price of sales tax holiday items.

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

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

21 Beginning July 1, 2011, each month the Department shall  
22 pay into the Clean Air Act Permit Fund 80% of the net revenue  
23 realized for the preceding month from the 6.25% general rate  
24 on the selling price of sorbents used in Illinois in the  
25 process of sorbent injection as used to comply with the  
26 Environmental Protection Act or the federal Clean Air Act, but



1 the total payment into the Clean Air Act Permit Fund under this  
2 Act and the Retailers' Occupation Tax Act shall not exceed  
3 \$2,000,000 in any fiscal year.

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

19 Beginning July 1, 2015, of the remainder of the moneys  
20 received by the Department under this Act, the Service Use Tax  
21 Act, the Service Occupation Tax Act, and the Retailers'  
22 Occupation Tax Act, each month the Department shall deposit  
23 \$500,000 into the State Crime Laboratory Fund.

24 Of the remainder of the moneys received by the Department  
25 pursuant to this Act, (a) 1.75% thereof shall be paid into the  
26 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on

1 and after July 1, 1989, 3.8% thereof shall be paid into the  
2 Build Illinois Fund; provided, however, that if in any fiscal  
3 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case  
4 may be, of the moneys received by the Department and required  
5 to be paid into the Build Illinois Fund pursuant to Section 3  
6 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax  
7 Act, Section 9 of the Service Use Tax Act, and Section 9 of the  
8 Service Occupation Tax Act, such Acts being hereinafter called  
9 the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case  
10 may be, of moneys being hereinafter called the "Tax Act  
11 Amount", and (2) the amount transferred to the Build Illinois  
12 Fund from the State and Local Sales Tax Reform Fund shall be  
13 less than the Annual Specified Amount (as defined in Section 3  
14 of the Retailers' Occupation Tax Act), an amount equal to the  
15 difference shall be immediately paid into the Build Illinois  
16 Fund from other moneys received by the Department pursuant to  
17 the Tax Acts; and further provided, that if on the last  
18 business day of any month the sum of (1) the Tax Act Amount  
19 required to be deposited into the Build Illinois Bond Account  
20 in the Build Illinois Fund during such month and (2) the amount  
21 transferred during such month to the Build Illinois Fund from  
22 the State and Local Sales Tax Reform Fund shall have been less  
23 than 1/12 of the Annual Specified Amount, an amount equal to  
24 the difference shall be immediately paid into the Build  
25 Illinois Fund from other moneys received by the Department  
26 pursuant to the Tax Acts; and, further provided, that in no

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

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

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

24	Fiscal Year	Total Deposit
25	1993	\$0
26	1994	53,000,000

1	1995	58,000,000
2	1996	61,000,000
3	1997	64,000,000
4	1998	68,000,000
5	1999	71,000,000
6	2000	75,000,000
7	2001	80,000,000
8	2002	93,000,000
9	2003	99,000,000
10	2004	103,000,000
11	2005	108,000,000
12	2006	113,000,000
13	2007	119,000,000
14	2008	126,000,000
15	2009	132,000,000
16	2010	139,000,000
17	2011	146,000,000
18	2012	153,000,000
19	2013	161,000,000
20	2014	170,000,000
21	2015	179,000,000
22	2016	189,000,000
23	2017	199,000,000
24	2018	210,000,000
25	2019	221,000,000
26	2020	233,000,000

1	2021	300,000,000
2	2022	300,000,000
3	2023	300,000,000
4	2024	300,000,000
5	2025	300,000,000
6	2026	300,000,000
7	2027	375,000,000
8	2028	375,000,000
9	2029	375,000,000
10	2030	375,000,000
11	2031	375,000,000
12	2032	375,000,000
13	2033	375,000,000
14	2034	375,000,000
15	2035	375,000,000
16	2036	450,000,000

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

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

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

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

25 Subject to payment of amounts into the Build Illinois Fund  
26 and the McCormick Place Expansion Project Fund pursuant to the

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

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

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



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

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

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

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

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

1	2034	.....	\$341,200,000
2	2035	.....	\$351,400,000
3	2036	.....	\$361,900,000
4	2037	.....	\$372,800,000
5	2038	.....	\$384,000,000
6	2039	.....	\$395,500,000
7	2040	.....	\$407,400,000
8	2041	.....	\$419,600,000
9	2042	.....	\$432,200,000
10	2043	.....	\$445,100,000

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

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

1 imposed on motor fuel and gasohol. As used in this paragraph  
2 "motor fuel" has the meaning given to that term in Section 1.1  
3 of the Motor Fuel Tax Act, and "gasohol" has the meaning given  
4 to that term in Section 3-40 of this Act.

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

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

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

22 For greater simplicity of administration, manufacturers,  
23 importers and wholesalers whose products are sold at retail in  
24 Illinois by numerous retailers, and who wish to do so, may  
25 assume the responsibility for accounting and paying to the  
26 Department all tax accruing under this Act with respect to

1 such sales, if the retailers who are affected do not make  
2 written objection to the Department to this arrangement.

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

8 Section 10. The Service Use Tax Act is amended by changing  
9 Sections 3-5, 3-10, and 9 as follows:

10 (35 ILCS 110/3-5)

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

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

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

23 (3) Personal property purchased by a not-for-profit arts  
24 or cultural organization that establishes, by proof required

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

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

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

1 July 1, 2017, graphic arts machinery and equipment is included  
2 in the manufacturing and assembling machinery and equipment  
3 exemption under Section 2 of this Act.

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

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

26 Farm machinery and equipment shall include precision



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

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

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

23 Beginning July 1, 2013, fuel and petroleum products sold  
24 to or used by an air carrier, certified by the carrier to be  
25 used for consumption, shipment, or storage in the conduct of  
26 its business as an air common carrier, for a flight that (i) is

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

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

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

26 (11) Proceeds from the sale of photoprocessing machinery

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

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

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

19 (14) Horses, or interests in horses, registered with and  
20 meeting the requirements of any of the Arabian Horse Club  
21 Registry of America, Appaloosa Horse Club, American Quarter  
22 Horse Association, United States Trotting Association, or  
23 Jockey Club, as appropriate, used for purposes of breeding or  
24 racing for prizes. This item (14) is exempt from the  
25 provisions of Section 3-75, and the exemption provided for  
26 under this item (14) applies for all periods beginning May 30,

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

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

1 reason, the lessor is liable to pay that amount to the  
2 Department.

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

23 (17) Beginning with taxable years ending on or after  
24 December 31, 1995 and ending with taxable years ending on or  
25 before December 31, 2004, personal property that is donated  
26 for disaster relief to be used in a State or federally declared

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

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

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

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

1 foundation, or institution that is determined by the  
2 Department to be organized and operated exclusively for  
3 educational purposes. For purposes of this exemption, "a  
4 corporation, limited liability company, society, association,  
5 foundation, or institution organized and operated exclusively  
6 for educational purposes" means all tax-supported public  
7 schools, private schools that offer systematic instruction in  
8 useful branches of learning by methods common to public  
9 schools and that compare favorably in their scope and  
10 intensity with the course of study presented in tax-supported  
11 schools, and vocational or technical schools or institutes  
12 organized and operated exclusively to provide a course of  
13 study of 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 (21) Beginning January 1, 2000, personal property,  
18 including food, purchased through fundraising events for the  
19 benefit of a public or private elementary or secondary school,  
20 a group of those schools, or one or more school districts if  
21 the events are sponsored by an entity recognized by the school  
22 district that consists primarily of volunteers and includes  
23 parents and teachers of the school children. This paragraph  
24 does not apply to fundraising events (i) for the benefit of  
25 private home instruction or (ii) for which the fundraising  
26 entity purchases the personal property sold at the events from

1 another individual or entity that sold the property for the  
2 purpose of resale by the fundraising entity and that profits  
3 from the sale to the fundraising entity. This paragraph is  
4 exempt from the provisions of Section 3-75.

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

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



1 Specialized Mental Health Rehabilitation Act of 2013.

2 (24) Beginning on August 2, 2001 (the effective date of  
3 Public Act 92-227), computers and communications equipment  
4 utilized for any hospital purpose and equipment used in the  
5 diagnosis, analysis, or treatment of hospital patients  
6 purchased by a lessor who leases the equipment, under a lease  
7 of one year or longer executed or in effect at the time the  
8 lessor would otherwise be subject to the tax imposed by this  
9 Act, to a hospital that has been issued an active tax exemption  
10 identification number by the Department under Section 1g of  
11 the Retailers' Occupation Tax Act. If the equipment is leased  
12 in a manner that does not qualify for this exemption or is used  
13 in any other nonexempt manner, the lessor shall be liable for  
14 the tax imposed under this Act or the Use Tax Act, as the case  
15 may be, based on the fair market value of the property at the  
16 time the nonqualifying use occurs. No lessor shall collect or  
17 attempt to collect an amount (however designated) that  
18 purports to reimburse that lessor for the tax imposed by this  
19 Act or the Use Tax Act, as the case may be, if the tax has not  
20 been paid by the lessor. If a lessor improperly collects any  
21 such amount from the lessee, the lessee shall have a legal  
22 right to claim a refund of that amount from the lessor. If,  
23 however, that amount is not refunded to the lessee for any  
24 reason, the lessor is liable to pay that amount to the  
25 Department. This paragraph is exempt from the provisions of  
26 Section 3-75.

1           (25) Beginning on August 2, 2001 (the effective date of  
2 Public Act 92-227), personal property purchased by a lessor  
3 who leases the property, under a lease of one year or longer  
4 executed or in effect at the time the lessor would otherwise be  
5 subject to the tax imposed by this Act, to a governmental body  
6 that has been issued an active tax exemption identification  
7 number by the Department under Section 1g of the Retailers'  
8 Occupation Tax Act. If the property is leased in a manner that  
9 does not qualify for this exemption or is used in any other  
10 nonexempt manner, the lessor shall be liable for the tax  
11 imposed under this Act or the Use Tax Act, as the case may be,  
12 based on the fair market value of the property at the time the  
13 nonqualifying use occurs. No lessor shall collect or attempt  
14 to collect an amount (however designated) that purports to  
15 reimburse that lessor for the tax imposed by this Act or the  
16 Use Tax Act, as the case may be, if the tax has not been paid  
17 by the lessor. If a lessor improperly collects any such amount  
18 from the lessee, the lessee shall have a legal right to claim a  
19 refund of that amount from the lessor. If, however, that  
20 amount is not refunded to the lessee for any reason, the lessor  
21 is liable to pay that amount to the Department. This paragraph  
22 is exempt from the provisions of Section 3-75.

23           (26) Beginning January 1, 2008, tangible personal property  
24 used in the construction or maintenance of a community water  
25 supply, as defined under Section 3.145 of the Environmental  
26 Protection Act, that is operated by a not-for-profit

1 corporation that holds a valid water supply permit issued  
2 under Title IV of the Environmental Protection Act. This  
3 paragraph is exempt from the provisions of Section 3-75.

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

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

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

1 of Section 3-75.

2 (29) Beginning January 1, 2017 and through December 31,  
3 2026, menstrual pads, tampons, and menstrual cups.

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

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

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

1 For the purposes of this item (31):

2 "Data center" means a building or a series of  
3 buildings rehabilitated or constructed to house working  
4 servers in one physical location or multiple sites within  
5 the State of Illinois.

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

1 property" also includes building materials physically  
2 incorporated in to the qualifying data center. To document  
3 the exemption allowed under this Section, the retailer  
4 must obtain from the purchaser a copy of the certificate  
5 of eligibility issued by the Department of Commerce and  
6 Economic Opportunity.

7 This item (31) is exempt from the provisions of Section  
8 3-75.

9 (32) Beginning July 1, 2022, food prepared for immediate  
10 consumption and transferred incident to a sale of service  
11 subject to this Act or the Service Occupation Tax Act by an  
12 entity licensed under the Hospital Licensing Act, the Nursing  
13 Home Care Act, the Assisted Living and Shared Housing Act, the  
14 ID/DD Community Care Act, the MC/DD Act, the Specialized  
15 Mental Health Rehabilitation Act of 2013, or the Child Care  
16 Act of 1969, or an entity that holds a permit issued pursuant  
17 to the Life Care Facilities Act; food for human consumption  
18 that is to be consumed off the premises where it is sold (other  
19 than alcoholic beverages, food consisting of or infused with  
20 adult use cannabis, soft drinks, and food that has been  
21 prepared for immediate consumption and is not otherwise  
22 included in this paragraph); and prescription and  
23 nonprescription medicines, drugs, medical appliances, products  
24 classified as Class III medical devices by the United States  
25 Food and Drug Administration that are used for cancer  
26 treatment pursuant to a prescription, as well as any

1 accessories and components related to those devices,  
2 modifications to a motor vehicle for the purpose of rendering  
3 it usable by a person with a disability, and insulin, blood  
4 sugar testing materials, syringes, and needles used by human  
5 diabetics. This item (32) is exempt from the provisions of  
6 Section 3-75.

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

9 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

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

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

20 With respect to gasohol, as defined in the Use Tax Act, the  
21 tax imposed by this Act applies to (i) 70% of the selling price  
22 of property transferred as an incident to the sale of service  
23 on or after January 1, 1990, and before July 1, 2003, (ii) 80%  
24 of the selling price of property transferred as an incident to  
25 the sale of service on or after July 1, 2003 and on or before



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

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

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

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

1 by this Act does not apply to the proceeds of the selling price  
2 of property transferred as an incident to the sale of service  
3 on or after July 1, 2003 and on or before December 31, 2023 but  
4 applies to 100% of the selling price thereafter.

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

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

1 alcoholic beverages, food consisting of or infused with adult  
2 use cannabis, soft drinks, and food that has been prepared for  
3 immediate consumption and is not otherwise included in this  
4 paragraph) and prescription and nonprescription medicines,  
5 drugs, medical appliances, products classified as Class III  
6 medical devices by the United States Food and Drug  
7 Administration that are used for cancer treatment pursuant to  
8 a prescription, as well as any accessories and components  
9 related to those devices, modifications to a motor vehicle for  
10 the purpose of rendering it usable by a person with a  
11 disability, and insulin, blood sugar testing materials,  
12 syringes, and needles used by human diabetics. Beginning on  
13 July 1, 2022, items that had been subject to a 1% rate of tax  
14 under this paragraph shall be exempt as provided in item (32)  
15 of Section 3-5. For the purposes of this Section, until  
16 September 1, 2009: the term "soft drinks" means any complete,  
17 finished, ready-to-use, non-alcoholic drink, whether  
18 carbonated or not, including but not limited to soda water,  
19 cola, fruit juice, vegetable juice, carbonated water, and all  
20 other preparations commonly known as soft drinks of whatever  
21 kind or description that are contained in any closed or sealed  
22 bottle, can, carton, or container, regardless of size; but  
23 "soft drinks" does not include coffee, tea, non-carbonated  
24 water, infant formula, milk or milk products as defined in the  
25 Grade A Pasteurized Milk and Milk Products Act, or drinks  
26 containing 50% or more natural fruit or vegetable juice.

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

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

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

1 flour or requires refrigeration.

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

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

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

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

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

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

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

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

12 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

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

1 47133. The discount allowed under this Section is allowed only  
2 for returns that are filed in the manner required by this Act.  
3 The Department may disallow the discount for servicemen whose  
4 certificate of registration is revoked at the time the return  
5 is filed, but only if the Department's decision to revoke the  
6 certificate of registration has become final. A serviceman  
7 need not remit that part of any tax collected by him to the  
8 extent that he is required to pay and does pay the tax imposed  
9 by the Service Occupation Tax Act with respect to his sale of  
10 service involving the incidental transfer by him of the same  
11 property.

12 Except as provided hereinafter in this Section, on or  
13 before the twentieth day of each calendar month, such  
14 serviceman shall file a return for the preceding calendar  
15 month in accordance with reasonable Rules and Regulations to  
16 be promulgated by the Department. Such return shall be filed  
17 on a form prescribed by the Department and shall contain such  
18 information as the Department may reasonably require. On and  
19 after January 1, 2018, with respect to servicemen whose annual  
20 gross receipts average \$20,000 or more, all returns required  
21 to be filed pursuant to this Act shall be filed  
22 electronically. Servicemen who demonstrate that they do not  
23 have access to the Internet or demonstrate hardship in filing  
24 electronically may petition the Department to waive the  
25 electronic filing requirement.

26 The Department may require returns to be filed on a

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

7 1. The name of the seller;

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

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

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

17 5. The amount of tax due;

18 5-5. The signature of the taxpayer; and

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

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



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

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

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

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

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

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

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

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

1 payments by electronic funds transfer shall make those  
2 payments in the manner authorized by the Department.

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

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

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

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

26 Notwithstanding any other provision in this Act concerning

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

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

24 Any serviceman filing a return hereunder shall also  
25 include the total tax upon the selling price of tangible  
26 personal property purchased for use by him as an incident to a

1 sale of service, and such serviceman shall remit the amount of  
2 such tax to the Department when filing such return.

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

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

14 Beginning January 1, 1990 and until August 1, 2022, each  
15 month the Department shall pay into the State and Local Tax  
16 Reform Fund, a special fund in the State Treasury, the net  
17 revenue realized for the preceding month from the 1% tax  
18 imposed under this Act.

19 Beginning August 1, 2022, the State Comptroller shall  
20 order transferred and the State Treasurer shall transfer from  
21 the General Revenue Fund to the State and Local Sales Tax  
22 Reform Fund, the amount deposited into the State and Local  
23 Sales Tax Reform Fund for the same month in calendar year 2021.  
24 On August 1 of each year, the amount transferred from the  
25 General Revenue Fund to the State and Local Sales Tax Reform  
26 Fund shall be increased by the percentage change, if any, in

1 the Consumer Price Index for All Urban Consumers as issued by  
2 the United States Department of Labor for the most recent  
3 12-month period for which data is available.

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

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

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

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

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

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

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



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

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

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

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

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

1	2012	153,000,000
2	2013	161,000,000
3	2014	170,000,000
4	2015	179,000,000
5	2016	189,000,000
6	2017	199,000,000
7	2018	210,000,000
8	2019	221,000,000
9	2020	233,000,000
10	2021	300,000,000
11	2022	300,000,000
12	2023	300,000,000
13	2024	300,000,000
14	2025	300,000,000
15	2026	300,000,000
16	2027	375,000,000
17	2028	375,000,000
18	2029	375,000,000
19	2030	375,000,000
20	2031	375,000,000
21	2032	375,000,000
22	2033	375,000,000
23	2034	375,000,000
24	2035	375,000,000
25	2036	450,000,000
26	and	

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

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

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

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

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

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

1 Section 605-332 of the Department of Commerce and Economic  
2 Opportunity Law of the Civil Administrative Code of Illinois.

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

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

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

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

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



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

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

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

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

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

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

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

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

6 (Source: P.A. 100-303, eff. 8-24-17; 100-363, eff. 7-1-18;  
7 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; 101-10, Article  
8 15, Section 15-15, eff. 6-5-19; 101-10, Article 25, Section  
9 25-110, eff. 6-5-19; 101-27, eff. 6-25-19; 101-32, eff.  
10 6-28-19; 101-604, eff. 12-13-19; 101-636, eff. 6-10-20.)

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

13 (35 ILCS 115/3-5)

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

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

23 (2) Personal property purchased by a not-for-profit  
24 Illinois county fair association for use in conducting,

1 operating, or promoting the county fair.

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

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

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

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

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

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

1 on a motor vehicle required to be licensed if the selling price  
2 of the tender is separately 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 not  
6 limited to, tractors, harvesters, sprayers, planters, seeders,  
7 or spreaders. Precision farming equipment includes, but is not  
8 limited to, soil testing sensors, computers, monitors,  
9 software, global positioning and mapping systems, and other  
10 such equipment.

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

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

26 Beginning July 1, 2013, fuel and petroleum products sold

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

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

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



1 Vehicle Code.

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

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

18 (13) Beginning January 1, 1992 and through June 30, 2016,  
19 food for human consumption that is to be consumed off the  
20 premises where it is sold (other than alcoholic beverages,  
21 soft drinks and food that has been prepared for immediate  
22 consumption) and prescription and non-prescription medicines,  
23 drugs, medical appliances, and insulin, urine testing  
24 materials, syringes, and needles used by diabetics, for human  
25 use, when purchased for use by a person receiving medical  
26 assistance under Article V of the Illinois Public Aid Code who

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

5 (14) Semen used for artificial insemination of livestock  
6 for direct agricultural production.

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

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

1 the Retailers' Occupation Tax Act.

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

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

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

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

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

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

1 occupation.

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

16 (23) Beginning January 1, 2000 and through December 31,  
17 2001, new or used automatic vending machines that prepare and  
18 serve hot food and beverages, including coffee, soup, and  
19 other items, and replacement parts for these machines.  
20 Beginning January 1, 2002 and through June 30, 2003, machines  
21 and parts for machines used in commercial, coin-operated  
22 amusement and vending business if a use or occupation tax is  
23 paid on the gross receipts derived from the use of the  
24 commercial, coin-operated amusement and vending machines. This  
25 paragraph is exempt from the provisions of Section 3-55.

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

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

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

18 (26) Beginning on January 1, 2002 and through June 30,  
19 2016, tangible personal property purchased from an Illinois  
20 retailer by a taxpayer engaged in centralized purchasing  
21 activities in Illinois who will, upon receipt of the property  
22 in Illinois, temporarily store the property in Illinois (i)  
23 for the purpose of subsequently transporting it outside this  
24 State for use or consumption thereafter solely outside this  
25 State or (ii) for the purpose of being processed, fabricated,  
26 or manufactured into, attached to, or incorporated into other

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

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

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

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

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



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

20 (30) Beginning January 1, 2017 and through December 31,  
21 2026, menstrual pads, tampons, and menstrual cups.

22 (31) Tangible personal property transferred to a purchaser  
23 who is exempt from tax by operation of federal law. This  
24 paragraph is exempt from the provisions of Section 3-55.

25 (32) Qualified tangible personal property used in the  
26 construction or operation of a data center that has been

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

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

18 For the purposes of this item (32):

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

23 "Qualified tangible personal property" means:  
24 electrical systems and equipment; climate control and  
25 chilling equipment and systems; mechanical systems and  
26 equipment; monitoring and secure systems; emergency

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

24 This item (32) is exempt from the provisions of Section  
25 3-55.

26 (33) Beginning July 1, 2022, food prepared for immediate

1 consumption and transferred incident to a sale of service  
2 subject to this Act or the Service Occupation Tax Act by an  
3 entity licensed under the Hospital Licensing Act, the Nursing  
4 Home Care Act, the Assisted Living and Shared Housing Act, the  
5 ID/DD Community Care Act, the MC/DD Act, the Specialized  
6 Mental Health Rehabilitation Act of 2013, or the Child Care  
7 Act of 1969, or an entity that holds a permit issued pursuant  
8 to the Life Care Facilities Act; food for human consumption  
9 that is to be consumed off the premises where it is sold (other  
10 than alcoholic beverages, food consisting of or infused with  
11 adult use cannabis, soft drinks, and food that has been  
12 prepared for immediate consumption and is not otherwise  
13 included in this paragraph); and prescription and  
14 nonprescription medicines, drugs, medical appliances, products  
15 classified as Class III medical devices by the United States  
16 Food and Drug Administration that are used for cancer  
17 treatment pursuant to a prescription, as well as any  
18 accessories and components related to those devices,  
19 modifications to a motor vehicle for the purpose of rendering  
20 it usable by a person with a disability, and insulin, blood  
21 sugar testing materials, syringes, and needles used by human  
22 diabetics. This item (33) is exempt from the provisions of  
23 Section 3-55.

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

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

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

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

24 With respect to gasohol, as defined in the Use Tax Act, the  
25 tax imposed by this Act shall apply to (i) 70% of the cost  
26 price of property transferred as an incident to the sale of

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

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

15 With respect to biodiesel blends, as defined in the Use  
16 Tax Act, with no less than 1% and no more than 10% biodiesel,  
17 the tax imposed by this Act applies to (i) 80% of the selling  
18 price of property transferred as an incident to the sale of  
19 service on or after July 1, 2003 and on or before December 31,  
20 2018 and (ii) 100% of the proceeds of the selling price  
21 thereafter. If, at any time, however, the tax under this Act on  
22 sales of biodiesel blends, as defined in the Use Tax Act, with  
23 no less than 1% and no more than 10% biodiesel is imposed at  
24 the rate of 1.25%, then the tax imposed by this Act applies to  
25 100% of the proceeds of sales of biodiesel blends with no less  
26 than 1% and no more than 10% biodiesel made during that time.

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

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

19 Until July 1, 2022, the ~~the~~ tax shall be imposed at the  
20 rate of 1% on food prepared for immediate consumption and  
21 transferred incident to a sale of service subject to this Act  
22 or the Service Occupation Tax Act by an entity licensed under  
23 the Hospital Licensing Act, the Nursing Home Care Act, the  
24 Assisted Living and Shared Housing Act, the ID/DD Community  
25 Care Act, the MC/DD Act, the Specialized Mental Health  
26 Rehabilitation Act of 2013, or the Child Care Act of 1969, or

1 an entity that holds a permit issued pursuant to the Life Care  
2 Facilities Act. Until July 1, 2022 the ~~The~~ tax shall also be  
3 imposed at the rate of 1% on food for human consumption that is  
4 to be consumed off the premises where it is sold (other than  
5 alcoholic beverages, food consisting of or infused with adult  
6 use cannabis, soft drinks, and food that has been prepared for  
7 immediate consumption and is not otherwise included in this  
8 paragraph) and prescription and nonprescription medicines,  
9 drugs, medical appliances, products classified as Class III  
10 medical devices by the United States Food and Drug  
11 Administration that are used for cancer treatment pursuant to  
12 a prescription, as well as any accessories and components  
13 related to those devices, modifications to a motor vehicle for  
14 the purpose of rendering it usable by a person with a  
15 disability, and insulin, blood sugar testing materials,  
16 syringes, and needles used by human diabetics. Beginning on  
17 July 1, 2022, items that had been subject to a 1% rate of tax  
18 under this paragraph shall be exempt as provided in item (33)  
19 of Section 3-5. For the purposes of this Section, until  
20 September 1, 2009: the term "soft drinks" means any complete,  
21 finished, ready-to-use, non-alcoholic drink, whether  
22 carbonated or not, including but not limited to soda water,  
23 cola, fruit juice, vegetable juice, carbonated water, and all  
24 other preparations commonly known as soft drinks of whatever  
25 kind or description that are contained in any closed or sealed  
26 can, carton, or container, regardless of size; but "soft



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

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

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

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

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

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

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

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

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

1 Cannabis Program Act.

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

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

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

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

1 registration is revoked at the time the return is filed, but  
2 only if the Department's decision to revoke the certificate of  
3 registration has become final.

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

12 Except as provided hereinafter in this Section, on or  
13 before the twentieth day of each calendar month, such  
14 serviceman shall file a return for the preceding calendar  
15 month in accordance with reasonable rules and regulations to  
16 be promulgated by the Department of Revenue. Such return shall  
17 be filed on a form prescribed by the Department and shall  
18 contain such information as the Department may reasonably  
19 require. On and after January 1, 2018, with respect to  
20 servicemen whose annual gross receipts average \$20,000 or  
21 more, all returns required to be filed pursuant to this Act  
22 shall be filed electronically. Servicemen who demonstrate that  
23 they do not have access to the Internet or demonstrate  
24 hardship in filing electronically may petition the Department  
25 to waive the electronic filing requirement.

26 The Department may require returns to be filed on a

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

7 1. The name of the seller;

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

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

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

17 5. The amount of tax due;

18 5-5. The signature of the taxpayer; and

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

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

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

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

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

18 Prior to October 1, 2003, and on and after September 1,  
19 2004 a serviceman may accept a Manufacturer's Purchase Credit  
20 certification from a purchaser in satisfaction of Service Use  
21 Tax as provided in Section 3-70 of the Service Use Tax Act if  
22 the purchaser provides the appropriate documentation as  
23 required by Section 3-70 of the Service Use Tax Act. A  
24 Manufacturer's Purchase Credit certification, accepted prior  
25 to October 1, 2003 or on or after September 1, 2004 by a  
26 serviceman as provided in Section 3-70 of the Service Use Tax

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

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

24 If the serviceman's average monthly tax liability to the  
25 Department does not exceed \$50, the Department may authorize  
26 his returns to be filed on an annual basis, with the return for

1 a given year being due by January 20 of the following year.

2 Such quarter annual and annual returns, as to form and  
3 substance, shall be subject to the same requirements as  
4 monthly returns.

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

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

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

16 Any taxpayer not required to make payments by electronic  
17 funds transfer may make payments by electronic funds transfer  
18 with the permission of the Department.

19 All taxpayers required to make payment by electronic funds  
20 transfer and any taxpayers authorized to voluntarily make  
21 payments by electronic funds transfer shall make those  
22 payments in the manner authorized by the Department.

23 The Department shall adopt such rules as are necessary to  
24 effectuate a program of electronic funds transfer and the  
25 requirements of this Section.

26 Where a serviceman collects the tax with respect to the

1 selling price of tangible personal property which he sells and  
2 the purchaser thereafter returns such tangible personal  
3 property and the serviceman refunds the selling price thereof  
4 to the purchaser, such serviceman shall also refund, to the  
5 purchaser, the tax so collected from the purchaser. When  
6 filing his return for the period in which he refunds such tax  
7 to the purchaser, the serviceman may deduct the amount of the  
8 tax so refunded by him to the purchaser from any other Service  
9 Occupation Tax, Service Use Tax, Retailers' Occupation Tax or  
10 Use Tax which such serviceman may be required to pay or remit  
11 to the Department, as shown by such return, provided that the  
12 amount of the tax to be deducted shall previously have been  
13 remitted to the Department by such serviceman. If the  
14 serviceman shall not previously have remitted the amount of  
15 such tax to the Department, he shall be entitled to no  
16 deduction hereunder upon refunding such tax to the purchaser.

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

24 Where the serviceman has more than one business registered  
25 with the Department under separate registrations hereunder,  
26 such serviceman shall file separate returns for each

1 registered business.

2 Beginning January 1, 1990 and until August 1, 2022, each  
3 month the Department shall pay into the Local Government Tax  
4 Fund the revenue realized for the preceding month from the 1%  
5 tax imposed under this Act.

6 Beginning August 1, 2022, the State Comptroller shall  
7 order transferred and the State Treasurer shall transfer from  
8 the General Revenue Fund to the Local Government Tax Fund, the  
9 amount deposited into the Local Government Tax Fund for the  
10 same month in calendar year 2021. On August 1 of each year, the  
11 amount transferred from the General Revenue Fund to the Local  
12 Government Tax Fund shall be increased by the percentage  
13 change, if any, in the Consumer Price Index for All Urban  
14 Consumers as issued by the United States Department of Labor  
15 for the most recent 12-month period for which data is  
16 available.

17 Beginning January 1, 1990, each month the Department shall  
18 pay into the County and Mass Transit District Fund 4% of the  
19 revenue realized for the preceding month from the 6.25%  
20 general rate on sales of tangible personal property other than  
21 aviation fuel sold on or after December 1, 2019. This  
22 exception for aviation fuel only applies for so long as the  
23 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.  
24 47133 are binding on the State.

25 Beginning August 1, 2000, each month the Department shall  
26 pay into the County and Mass Transit District Fund 20% of the

1 net revenue realized for the preceding month from the 1.25%  
2 rate on the selling price of motor fuel and gasohol.

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

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

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

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

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

23           Beginning July 1, 2015, of the remainder of the moneys  
24 received by the Department under the Use Tax Act, the Service  
25 Use Tax Act, this Act, and the Retailers' Occupation Tax Act,  
26 each month the Department shall deposit \$500,000 into the

1 State Crime Laboratory Fund.

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

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

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

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



1 Expansion Project Fund in the specified fiscal years.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

1 reported in the Federal income tax return do not agree with the  
2 gross receipts reported to the Department of Revenue for the  
3 same period, the taxpayer shall attach to his annual return a  
4 schedule showing a reconciliation of the 2 amounts and the  
5 reasons for the difference. The taxpayer's annual return to  
6 the Department shall also disclose the cost of goods sold by  
7 the taxpayer during the year covered by such return, opening  
8 and closing inventories of such goods for such year, cost of  
9 goods used from stock or taken from stock and given away by the  
10 taxpayer during such year, pay roll information of the  
11 taxpayer's business during such year and any additional  
12 reasonable information which the Department deems would be  
13 helpful in determining the accuracy of the monthly, quarterly  
14 or annual returns filed by such taxpayer as hereinbefore  
15 provided for in this Section.

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

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

26 (ii) On and after January 1, 1994, the taxpayer shall

1           be liable for a penalty as described in Section 3-4 of the  
2           Uniform Penalty and Interest Act.

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

11          The foregoing portion of this Section concerning the  
12          filing of an annual information return shall not apply to a  
13          serviceman who is not required to file an income tax return  
14          with the United States Government.

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

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

26          For greater simplicity of administration, it shall be

1 permissible for manufacturers, importers and wholesalers whose  
2 products are sold by numerous servicemen in Illinois, and who  
3 wish to do so, to assume the responsibility for accounting and  
4 paying to the Department all tax accruing under this Act with  
5 respect to such sales, if the servicemen who are affected do  
6 not make written objection to the Department to this  
7 arrangement.

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 15-20, eff. 6-5-19; 101-10, Article 25, Section  
11 25-115, 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 20. The Retailers' Occupation Tax Act is amended  
14 by changing Sections 2-5, 2-10, and 3 as follows:

15 (35 ILCS 120/2-5)

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

19 (1) Farm chemicals.

20 (2) Farm machinery and equipment, both new and used,  
21 including that manufactured on special order, certified by  
22 the purchaser to be used primarily for production  
23 agriculture or State or federal agricultural programs,  
24 including individual replacement parts for the machinery

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

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

25 Farm machinery and equipment also includes computers,  
26 sensors, software, and related equipment used primarily in

1 the computer-assisted operation of production agriculture  
2 facilities, equipment, and activities such as, but not  
3 limited to, the collection, monitoring, and correlation of  
4 animal and crop data for the purpose of formulating animal  
5 diets and agricultural chemicals. This item (2) is exempt  
6 from the provisions of Section 2-70.

7 (3) Until July 1, 2003, distillation machinery and  
8 equipment, sold as a unit or kit, assembled or installed  
9 by the retailer, certified by the user to be used only for  
10 the production of ethyl alcohol that will be used for  
11 consumption as motor fuel or as a component of motor fuel  
12 for the personal use of the user, and not subject to sale  
13 or resale.

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

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

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

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

11          (8) Personal property sold to an Illinois county fair  
12          association for use in conducting, operating, or promoting  
13          the county fair.

14          (9) Personal property sold to a not-for-profit arts or  
15          cultural organization that establishes, by proof required  
16          by the Department by rule, that it has received an  
17          exemption under Section 501(c)(3) of the Internal Revenue  
18          Code and that is organized and operated primarily for the  
19          presentation or support of arts or cultural programming,  
20          activities, or services. These organizations include, but  
21          are not limited to, music and dramatic arts organizations  
22          such as symphony orchestras and theatrical groups, arts  
23          and cultural service organizations, local arts councils,  
24          visual arts organizations, and media arts organizations.  
25          On and after July 1, 2001 (the effective date of Public Act  
26          92-35), however, an entity otherwise eligible for this

1 exemption shall not make tax-free purchases unless it has  
2 an active identification number issued by the Department.

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

10 (11) Personal property sold to a governmental body, to  
11 a corporation, society, association, foundation, or  
12 institution organized and operated exclusively for  
13 charitable, religious, or educational purposes, or to a  
14 not-for-profit corporation, society, association,  
15 foundation, institution, or organization that has no  
16 compensated officers or employees and that is organized  
17 and operated primarily for the recreation of persons 55  
18 years of age or older. A limited liability company may  
19 qualify for the exemption under this paragraph only if the  
20 limited liability company is organized and operated  
21 exclusively for educational purposes. On and after July 1,  
22 1987, however, no entity otherwise eligible for this  
23 exemption shall make tax-free purchases unless it has an  
24 active identification number issued by the Department.

25 (12) (Blank).

26 (12-5) On and after July 1, 2003 and through June 30,



1           2004, motor vehicles of the second division with a gross  
2           vehicle weight in excess of 8,000 pounds that are subject  
3           to the commercial distribution fee imposed under Section  
4           3-815.1 of the Illinois Vehicle Code. Beginning on July 1,  
5           2004 and through June 30, 2005, the use in this State of  
6           motor vehicles of the second division: (i) with a gross  
7           vehicle weight rating in excess of 8,000 pounds; (ii) that  
8           are subject to the commercial distribution fee imposed  
9           under Section 3-815.1 of the Illinois Vehicle Code; and  
10          (iii) that are primarily used for commercial purposes.  
11          Through June 30, 2005, this exemption applies to repair  
12          and replacement parts added after the initial purchase of  
13          such a motor vehicle if that motor vehicle is used in a  
14          manner that would qualify for the rolling stock exemption  
15          otherwise provided for in this Act. For purposes of this  
16          paragraph, "used for commercial purposes" means the  
17          transportation of persons or property in furtherance of  
18          any commercial or industrial enterprise whether for-hire  
19          or not.

20               (13) Proceeds from sales to owners, lessors, or  
21               shippers of tangible personal property that is utilized by  
22               interstate carriers for hire for use as rolling stock  
23               moving in interstate commerce and equipment operated by a  
24               telecommunications provider, licensed as a common carrier  
25               by the Federal Communications Commission, which is  
26               permanently installed in or affixed to aircraft moving in

1 interstate commerce.

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

1 defined in paragraph (4) of this Section.

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

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

14 (17) Tangible personal property sold to a common  
15 carrier by rail or motor that receives the physical  
16 possession of the property in Illinois and that transports  
17 the property, or shares with another common carrier in the  
18 transportation of the property, out of Illinois on a  
19 standard uniform bill of lading showing the seller of the  
20 property as the shipper or consignor of the property to a  
21 destination outside Illinois, for use outside Illinois.

22 (18) Legal tender, currency, medallions, or gold or  
23 silver coinage issued by the State of Illinois, the  
24 government of the United States of America, or the  
25 government of any foreign country, and bullion.

26 (19) Until July 1, 2003, oil field exploration,

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

10 (20) Photoprocessing machinery and equipment,  
11 including repair and replacement parts, both new and used,  
12 including that manufactured on special order, certified by  
13 the purchaser to be used primarily for photoprocessing,  
14 and including photoprocessing machinery and equipment  
15 purchased for lease.

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

1 2013 (the effective date of Public Act 98-456).

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

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

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

23 (24) Fuel consumed or used in the operation of ships,  
24 barges, or vessels that are used primarily in or for the  
25 transportation of property or the conveyance of persons  
26 for hire on rivers bordering on this State if the fuel is

1 delivered by the seller to the purchaser's barge, ship, or  
2 vessel while it is afloat upon that bordering river.

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

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

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

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

24 (1) the aircraft leaves this State within 15 days  
25 after the later of either the issuance of the final  
26 billing for the sale of the aircraft, or the

1 authorized approval for return to service, completion  
2 of the maintenance record entry, and completion of the  
3 test flight and ground test for inspection, as  
4 required by 14 C.F.R. 91.407;

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

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

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

19 "Based in this State" means hangared, stored, or  
20 otherwise used, excluding post-sale customizations as  
21 defined in this Section, for 10 or more days in each  
22 12-month period immediately following the date of the sale  
23 of the aircraft.

24 "Registered in this State" means an aircraft  
25 registered with the Department of Transportation,  
26 Aeronautics Division, or titled or registered with the



1 Federal Aviation Administration to an address located in  
2 this State.

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

5 (26) Semen used for artificial insemination of  
6 livestock for direct agricultural production.

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

21 (28) Computers and communications equipment utilized  
22 for any hospital purpose and equipment used in the  
23 diagnosis, analysis, or treatment of hospital patients  
24 sold to a lessor who leases the equipment, under a lease of  
25 one year or longer executed or in effect at the time of the  
26 purchase, to a hospital that has been issued an active tax

1 exemption identification number by the Department under  
2 Section 1g of this Act.

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

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

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

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

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

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

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

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

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

1 if a use or occupation tax is paid on the gross receipts  
2 derived from the use of the commercial, coin-operated  
3 amusement and vending machines. This paragraph is exempt  
4 from the provisions of Section 2-70.

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

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

1 of this Act. This paragraph is exempt from the provisions  
2 of Section 2-70.

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

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

1 (38) shall authorize the holder, to the extent and in the  
2 manner specified in the rules adopted under this Act, to  
3 purchase tangible personal property from a retailer exempt  
4 from the taxes imposed by this Act. Taxpayers shall  
5 maintain all necessary books and records to substantiate  
6 the use and consumption of all such tangible personal  
7 property outside of the State of Illinois.

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

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

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

26 (41) Tangible personal property sold to a



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

15 (42) Beginning January 1, 2017 and through December  
16 31, 2026, menstrual pads, tampons, and menstrual cups.

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

25 (44) Qualified tangible personal property used in the  
26 construction or operation of a data center that has been

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

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

20 For the purposes of this item (44):

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

25 "Qualified tangible personal property" means:  
26 electrical systems and equipment; climate control and

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

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

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

20           (46) Beginning July 1, 2022, food for human  
21 consumption that is to be consumed off the premises where  
22 it is sold (other than alcoholic beverages, food  
23 consisting of or infused with adult use cannabis, soft  
24 drinks, and food that has been prepared for immediate  
25 consumption) and prescription and nonprescription  
26 medicines, drugs, medical appliances, products classified

1       as Class III medical devices by the United States Food and  
2       Drug Administration that are used for cancer treatment  
3       pursuant to a prescription, as well as any accessories and  
4       components related to those devices, modifications to a  
5       motor vehicle for the purpose of rendering it usable by a  
6       person with a disability, and insulin, blood sugar testing  
7       materials, syringes, and needles used by human diabetics.  
8       This item (46) is exempt from the provisions of Section  
9       2-70.

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

13               (35 ILCS 120/2-10)

14       Sec. 2-10. Rate of tax. Unless otherwise provided in this  
15       Section, the tax imposed by this Act is at the rate of 6.25% of  
16       gross receipts from sales of tangible personal property made  
17       in the course of business.

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

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

25       Within 14 days after the effective date of this amendatory

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

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

25 With respect to majority blended ethanol fuel, as defined  
26 in the Use Tax Act, the tax imposed by this Act does not apply

1 to the proceeds of sales made on or after July 1, 2003 and on  
2 or before December 31, 2023 but applies to 100% of the proceeds  
3 of sales made thereafter.

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

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

21 Until July 1, 2022, with ~~With~~ respect to food for human  
22 consumption that is to be consumed off the premises where it is  
23 sold (other than alcoholic beverages, food consisting of or  
24 infused with adult use cannabis, soft drinks, and food that  
25 has been prepared for immediate consumption) and prescription  
26 and nonprescription medicines, drugs, medical appliances,

1 products classified as Class III medical devices by the United  
2 States Food and Drug Administration that are used for cancer  
3 treatment pursuant to a prescription, as well as any  
4 accessories and components related to those devices,  
5 modifications to a motor vehicle for the purpose of rendering  
6 it usable by a person with a disability, and insulin, blood  
7 sugar testing materials, syringes, and needles used by human  
8 diabetics, the tax is imposed at the rate of 1%. Beginning on  
9 July 1, 2022, items that had been subject to a 1% rate of tax  
10 under this paragraph shall be exempt as provided in item (46)  
11 of Section 2-5. For the purposes of this Section, until  
12 September 1, 2009: the term "soft drinks" means any complete,  
13 finished, ready-to-use, non-alcoholic drink, whether  
14 carbonated or not, including but not limited to soda water,  
15 cola, fruit juice, vegetable juice, carbonated water, and all  
16 other preparations commonly known as soft drinks of whatever  
17 kind or description that are contained in any closed or sealed  
18 bottle, can, carton, or container, regardless of size; but  
19 "soft drinks" does not include coffee, tea, non-carbonated  
20 water, infant formula, milk or milk products as defined in the  
21 Grade A Pasteurized Milk and Milk Products Act, or drinks  
22 containing 50% or more natural fruit or vegetable juice.

23 Notwithstanding any other provisions of this Act,  
24 beginning September 1, 2009, "soft drinks" means non-alcoholic  
25 beverages that contain natural or artificial sweeteners. "Soft  
26 drinks" do not include beverages that contain milk or milk



1 products, soy, rice or similar milk substitutes, or greater  
2 than 50% of vegetable or fruit juice by volume.

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

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

24       Notwithstanding any other provisions of this Act,  
25 beginning September 1, 2009, "nonprescription medicines and  
26 drugs" does not include grooming and hygiene products. For

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

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

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

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

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

25 (Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;  
26 102-4, eff. 4-27-21.)

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

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

7 1. The name of the seller;

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

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

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

23 5. Deductions allowed by law;

24 6. Gross receipts which were received by him during  
25 the preceding calendar month or quarter and upon the basis

1 of which the tax is imposed;

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

4 8. The amount of tax due;

5 9. The signature of the taxpayer; and

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

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

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

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

24 Prior to October 1, 2003, and on and after September 1,  
25 2004 a retailer may accept a Manufacturer's Purchase Credit  
26 certification from a purchaser in satisfaction of Use Tax as

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

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

- 26 1. The name of the seller;

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

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

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

11          5. The amount of tax due; and

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

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

26          Beginning on October 1, 2003, any person who is not a

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

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

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

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

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

25 Beginning October 1, 1993, a taxpayer who has an average  
26 monthly tax liability of \$150,000 or more shall make all



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

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

1 to make payments by electronic funds transfer shall make those  
2 payments for a minimum of one year beginning on October 1.

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

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

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

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

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

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

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

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

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

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

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

24           In addition, with respect to motor vehicles, watercraft,  
25 aircraft, and trailers that are required to be registered with  
26 an agency of this State, every person who is engaged in the

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

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

22 The transaction reporting return, in the case of motor  
23 vehicles or trailers that are required to be registered with  
24 an agency of this State, shall be the same document as the  
25 Uniform Invoice referred to in Section 5-402 of the Illinois  
26 Vehicle Code and must show the name and address of the seller;

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

17 The transaction reporting return in the case of watercraft  
18 or aircraft must show the name and address of the seller; the  
19 name and address of the purchaser; the amount of the selling  
20 price including the amount allowed by the retailer for  
21 traded-in property, if any; the amount allowed by the retailer  
22 for the traded-in tangible personal property, if any, to the  
23 extent to which Section 1 of this Act allows an exemption for  
24 the value of traded-in property; the balance payable after  
25 deducting such trade-in allowance from the total selling  
26 price; the amount of tax due from the retailer with respect to

1 such transaction; the amount of tax collected from the  
2 purchaser by the retailer on such transaction (or satisfactory  
3 evidence that such tax is not due in that particular instance,  
4 if that is claimed to be the fact); the place and date of the  
5 sale, a sufficient identification of the property sold, and  
6 such other information as the Department may reasonably  
7 require.

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

20 With each such transaction reporting return, the retailer  
21 shall remit the proper amount of tax due (or shall submit  
22 satisfactory evidence that the sale is not taxable if that is  
23 the case), to the Department or its agents, whereupon the  
24 Department shall issue, in the purchaser's name, a use tax  
25 receipt (or a certificate of exemption if the Department is  
26 satisfied that the particular sale is tax exempt) which such

1 purchaser may submit to the agency with which, or State  
2 officer with whom, he must title or register the tangible  
3 personal property that is involved (if titling or registration  
4 is required) in support of such purchaser's application for an  
5 Illinois certificate or other evidence of title or  
6 registration to such tangible personal property.

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

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



1 credited by the Department to the proper retailer's account  
2 with the Department, but without the 2.1% or 1.75% discount  
3 provided for in this Section being allowed. When the user pays  
4 the tax directly to the Department, he shall pay the tax in the  
5 same amount and in the same form in which it would be remitted  
6 if the tax had been remitted to the Department by the retailer.

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

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

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

23 Except as provided in this Section, the retailer filing  
24 the return under this Section shall, at the time of filing such  
25 return, pay to the Department the amount of tax imposed by this  
26 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%

1 on and after January 1, 1990, or \$5 per calendar year,  
2 whichever is greater, which is allowed to reimburse the  
3 retailer for the expenses incurred in keeping records,  
4 preparing and filing returns, remitting the tax and supplying  
5 data to the Department on request. On and after January 1,  
6 2021, a certified service provider, as defined in the Leveling  
7 the Playing Field for Illinois Retail Act, filing the return  
8 under this Section on behalf of a remote retailer shall, at the  
9 time of such return, pay to the Department the amount of tax  
10 imposed by this Act less a discount of 1.75%. A remote retailer  
11 using a certified service provider to file a return on its  
12 behalf, as provided in the Leveling the Playing Field for  
13 Illinois Retail Act, is not eligible for the discount. The  
14 discount under this Section is not allowed for the 1.25%  
15 portion of taxes paid on aviation fuel that is subject to the  
16 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.  
17 47133. Any prepayment made pursuant to Section 2d of this Act  
18 shall be included in the amount on which such 2.1% or 1.75%  
19 discount is computed. In the case of retailers who report and  
20 pay the tax on a transaction by transaction basis, as provided  
21 in this Section, such discount shall be taken with each such  
22 tax remittance instead of when such retailer files his  
23 periodic return. The discount allowed under this Section is  
24 allowed only for returns that are filed in the manner required  
25 by this Act. The Department may disallow the discount for  
26 retailers whose certificate of registration is revoked at the

1 time the return is filed, but only if the Department's  
2 decision to revoke the certificate of registration has become  
3 final.

4 Before October 1, 2000, if the taxpayer's average monthly  
5 tax liability to the Department under this Act, the Use Tax  
6 Act, the Service Occupation Tax Act, and the Service Use Tax  
7 Act, excluding any liability for prepaid sales tax to be  
8 remitted in accordance with Section 2d of this Act, was  
9 \$10,000 or more during the preceding 4 complete calendar  
10 quarters, he shall file a return with the Department each  
11 month by the 20th day of the month next following the month  
12 during which such tax liability is incurred and shall make  
13 payments to the Department on or before the 7th, 15th, 22nd and  
14 last day of the month during which such liability is incurred.  
15 On and after October 1, 2000, if the taxpayer's average  
16 monthly tax liability to the Department under this Act, the  
17 Use Tax Act, the Service Occupation Tax Act, and the Service  
18 Use Tax Act, excluding any liability for prepaid sales tax to  
19 be remitted in accordance with Section 2d of this Act, was  
20 \$20,000 or more during the preceding 4 complete calendar  
21 quarters, he shall file a return with the Department each  
22 month by the 20th day of the month next following the month  
23 during which such tax liability is incurred and shall make  
24 payment to the Department on or before the 7th, 15th, 22nd and  
25 last day of the month during which such liability is incurred.  
26 If the month during which such tax liability is incurred began

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

1 month or 25% of the taxpayer's liability for the same calendar  
2 month of the preceding year or 100% of the taxpayer's actual  
3 liability for the quarter monthly reporting period. The amount  
4 of such quarter monthly payments shall be credited against the  
5 final tax liability of the taxpayer's return for that month.  
6 Before October 1, 2000, once applicable, the requirement of  
7 the making of quarter monthly payments to the Department by  
8 taxpayers having an average monthly tax liability of \$10,000  
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 \$9,000, 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 \$10,000. 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 \$10,000  
21 threshold stated above, then such taxpayer may petition the  
22 Department for a change in such taxpayer's reporting status.  
23 On and after October 1, 2000, once applicable, the requirement  
24 of the making of quarter monthly payments to the Department by  
25 taxpayers having an average monthly tax liability of \$20,000  
26 or more as determined in the manner provided above shall

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

1 monthly basis.

2       The provisions of this paragraph apply before October 1,  
3 2001. Without regard to whether a taxpayer is required to make  
4 quarter monthly payments as specified above, any taxpayer who  
5 is required by Section 2d of this Act to collect and remit  
6 prepaid taxes and has collected prepaid taxes which average in  
7 excess of \$25,000 per month during the preceding 2 complete  
8 calendar quarters, shall file a return with the Department as  
9 required by Section 2f and shall make payments to the  
10 Department on or before the 7th, 15th, 22nd and last day of the  
11 month during which such liability is incurred. If the month  
12 during which such tax liability is incurred began prior to  
13 September 1, 1985 (the effective date of Public Act 84-221),  
14 each payment shall be in an amount not less than 22.5% of the  
15 taxpayer's actual liability under Section 2d. If the month  
16 during which such tax liability is incurred begins on or after  
17 January 1, 1986, each payment shall be in an amount equal to  
18 22.5% of the taxpayer's actual liability for the month or  
19 27.5% of the taxpayer's liability for the same calendar month  
20 of the preceding calendar year. If the month during which such  
21 tax liability is incurred begins on or after January 1, 1987,  
22 each payment shall be in an amount equal to 22.5% of the  
23 taxpayer's actual liability for the month or 26.25% of the  
24 taxpayer's liability for the same calendar month of the  
25 preceding year. The amount of such quarter monthly payments  
26 shall be credited against the final tax liability of the

1 taxpayer's return for that month filed under this Section or  
2 Section 2f, as the case may be. Once applicable, the  
3 requirement of the making of quarter monthly payments to the  
4 Department pursuant to this paragraph shall continue until  
5 such taxpayer's average monthly prepaid tax collections during  
6 the preceding 2 complete calendar quarters is \$25,000 or less.  
7 If any such quarter monthly payment is not paid at the time or  
8 in the amount required, the taxpayer shall be liable for  
9 penalties and interest on such difference, except insofar as  
10 the taxpayer has previously made payments for that month in  
11 excess of the minimum payments previously due.

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



1 taxpayer's return for that month filed under this Section or  
2 Section 2f, as the case may be. Once applicable, the  
3 requirement of the making of quarter monthly payments to the  
4 Department pursuant to this paragraph shall continue until the  
5 taxpayer's average monthly prepaid tax collections during the  
6 preceding 4 complete calendar quarters (excluding the month of  
7 highest liability and the month of lowest liability) is less  
8 than \$19,000 or until such taxpayer's average monthly  
9 liability to the Department as computed for each calendar  
10 quarter of the 4 preceding complete calendar quarters is less  
11 than \$20,000. If any such quarter monthly payment is not paid  
12 at the time or in the amount required, the taxpayer shall be  
13 liable for penalties and interest on such difference, except  
14 insofar as the taxpayer has previously made payments for that  
15 month in excess of the minimum payments previously due.

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

1 taxpayer may credit such excess payment against tax liability  
2 subsequently to be remitted to the Department under this Act,  
3 the Use Tax Act, the Service Occupation Tax Act or the Service  
4 Use Tax Act, in accordance with reasonable rules and  
5 regulations prescribed by the Department. If the Department  
6 subsequently determined that all or any part of the credit  
7 taken was not actually due to the taxpayer, the taxpayer's  
8 2.1% and 1.75% vendor's discount shall be reduced by 2.1% or  
9 1.75% of the difference between the credit taken and that  
10 actually due, and that taxpayer shall be liable for penalties  
11 and interest on such difference.

12 If a retailer of motor fuel is entitled to a credit under  
13 Section 2d of this Act which exceeds the taxpayer's liability  
14 to the Department under this Act for the month for which the  
15 taxpayer is filing a return, the Department shall issue the  
16 taxpayer a credit memorandum for the excess.

17 Beginning January 1, 1990 and until August 1, 2022, each  
18 month the Department shall pay into the Local Government Tax  
19 Fund, a special fund in the State treasury which is hereby  
20 created, the net revenue realized for the preceding month from  
21 the 1% tax imposed under this Act.

22 Beginning August 1, 2022, the State Comptroller shall  
23 order transferred and the State Treasurer shall transfer from  
24 the General Revenue Fund to the Local Government Tax Fund, the  
25 amount deposited into the Local Government Tax Fund for the  
26 same month in calendar year 2021. On August 1 of each year, the

1 amount transferred from the General Revenue Fund to the Local  
2 Government Tax Fund shall be increased by the percentage  
3 change, if any, in the Consumer Price Index for All Urban  
4 Consumers as issued by the United States Department of Labor  
5 for the most recent 12-month period for which data is  
6 available.

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

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

23       Beginning January 1, 1990, each month the Department shall  
24 pay into the Local Government Tax Fund 16% of the net revenue  
25 realized for the preceding month from the 6.25% general rate  
26 on the selling price of tangible personal property other than

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

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

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

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

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

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

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

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

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

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

1 the "Annual Specified Amount" means the amounts specified  
2 below for fiscal years 1986 through 1993:

3	Fiscal Year	Annual Specified Amount
4	1986	\$54,800,000
5	1987	\$76,650,000
6	1988	\$80,480,000
7	1989	\$88,510,000
8	1990	\$115,330,000
9	1991	\$145,470,000
10	1992	\$182,730,000
11	1993	\$206,520,000;

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

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



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

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

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

1	1998	68,000,000
2	1999	71,000,000
3	2000	75,000,000
4	2001	80,000,000
5	2002	93,000,000
6	2003	99,000,000
7	2004	103,000,000
8	2005	108,000,000
9	2006	113,000,000
10	2007	119,000,000
11	2008	126,000,000
12	2009	132,000,000
13	2010	139,000,000
14	2011	146,000,000
15	2012	153,000,000
16	2013	161,000,000
17	2014	170,000,000
18	2015	179,000,000
19	2016	189,000,000
20	2017	199,000,000
21	2018	210,000,000
22	2019	221,000,000
23	2020	233,000,000
24	2021	300,000,000
25	2022	300,000,000
26	2023	300,000,000

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

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

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

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

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

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

1 Tax Increment Fund 0.27% of 80% of the net revenue realized for  
2 the preceding month from the 6.25% general rate on the selling  
3 price of tangible personal property.

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

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

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

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

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

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

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

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

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



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

1 imposed on motor fuel and gasohol. As used in this paragraph  
2 "motor fuel" has the meaning given to that term in Section 1.1  
3 of the Motor Fuel Tax Act, and "gasohol" has the meaning given  
4 to that term in Section 3-40 of the Use Tax Act.

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

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

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

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

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

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

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

1 Department shall include a warning that the person signing the  
2 return may be liable for perjury.

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

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

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

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

25 Any person who promotes, organizes, provides retail  
26 selling space for concessionaires or other types of sellers at

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

16 Any person engaged in the business of selling tangible  
17 personal property at retail as a concessionaire or other type  
18 of seller at the Illinois State Fair, county fairs, art shows,  
19 flea markets and similar exhibitions or events, or any  
20 transient merchants, as defined by Section 2 of the Transient  
21 Merchant Act of 1987, may be required to make a daily report of  
22 the amount of such sales to the Department and to make a daily  
23 payment of the full amount of tax due. The Department shall  
24 impose this requirement when it finds that there is a  
25 significant risk of loss of revenue to the State at such an  
26 exhibition or event. Such a finding shall be based on evidence

1 that a substantial number of concessionaires or other sellers  
2 who are not residents of Illinois will be engaging in the  
3 business of selling tangible personal property at retail at  
4 the exhibition or event, or other evidence of a significant  
5 risk of loss of revenue to the State. The Department shall  
6 notify concessionaires and other sellers affected by the  
7 imposition of this requirement. In the absence of notification  
8 by the Department, the concessionaires and other sellers shall  
9 file their returns as otherwise required in this Section.

10 (Source: P.A. 101-10, Article 15, Section 15-25, eff. 6-5-19;  
11 101-10, Article 25, Section 25-120, eff. 6-5-19; 101-27, eff.  
12 6-25-19; 101-32, eff. 6-28-19; 101-604, eff. 12-13-19;  
13 101-636, eff. 6-10-20; 102-634, eff. 8-27-21; revised  
14 12-7-21.)

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