



## 103RD GENERAL ASSEMBLY

### State of Illinois

2023 and 2024

HB4655

Introduced 2/6/2024, by Rep. Martin J. Moylan

#### SYNOPSIS AS INTRODUCED:

See Index

Creates the Megaproject Sports and Entertainment Facility Admission Tax Act. Imposes a tax of \$3 for each individual admitted to a sports and entertainment facility located on megaproject property. Contains provisions concerning the distribution of the proceeds of the tax. Amends the Property Tax Code. Provides that certain property may be certified by the Department of Revenue as containing a megaproject. Provides that a "megaproject" is a project with respect to which a company makes a specified investment during a specified investment period. Provides that the Department of Revenue may issue a megaproject certificate only for a megaproject in the Village of Arlington Heights. Provides that the megaproject property is eligible for an assessment freeze. Provides that megaproject property may be granted an abatement. Provides that a company that operates a megaproject shall enter into an agreement with the municipality in which the project is located to make certain special payments. Creates the Arlington Megaproject Oversight Board. Provides that the incentive agreement must be approved by resolution of the Arlington Megaproject Oversight Board. Amends the State Finance Act making conforming changes. Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Provides that qualified tangible personal property used in the construction or operation of a megaproject is exempt from the taxes imposed under those Acts. Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, the Retailers' Occupation Tax Act, the Hotel Operators' Occupation Tax Act, and the Liquor Control Act of 1934. Provides that certain tax proceeds from megaproject property shall be deposited into the Arlington Megaproject Infrastructure Fund. Makes other changes. Effective June 1, 2024.

LRB103 36446 HLH 67754 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 1. Short title. This Act may be cited as the  
5 Megaproject Sports and Entertainment Facility Admission Tax  
6 Act.

7 Section 5. Definitions. As used in this Act:

8 "Department" means the Department of Revenue.

9 "Megaproject property" means property covered by a  
10 megaproject certificate issued pursuant to Division 22 of  
11 Article 10 of the Property Tax Code.

12 "Owner" means the owner of a sports and entertainment  
13 facility located on megaproject property.

14 "Person" means any individual, partnership, corporation,  
15 association, governmental subdivision, or public or private  
16 organization.

17 "Sports and entertainment facility" means a stadium,  
18 arena, or other similar structure for the holding of athletic  
19 contests and other events and gatherings, including, but not  
20 limited to, the following: baseball events, football events,  
21 and automobile racing; musical, dramatic, and other artistic,  
22 cultural, or social events; public meetings; and other public  
23 events.

1           Section 10. Tax imposed. Beginning on the first day of the  
2 first month to occur not less than 60 days after the Department  
3 issues a megaproject certificate pursuant to Division 22 of  
4 Article 10 of the Property Tax Code and continuing through the  
5 last day of the calendar month in which the incentive period  
6 expires, as defined in Section 10-910 of the Property Tax  
7 Code, a tax is imposed upon admission to a sports and  
8 entertainment facility located on the megaproject property.  
9 The rate of the tax under this Act is \$3 for each individual  
10 admitted to the sports and entertainment facility. The owner  
11 shall collect and remit the tax imposed under this Act. The tax  
12 under this Act shall be paid on a per-admission basis, except  
13 that an individual who exits a sports and entertainment  
14 facility and reenters that sports and entertainment facility  
15 on the same day shall be subject only to the initial admission  
16 tax. The Department may issue tax-free passes to agents of the  
17 owner, employees of the owner, and other persons who provide  
18 goods and services at the sports and entertainment facility  
19 pursuant to a contract or agreement with the owner. Those  
20 tax-free passes shall allow those individuals to access the  
21 sports and entertainment facility without incurring the tax  
22 imposed under this Act.

23           Section 15. Returns.

24           (a) On or before the 25th day of each calendar month, each

1 person who is required to collect and remit the tax under this  
2 Act shall file a return with the Department stating:

3 (1) the name of the person required to collect and  
4 remit the tax;

5 (2) the address of the person's principal place of  
6 business;

7 (3) the address of the sports and entertainment  
8 facility;

9 (4) the number of taxable admissions to the sports and  
10 entertainment facility during the period covered by the  
11 return;

12 (5) the total amount of tax due under this Act for the  
13 period covered by the return; and

14 (6) such other information as the Department may  
15 require.

16 (b) The person filing the return under this Act shall, at  
17 the time of filing the return, pay to the Department the amount  
18 of tax imposed by this Act.

19 Section 17. Megaproject Sports and Entertainment Facility  
20 Admission Tax Trust Fund.

21 (a) The proceeds of the tax imposed under this Act shall be  
22 paid into the Megaproject Sports and Entertainment Facility  
23 Admission Tax Trust Fund. The Megaproject Sports and  
24 Entertainment Facility Admission Tax Trust Fund is hereby  
25 created as a trust fund to be held outside of the State

1 treasury with the State Treasurer, ex officio, as custodian.  
2 On or before the 15th day of each month to occur on or after  
3 the date on which the tax is first imposed under this Act, the  
4 State Comptroller shall pay to the City of Chicago, as the  
5 beneficiary of the Megaproject Sports and Entertainment  
6 Facility Admission Tax Trust Fund, 100% of the proceeds  
7 deposited into the Megaproject Sports and Entertainment  
8 Facility Admission Tax Trust Fund during the previous calendar  
9 month.

10 (b) As the beneficiary of the Megaproject Sports and  
11 Entertainment Facility Admission Tax Trust Fund, the City of  
12 Chicago shall have a property interest in the proceeds of the  
13 Megaproject Sports and Entertainment Facility Admission Tax  
14 Trust Fund that shall vest upon the first payment received by  
15 the City of Chicago under subsection (a) of this Section. The  
16 terms of the tax imposed pursuant to this Act may be revised  
17 only with the express consent of the owner and the beneficiary  
18 of the Megaproject Sports and Entertainment Facility Admission  
19 Tax Trust Fund.

20 Section 20. Incorporation of the Retailers' Occupation Tax  
21 Act and the Uniform Penalty and Interest Act. The Department  
22 shall administer and collect the admission tax imposed by this  
23 Act, to the extent practicable, in a manner consistent with  
24 the provisions of Sections 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g,  
25 5i, 5j, 6, 6a, 6b, 6c, 8, 9 and 10 of the Retailers' Occupation

1 Tax Act and Section 3-7 of the Uniform Penalty and Interest  
2 Act.

3 Section 25. Rulemaking. The Department shall adopt rules  
4 necessary for the implementation of this Act.

5 Section 900. The State Finance Act is amended by adding  
6 Sections 5.1015 and 6z-140 as follows:

7 (30 ILCS 105/5.1015 new)

8 Sec. 5.1015. The Arlington Megaproject Infrastructure  
9 Fund.

10 (30 ILCS 105/6z-140 new)

11 Sec. 6z-140. The Arlington Megaproject Infrastructure  
12 Fund.

13 (a) The Arlington Megaproject Infrastructure Fund is  
14 created as a special fund in the State treasury. The entities  
15 receiving disbursements under subsection (b) of this Section  
16 may use funds received from the Arlington Megaproject  
17 Infrastructure Fund only for capital projects and  
18 infrastructure improvements. All interest earned on moneys in  
19 the Fund shall be deposited into the Fund. The Fund shall not  
20 be subject to administrative charges or chargebacks,  
21 including, but not limited to, those authorized under Section  
22 8h.

1       (b) On or before the last day of each month, the State  
2       Treasurer and the State Comptroller shall distribute the  
3       available balance in the Arlington Megaproject Infrastructure  
4       Fund as follows:

5               (1) 30% to the Village of Arlington Heights;

6               (2) 17% to the Village of Palatine;

7               (3) 17% to the City of Rolling Meadows;

8               (5) 6% to the Village of Buffalo Grove;

9               (6) 6% to the Village of Elk Grove Village;

10              (7) 6% to the Village of Mount Prospect;

11              (8) 6% to the City of Prospect Heights;

12              (9) 6% to the Village of Schaumburg; and

13              (10) 6% to the Village of Wheeling.

14              Section 905. The Use Tax Act is amended by changing  
15       Sections 3-5 and 9 as follows:

16              (35 ILCS 105/3-5)

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

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

1 purpose of resale by the enterprise.

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

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

20 (4) Except as otherwise provided in this Act, personal  
21 property purchased by a governmental body, by a corporation,  
22 society, association, foundation, or institution organized and  
23 operated exclusively for charitable, religious, or educational  
24 purposes, or by a not-for-profit corporation, society,  
25 association, foundation, institution, or organization that has  
26 no compensated officers or employees and that is organized and



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

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

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

25 (7) Farm chemicals.

26 (8) Legal tender, currency, medallions, or gold or silver

1 coinage issued by the State of Illinois, the government of the  
2 United States of America, or the government of any foreign  
3 country, and bullion.

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

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

10 (11) 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 (11). 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.

18 Beginning on January 1, 2024, farm machinery and equipment  
19 also includes electrical power generation equipment used  
20 primarily for production agriculture.

21 This item (11) is exempt from the provisions of Section  
22 3-90.

23 (12) Until June 30, 2013, fuel and petroleum products sold  
24 to or used by an air common carrier, certified by the carrier  
25 to be used for consumption, shipment, or storage in the  
26 conduct of its business as an air common carrier, for a flight

1 destined for or returning from a location or locations outside  
2 the United States without regard to previous or subsequent  
3 domestic stopovers.

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

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

22 (14) Until July 1, 2003, oil field exploration, drilling,  
23 and production equipment, including (i) rigs and parts of  
24 rigs, rotary rigs, cable tool rigs, and workover rigs, (ii)  
25 pipe and tubular goods, including casing and drill strings,  
26 (iii) pumps and pump-jack units, (iv) storage tanks and flow

1 lines, (v) any individual replacement part for oil field  
2 exploration, drilling, and production equipment, and (vi)  
3 machinery and equipment purchased for lease; but excluding  
4 motor vehicles required to be registered under the Illinois  
5 Vehicle Code.

6 (15) Photoprocessing machinery and equipment, including  
7 repair and replacement parts, both new and used, including  
8 that manufactured on special order, certified by the purchaser  
9 to be used primarily for photoprocessing, and including  
10 photoprocessing machinery and equipment purchased for lease.

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

13 (35) Beginning January 1, 2010 and continuing through  
14 December 31, 2029, materials, parts, equipment, components,  
15 and furnishings incorporated into or upon an aircraft as part  
16 of the modification, refurbishment, completion, replacement,  
17 repair, or maintenance of the aircraft. This exemption  
18 includes consumable supplies used in the modification,  
19 refurbishment, completion, replacement, repair, and  
20 maintenance of aircraft. However, until January 1, 2024, this  
21 exemption excludes any materials, parts, equipment,  
22 components, and consumable supplies used in the modification,  
23 replacement, repair, and maintenance of aircraft engines or  
24 power plants, whether such engines or power plants are  
25 installed or uninstalled upon any such aircraft. "Consumable  
26 supplies" include, but are not limited to, adhesive, tape,

1 sandpaper, general purpose lubricants, cleaning solution,  
2 latex gloves, and protective films.

3 Beginning January 1, 2010 and continuing through December  
4 31, 2023, this exemption applies only to the use of qualifying  
5 tangible personal property by persons who modify, refurbish,  
6 complete, repair, replace, or maintain aircraft and who (i)  
7 hold an Air Agency Certificate and are empowered to operate an  
8 approved repair station by the Federal Aviation  
9 Administration, (ii) have a Class IV Rating, and (iii) conduct  
10 operations in accordance with Part 145 of the Federal Aviation  
11 Regulations. From January 1, 2024 through December 31, 2029,  
12 this exemption applies only to the use of qualifying tangible  
13 personal property by: (A) persons who modify, refurbish,  
14 complete, repair, replace, or maintain aircraft and who (i)  
15 hold an Air Agency Certificate and are empowered to operate an  
16 approved repair station by the Federal Aviation  
17 Administration, (ii) have a Class IV Rating, and (iii) conduct  
18 operations in accordance with Part 145 of the Federal Aviation  
19 Regulations; and (B) persons who engage in the modification,  
20 replacement, repair, and maintenance of aircraft engines or  
21 power plants without regard to whether or not those persons  
22 meet the qualifications of item (A).

23 The exemption does not include aircraft operated by a  
24 commercial air carrier providing scheduled passenger air  
25 service pursuant to authority issued under Part 121 or Part  
26 129 of the Federal Aviation Regulations. The changes made to



1 this paragraph (35) by Public Act 98-534 are declarative of  
2 existing law. It is the intent of the General Assembly that the  
3 exemption under this paragraph (35) applies continuously from  
4 January 1, 2010 through December 31, 2024; however, no claim  
5 for credit or refund is allowed for taxes paid as a result of  
6 the disallowance of this exemption on or after January 1, 2015  
7 and prior to February 5, 2020 (the effective date of Public Act  
8 101-629).

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

24 (37) Beginning January 1, 2017 and through December 31,  
25 2026, menstrual pads, tampons, and menstrual cups.

26 (38) Merchandise that is subject to the Rental Purchase

1 Agreement Occupation and Use Tax. The purchaser must certify  
2 that the item is purchased to be rented subject to a  
3 rental-purchase ~~rental-purchase~~ agreement, as defined in the  
4 Rental-Purchase ~~Rental-Purchase~~ Agreement Act, and provide  
5 proof of registration under the Rental Purchase Agreement  
6 Occupation and Use Tax Act. This paragraph is exempt from the  
7 provisions of Section 3-90.

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

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

26 The Department of Commerce and Economic Opportunity shall

1 grant a certificate of exemption under this item (40) to  
2 qualified data centers as defined by Section 605-1025 of the  
3 Department of Commerce and Economic Opportunity Law of the  
4 Civil Administrative Code of Illinois.

5 For the purposes of this item (40):

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

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

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

11 This item (40) is exempt from the provisions of Section  
12 3-90.

13 (41) Beginning July 1, 2022, breast pumps, breast pump  
14 collection and storage supplies, and breast pump kits. This  
15 item (41) is exempt from the provisions of Section 3-90. As  
16 used in this item (41):

17 "Breast pump" means an electrically controlled or  
18 manually controlled pump device designed or marketed to be  
19 used to express milk from a human breast during lactation,  
20 including the pump device and any battery, AC adapter, or  
21 other power supply unit that is used to power the pump  
22 device and is packaged and sold with the pump device at the  
23 time of sale.

24 "Breast pump collection and storage supplies" means  
25 items of tangible personal property designed or marketed  
26 to be used in conjunction with a breast pump to collect

1 milk expressed from a human breast and to store collected  
2 milk until it is ready for consumption.

3 "Breast pump collection and storage supplies"  
4 includes, but is not limited to: breast shields and breast  
5 shield connectors; breast pump tubes and tubing adapters;  
6 breast pump valves and membranes; backflow protectors and  
7 backflow protector adaptors; bottles and bottle caps  
8 specific to the operation of the breast pump; and breast  
9 milk storage bags.

10 "Breast pump collection and storage supplies" does not  
11 include: (1) bottles and bottle caps not specific to the  
12 operation of the breast pump; (2) breast pump travel bags  
13 and other similar carrying accessories, including ice  
14 packs, labels, and other similar products; (3) breast pump  
15 cleaning supplies; (4) nursing bras, bra pads, breast  
16 shells, and other similar products; and (5) creams,  
17 ointments, and other similar products that relieve  
18 breastfeeding-related symptoms or conditions of the  
19 breasts or nipples, unless sold as part of a breast pump  
20 kit that is pre-packaged by the breast pump manufacturer  
21 or distributor.

22 "Breast pump kit" means a kit that: (1) contains no  
23 more than a breast pump, breast pump collection and  
24 storage supplies, a rechargeable battery for operating the  
25 breast pump, a breastmilk cooler, bottle stands, ice  
26 packs, and a breast pump carrying case; and (2) is

1 pre-packaged as a breast pump kit by the breast pump  
2 manufacturer or distributor.

3 (42) Tangible personal property sold by or on behalf of  
4 the State Treasurer pursuant to the Revised Uniform Unclaimed  
5 Property Act. This item (42) is exempt from the provisions of  
6 Section 3-90.

7 (43) Beginning on January 1, 2024, tangible personal  
8 property purchased by an active duty member of the armed  
9 forces of the United States who presents valid military  
10 identification and purchases the property using a form of  
11 payment where the federal government is the payor. The member  
12 of the armed forces must complete, at the point of sale, a form  
13 prescribed by the Department of Revenue documenting that the  
14 transaction is eligible for the exemption under this  
15 paragraph. Retailers must keep the form as documentation of  
16 the exemption in their records for a period of not less than 6  
17 years. "Armed forces of the United States" means the United  
18 States Army, Navy, Air Force, Marine Corps, or Coast Guard.  
19 This paragraph is exempt from the provisions of Section 3-90.

20 (44) Qualified tangible personal property used in the  
21 construction or operation of a megaproject for which a  
22 certificate has been issued by the Department under Division  
23 22 of Article 10 of the Property Tax Code, whether that  
24 tangible personal property is purchased by the owner,  
25 operator, or tenant of the megaproject or by a contractor or  
26 subcontractor of the owner, operator, or tenant.

1 As used in this item (44):

2 "Megaproject" has the meaning ascribed to that term in  
3 Section 10-910 of the Property Tax Code.

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

1 of Revenue for the megaproject as described and defined in  
2 Division 22 of Article 10 of the Property Tax Code.

3 This item (44) is exempt from the provisions of Section  
4 3-90.

5 (Source: P.A. 102-16, eff. 6-17-21; 102-700, Article 70,  
6 Section 70-5, eff. 4-19-22; 102-700, Article 75, Section 75-5,  
7 eff. 4-19-22; 102-1026, eff. 5-27-22; 103-9, Article 5,  
8 Section 5-5, eff. 6-7-23; 103-9, Article 15, Section 15-5,  
9 eff. 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24;  
10 revised 12-12-23.)

11 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

12 Sec. 9. Except as to motor vehicles, watercraft, aircraft,  
13 and trailers that are required to be registered with an agency  
14 of this State, each retailer required or authorized to collect  
15 the tax imposed by this Act shall pay to the Department the  
16 amount of such tax (except as otherwise provided) at the time  
17 when he is required to file his return for the period during  
18 which such tax was collected, less a discount of 2.1% prior to  
19 January 1, 1990, and 1.75% on and after January 1, 1990, or \$5  
20 per calendar year, whichever is greater, which is allowed to  
21 reimburse the retailer for expenses incurred in collecting the  
22 tax, keeping records, preparing and filing returns, remitting  
23 the tax and supplying data to the Department on request. When  
24 determining the discount allowed under this Section, retailers  
25 shall include the amount of tax that would have been due at the



1 6.25% rate but for the 1.25% rate imposed on sales tax holiday  
2 items under Public Act 102-700. The discount under this  
3 Section is not allowed for the 1.25% portion of taxes paid on  
4 aviation fuel that is subject to the revenue use requirements  
5 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133. When determining  
6 the discount allowed under this Section, retailers shall  
7 include the amount of tax that would have been due at the 1%  
8 rate but for the 0% rate imposed under Public Act 102-700. In  
9 the case of retailers who report and pay the tax on a  
10 transaction by transaction basis, as provided in this Section,  
11 such discount shall be taken with each such tax remittance  
12 instead of when such retailer files his periodic return. The  
13 discount allowed under this Section is allowed only for  
14 returns that are filed in the manner required by this Act. The  
15 Department may disallow the discount for retailers whose  
16 certificate of registration is revoked at the time the return  
17 is filed, but only if the Department's decision to revoke the  
18 certificate of registration has become final. A retailer need  
19 not remit that part of any tax collected by him to the extent  
20 that he is required to remit and does remit the tax imposed by  
21 the Retailers' Occupation Tax Act, with respect to the sale of  
22 the same property.

23 Where such tangible personal property is sold under a  
24 conditional sales contract, or under any other form of sale  
25 wherein the payment of the principal sum, or a part thereof, is  
26 extended beyond the close of the period for which the return is

1 filed, the retailer, in collecting the tax (except as to motor  
2 vehicles, watercraft, aircraft, and trailers that are required  
3 to be registered with an agency of this State), may collect for  
4 each tax return period, only the tax applicable to that part of  
5 the selling price actually received during such tax return  
6 period.

7 Except as provided in this Section, on or before the  
8 twentieth day of each calendar month, such retailer shall file  
9 a return for the preceding calendar month. Such return shall  
10 be filed on forms prescribed by the Department and shall  
11 furnish such information as the Department may reasonably  
12 require. The return shall include the gross receipts on food  
13 for human consumption that is to be consumed off the premises  
14 where it is sold (other than alcoholic beverages, food  
15 consisting of or infused with adult use cannabis, soft drinks,  
16 and food that has been prepared for immediate consumption)  
17 which were received during the preceding calendar month,  
18 quarter, or year, as appropriate, and upon which tax would  
19 have been due but for the 0% rate imposed under Public Act  
20 102-700. The return shall also include the amount of tax that  
21 would have been due on food for human consumption that is to be  
22 consumed off the premises where it is sold (other than  
23 alcoholic beverages, food consisting of or infused with adult  
24 use cannabis, soft drinks, and food that has been prepared for  
25 immediate consumption) but for the 0% rate imposed under  
26 Public Act 102-700.

1           On and after January 1, 2018, except for returns required  
2 to be filed prior to January 1, 2023 for motor vehicles,  
3 watercraft, aircraft, and trailers that are required to be  
4 registered with an agency of this State, with respect to  
5 retailers whose annual gross receipts average \$20,000 or more,  
6 all returns required to be filed pursuant to this Act shall be  
7 filed electronically. On and after January 1, 2023, with  
8 respect to retailers whose annual gross receipts average  
9 \$20,000 or more, all returns required to be filed pursuant to  
10 this Act, including, but not limited to, returns for motor  
11 vehicles, watercraft, aircraft, and trailers that are required  
12 to be registered with an agency of this State, shall be filed  
13 electronically. Retailers who demonstrate that they do not  
14 have access to the Internet or demonstrate hardship in filing  
15 electronically may petition the Department to waive the  
16 electronic filing requirement.

17           The Department may require returns to be filed on a  
18 quarterly basis. If so required, a return for each calendar  
19 quarter shall be filed on or before the twentieth day of the  
20 calendar month following the end of such calendar quarter. The  
21 taxpayer shall also file a return with the Department for each  
22 of the first 2 ~~two~~ months of each calendar quarter, on or  
23 before the twentieth day of the following calendar month,  
24 stating:

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

1           which he engages in the business of selling tangible  
2           personal property at retail in this State;

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

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

10          5. The amount of tax due;

11          5-5. The signature of the taxpayer; and

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

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

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

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

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

1 tax liability" means the sum of the taxpayer's liabilities  
2 under this Act, and under all other State and local occupation  
3 and use tax laws administered by the Department, for the  
4 immediately preceding calendar year divided by 12. Beginning  
5 on October 1, 2002, a taxpayer who has a tax liability in the  
6 amount set forth in subsection (b) of Section 2505-210 of the  
7 Department of Revenue Law shall make all payments required by  
8 rules of the Department by electronic funds transfer.

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

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

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

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

24 Before October 1, 2000, if the taxpayer's average monthly  
25 tax liability to the Department under this Act, the Retailers'  
26 Occupation Tax Act, the Service Occupation Tax Act, the

1 Service Use Tax Act was \$10,000 or more during the preceding 4  
2 complete calendar quarters, he shall file a return with the  
3 Department each month by the 20th day of the month next  
4 following the month during which such tax liability is  
5 incurred and shall make payments to the Department on or  
6 before the 7th, 15th, 22nd and last day of the month during  
7 which such liability is incurred. On and after October 1,  
8 2000, if the taxpayer's average monthly tax liability to the  
9 Department under this Act, the Retailers' Occupation Tax Act,  
10 the Service Occupation Tax Act, and the Service Use Tax Act was  
11 \$20,000 or more during the preceding 4 complete calendar  
12 quarters, he shall file a return with the Department each  
13 month by the 20th day of the month next following the month  
14 during which such tax liability is incurred and shall make  
15 payment to the Department on or before the 7th, 15th, 22nd and  
16 last day of the month during which such liability is incurred.  
17 If the month during which such tax liability is incurred began  
18 prior to January 1, 1985, each payment shall be in an amount  
19 equal to 1/4 of the taxpayer's actual liability for the month  
20 or an amount set by the Department not to exceed 1/4 of the  
21 average monthly liability of the taxpayer to the Department  
22 for the preceding 4 complete calendar quarters (excluding the  
23 month of highest liability and the month of lowest liability  
24 in such 4 quarter period). If the month during which such tax  
25 liability is incurred begins on or after January 1, 1985, and  
26 prior to January 1, 1987, each payment shall be in an amount

1 equal to 22.5% of the taxpayer's actual liability for the  
2 month or 27.5% of the taxpayer's liability for the same  
3 calendar month of the preceding year. If the month during  
4 which such tax liability is incurred begins on or after  
5 January 1, 1987, and prior to January 1, 1988, each payment  
6 shall be in an amount equal to 22.5% of the taxpayer's actual  
7 liability for the month or 26.25% of the taxpayer's liability  
8 for the same calendar month of the preceding year. If the month  
9 during which such tax liability is incurred begins on or after  
10 January 1, 1988, and prior to January 1, 1989, or begins on or  
11 after January 1, 1996, each payment shall be in an amount equal  
12 to 22.5% of the taxpayer's actual liability for the month or  
13 25% of the taxpayer's liability for the same calendar month of  
14 the preceding year. If the month during which such tax  
15 liability is incurred begins on or after January 1, 1989, and  
16 prior to January 1, 1996, each payment shall be in an amount  
17 equal to 22.5% of the taxpayer's actual liability for the  
18 month or 25% of the taxpayer's liability for the same calendar  
19 month of the preceding year or 100% of the taxpayer's actual  
20 liability for the quarter monthly reporting period. The amount  
21 of such quarter monthly payments shall be credited against the  
22 final tax liability of the taxpayer's return for that month.  
23 Before October 1, 2000, once applicable, the requirement of  
24 the making of quarter monthly payments to the Department shall  
25 continue until such taxpayer's average monthly liability to  
26 the Department during the preceding 4 complete calendar



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

1 The Department shall change such taxpayer's reporting status  
2 unless it finds that such change is seasonal in nature and not  
3 likely to be long term. Quarter monthly payment status shall  
4 be determined under this paragraph as if the rate reduction to  
5 1.25% in Public Act 102-700 on sales tax holiday items had not  
6 occurred. For quarter monthly payments due on or after July 1,  
7 2023 and through June 30, 2024, "25% of the taxpayer's  
8 liability for the same calendar month of the preceding year"  
9 shall be determined as if the rate reduction to 1.25% in Public  
10 Act 102-700 on sales tax holiday items had not occurred.  
11 Quarter monthly payment status shall be determined under this  
12 paragraph as if the rate reduction to 0% in Public Act 102-700  
13 on food for human consumption that is to be consumed off the  
14 premises where it is sold (other than alcoholic beverages,  
15 food consisting of or infused with adult use cannabis, soft  
16 drinks, and food that has been prepared for immediate  
17 consumption) had not occurred. For quarter monthly payments  
18 due under this paragraph on or after July 1, 2023 and through  
19 June 30, 2024, "25% of the taxpayer's liability for the same  
20 calendar month of the preceding year" shall be determined as  
21 if the rate reduction to 0% in Public Act 102-700 had not  
22 occurred. If any such quarter monthly payment is not paid at  
23 the time or in the amount required by this Section, then the  
24 taxpayer shall be liable for penalties and interest on the  
25 difference between the minimum amount due and the amount of  
26 such quarter monthly payment actually and timely paid, except

1 insofar as the taxpayer has previously made payments for that  
2 month to the Department in excess of the minimum payments  
3 previously due as provided in this Section. The Department  
4 shall make reasonable rules and regulations to govern the  
5 quarter monthly payment amount and quarter monthly payment  
6 dates for taxpayers who file on other than a calendar monthly  
7 basis.

8 If any such payment provided for in this Section exceeds  
9 the taxpayer's liabilities under this Act, the Retailers'  
10 Occupation Tax Act, the Service Occupation Tax Act and the  
11 Service Use Tax Act, as shown by an original monthly return,  
12 the Department shall issue to the taxpayer a credit memorandum  
13 no later than 30 days after the date of payment, which  
14 memorandum may be submitted by the taxpayer to the Department  
15 in payment of tax liability subsequently to be remitted by the  
16 taxpayer to the Department or be assigned by the taxpayer to a  
17 similar taxpayer under this Act, the Retailers' Occupation Tax  
18 Act, the Service Occupation Tax Act or the Service Use Tax Act,  
19 in accordance with reasonable rules and regulations to be  
20 prescribed by the Department, except that if such excess  
21 payment is shown on an original monthly return and is made  
22 after December 31, 1986, no credit memorandum shall be issued,  
23 unless requested by the taxpayer. If no such request is made,  
24 the taxpayer may credit such excess payment against tax  
25 liability subsequently to be remitted by the taxpayer to the  
26 Department under this Act, the Retailers' Occupation Tax Act,

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

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

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

26 Such quarter annual and annual returns, as to form and

1 substance, shall be subject to the same requirements as  
2 monthly returns.

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

10 In addition, with respect to motor vehicles, watercraft,  
11 aircraft, and trailers that are required to be registered with  
12 an agency of this State, except as otherwise provided in this  
13 Section, every retailer selling this kind of tangible personal  
14 property shall file, with the Department, upon a form to be  
15 prescribed and supplied by the Department, a separate return  
16 for each such item of tangible personal property which the  
17 retailer sells, except that if, in the same transaction, (i) a  
18 retailer of aircraft, watercraft, motor vehicles or trailers  
19 transfers more than one aircraft, watercraft, motor vehicle or  
20 trailer to another aircraft, watercraft, motor vehicle or  
21 trailer retailer for the purpose of resale or (ii) a retailer  
22 of aircraft, watercraft, motor vehicles, or trailers transfers  
23 more than one aircraft, watercraft, motor vehicle, or trailer  
24 to a purchaser for use as a qualifying rolling stock as  
25 provided in Section 3-55 of this Act, then that seller may  
26 report the transfer of all the aircraft, watercraft, motor

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

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

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

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

18 The transaction reporting return in the case of watercraft  
19 and aircraft must show the name and address of the seller; the  
20 name and address of the purchaser; the amount of the selling  
21 price including the amount allowed by the retailer for  
22 traded-in property, if any; the amount allowed by the retailer  
23 for the traded-in tangible personal property, if any, to the  
24 extent to which Section 2 of this Act allows an exemption for  
25 the value of traded-in property; the balance payable after  
26 deducting such trade-in allowance from the total selling

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

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

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



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

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

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

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

8 Where a retailer collects the tax with respect to the  
9 selling price of tangible personal property which he sells and  
10 the purchaser thereafter returns such tangible personal  
11 property and the retailer refunds the selling price thereof to  
12 the purchaser, such retailer shall also refund, to the  
13 purchaser, the tax so collected from the purchaser. When  
14 filing his return for the period in which he refunds such tax  
15 to the purchaser, the retailer may deduct the amount of the tax  
16 so refunded by him to the purchaser from any other use tax  
17 which such retailer may be required to pay or remit to the  
18 Department, as shown by such return, if the amount of the tax  
19 to be deducted was previously remitted to the Department by  
20 such retailer. If the retailer has not previously remitted the  
21 amount of such tax to the Department, he is entitled to no  
22 deduction under this Act upon refunding such tax to the  
23 purchaser.

24 Any retailer filing a return under this Section shall also  
25 include (for the purpose of paying tax thereon) the total tax  
26 covered by such return upon the selling price of tangible

1 personal property purchased by him at retail from a retailer,  
2 but as to which the tax imposed by this Act was not collected  
3 from the retailer filing such return, and such retailer shall  
4 remit the amount of such tax to the Department when filing such  
5 return.

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

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

17 Notwithstanding any provision of law to the contrary,  
18 beginning on the first day of the first month after the  
19 Arlington Megaproject is established under Division 22 of  
20 Article 10 of the Property Tax Code, all taxes collected under  
21 this Act from persons located within the Arlington Megaproject  
22 shall be deposited into the Arlington Megaproject  
23 Infrastructure Fund.

24 Beginning January 1, 1990, each month the Department shall  
25 pay into the State and Local Sales Tax Reform Fund, a special  
26 fund in the State Treasury which is hereby created, the net

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

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

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

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

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

7 Beginning August 1, 2000, each month the Department shall  
8 pay into the State and Local Sales Tax Reform Fund 100% of the  
9 net revenue realized for the preceding month from the 1.25%  
10 rate on the selling price of motor fuel and gasohol. If, in any  
11 month, the tax on sales tax holiday items, as defined in  
12 Section 3-6, is imposed at the rate of 1.25%, then the  
13 Department shall pay 100% of the net revenue realized for that  
14 month from the 1.25% rate on the selling price of sales tax  
15 holiday items into the State and Local Sales Tax Reform Fund.

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

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

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

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

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

1 excluding payments made pursuant to this paragraph.

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

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

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



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

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

1 in excess of the sums designated as "Total Deposit", shall be  
2 deposited in the aggregate from collections under Section 9 of  
3 the Use Tax Act, Section 9 of the Service Use Tax Act, Section  
4 9 of the Service Occupation Tax Act, and Section 3 of the  
5 Retailers' Occupation Tax Act into the McCormick Place  
6 Expansion Project Fund in the specified fiscal years.

7	Fiscal Year	Total Deposit
8	1993	\$0
9	1994	53,000,000
10	1995	58,000,000
11	1996	61,000,000
12	1997	64,000,000
13	1998	68,000,000
14	1999	71,000,000
15	2000	75,000,000
16	2001	80,000,000
17	2002	93,000,000
18	2003	99,000,000
19	2004	103,000,000
20	2005	108,000,000
21	2006	113,000,000
22	2007	119,000,000
23	2008	126,000,000
24	2009	132,000,000
25	2010	139,000,000
26	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  
17 Fund, the McCormick Place Expansion Project Fund, the Illinois  
18 Tax Increment Fund, and the Energy Infrastructure Fund  
19 pursuant to the preceding paragraphs or in any amendments to  
20 this Section hereafter enacted, beginning on the first day of  
21 the first calendar month to occur on or after August 26, 2014  
22 (the effective date of Public Act 98-1098), each month, from  
23 the collections made under Section 9 of the Use Tax Act,  
24 Section 9 of the Service Use Tax Act, Section 9 of the Service  
25 Occupation Tax Act, and Section 3 of the Retailers' Occupation  
26 Tax Act, the Department shall pay into the Tax Compliance and

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

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

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

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

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

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

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



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

23 Of the remainder of the moneys received by the Department  
24 pursuant to this Act, 75% thereof shall be paid into the State  
25 Treasury and 25% shall be reserved in a special account and  
26 used only for the transfer to the Common School Fund as part of

1 the monthly transfer from the General Revenue Fund in  
2 accordance with Section 8a of the State Finance Act.

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

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

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

21 (Source: P.A. 102-700, Article 60, Section 60-15, eff.  
22 4-19-22; 102-700, Article 65, Section 65-5, eff. 4-19-22;  
23 102-1019, eff. 1-1-23; 103-154, eff. 6-30-23; 103-363, eff.  
24 7-28-23.)

25 Section 910. \*\*\*ADDITIONAL INFORMATION\*\*\* is amended by

1 changing Section 9 **\*\*\*PLACE IN TEXT BELOW\*\*\***

2 The Service Use Tax Act is amended by changing Sections 3-5 and  
3 9 as follows:

4 (35 ILCS 110/3-5)

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

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

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

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

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

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

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

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

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

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

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

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

8 Beginning on January 1, 2024, farm machinery and equipment  
9 also includes electrical power generation equipment used  
10 primarily for production agriculture.

11 This item (7) is exempt from the provisions of Section  
12 3-75.

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

20 Beginning July 1, 2013, fuel and petroleum products sold  
21 to or used by an air carrier, certified by the carrier to be  
22 used for consumption, shipment, or storage in the conduct of  
23 its business as an air common carrier, for a flight that (i) is  
24 engaged in foreign trade or is engaged in trade between the  
25 United States and any of its possessions and (ii) transports  
26 at least one individual or package for hire from the city of

1 origination to the city of final destination on the same  
2 aircraft, without regard to a change in the flight number of  
3 that aircraft.

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

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

23 (11) Proceeds from the sale of photoprocessing machinery  
24 and equipment, including repair and replacement parts, both  
25 new and used, including that manufactured on special order,  
26 certified by the purchaser to be used primarily for

1 photoprocessing, and including photoprocessing machinery and  
2 equipment purchased for lease.

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

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

16 (14) Horses, or interests in horses, registered with and  
17 meeting the requirements of any of the Arabian Horse Club  
18 Registry of America, Appaloosa Horse Club, American Quarter  
19 Horse Association, United States Trotting Association, or  
20 Jockey Club, as appropriate, used for purposes of breeding or  
21 racing for prizes. This item (14) is exempt from the  
22 provisions of Section 3-75, and the exemption provided for  
23 under this item (14) applies for all periods beginning May 30,  
24 1995, but no claim for credit or refund is allowed on or after  
25 January 1, 2008 (the effective date of Public Act 95-88) for  
26 such taxes paid during the period beginning May 30, 2000 and



1 ending on January 1, 2008 (the effective date of Public Act  
2 95-88).

3 (15) Computers and communications equipment utilized for  
4 any hospital purpose and equipment used in the diagnosis,  
5 analysis, or treatment of hospital patients purchased by a  
6 lessor who leases the equipment, under a lease of one year or  
7 longer executed or in effect at the time the lessor would  
8 otherwise be subject to the tax imposed by this Act, to a  
9 hospital that has been issued an active tax exemption  
10 identification number by the Department under Section 1g of  
11 the Retailers' Occupation Tax Act. If the equipment is leased  
12 in a manner that does not qualify for this exemption or is used  
13 in any other non-exempt 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 non-qualifying 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.

26 (16) Personal property purchased by a lessor who leases

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

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

1 that has been issued a sales tax exemption identification  
2 number by the Department that assists victims of the disaster  
3 who reside within the declared disaster area.

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

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

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

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

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

1 exempt from the provisions of Section 3-75.

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

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

25 (24) Beginning on August 2, 2001 (the effective date of  
26 Public Act 92-227), computers and communications equipment

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

24 (25) Beginning on August 2, 2001 (the effective date of  
25 Public Act 92-227), personal property purchased by a lessor  
26 who leases the property, under a lease of one year or longer

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

20 (26) Beginning January 1, 2008, tangible personal property  
21 used in the construction or maintenance of a community water  
22 supply, as defined under Section 3.145 of the Environmental  
23 Protection Act, that is operated by a not-for-profit  
24 corporation that holds a valid water supply permit issued  
25 under Title IV of the Environmental Protection Act. This  
26 paragraph is exempt from the provisions of Section 3-75.

1           (27) Beginning January 1, 2010 and continuing through  
2 December 31, 2029, materials, parts, equipment, components,  
3 and furnishings incorporated into or upon an aircraft as part  
4 of the modification, refurbishment, completion, replacement,  
5 repair, or maintenance of the aircraft. This exemption  
6 includes consumable supplies used in the modification,  
7 refurbishment, completion, replacement, repair, and  
8 maintenance of aircraft. However, until January 1, 2024, this  
9 exemption excludes any materials, parts, equipment,  
10 components, and consumable supplies used in the modification,  
11 replacement, repair, and maintenance of aircraft engines or  
12 power plants, whether such engines or power plants are  
13 installed or uninstalled upon any such aircraft. "Consumable  
14 supplies" include, but are not limited to, adhesive, tape,  
15 sandpaper, general purpose lubricants, cleaning solution,  
16 latex gloves, and protective films.

17           Beginning January 1, 2010 and continuing through December  
18 31, 2023, this exemption applies only to the use of qualifying  
19 tangible personal property transferred incident to the  
20 modification, refurbishment, completion, replacement, repair,  
21 or maintenance of aircraft by persons who (i) hold an Air  
22 Agency Certificate and are empowered to operate an approved  
23 repair station by the Federal Aviation Administration, (ii)  
24 have a Class IV Rating, and (iii) conduct operations in  
25 accordance with Part 145 of the Federal Aviation Regulations.  
26 From January 1, 2024 through December 31, 2029, this exemption



1 applies only to the use of qualifying tangible personal  
2 property by: (A) persons who modify, refurbish, complete,  
3 repair, replace, or maintain aircraft and who (i) hold an Air  
4 Agency Certificate and are empowered to operate an approved  
5 repair station by the Federal Aviation Administration, (ii)  
6 have a Class IV Rating, and (iii) conduct operations in  
7 accordance with Part 145 of the Federal Aviation Regulations;  
8 and (B) persons who engage in the modification, replacement,  
9 repair, and maintenance of aircraft engines or power plants  
10 without regard to whether or not those persons meet the  
11 qualifications of item (A).

12 The exemption does not include aircraft operated by a  
13 commercial air carrier providing scheduled passenger air  
14 service pursuant to authority issued under Part 121 or Part  
15 129 of the Federal Aviation Regulations. The changes made to  
16 this paragraph (27) by Public Act 98-534 are declarative of  
17 existing law. It is the intent of the General Assembly that the  
18 exemption under this paragraph (27) applies continuously from  
19 January 1, 2010 through December 31, 2024; however, no claim  
20 for credit or refund is allowed for taxes paid as a result of  
21 the disallowance of this exemption on or after January 1, 2015  
22 and prior to February 5, 2020 (the effective date of Public Act  
23 101-629).

24 (28) Tangible personal property purchased by a  
25 public-facilities corporation, as described in Section  
26 11-65-10 of the Illinois Municipal Code, for purposes of

1 constructing or furnishing a municipal convention hall, but  
2 only if the legal title to the municipal convention hall is  
3 transferred to the municipality without any further  
4 consideration by or on behalf of the municipality at the time  
5 of the completion of the municipal convention hall or upon the  
6 retirement or redemption of any bonds or other debt  
7 instruments issued by the public-facilities corporation in  
8 connection with the development of the municipal convention  
9 hall. This exemption includes existing public-facilities  
10 corporations as provided in Section 11-65-25 of the Illinois  
11 Municipal Code. This paragraph is exempt from the provisions  
12 of Section 3-75.

13 (29) Beginning January 1, 2017 and through December 31,  
14 2026, menstrual pads, tampons, and menstrual cups.

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

19 (31) Qualified tangible personal property used in the  
20 construction or operation of a data center that has been  
21 granted a certificate of exemption by the Department of  
22 Commerce and Economic Opportunity, whether that tangible  
23 personal property is purchased by the owner, operator, or  
24 tenant of the data center or by a contractor or subcontractor  
25 of the owner, operator, or tenant. Data centers that would  
26 have qualified for a certificate of exemption prior to January

1 1, 2020 had Public Act 101-31 been in effect, may apply for and  
2 obtain an exemption for subsequent purchases of computer  
3 equipment or enabling software purchased or leased to upgrade,  
4 supplement, or replace computer equipment or enabling software  
5 purchased or leased in the original investment that would have  
6 qualified.

7 The Department of Commerce and Economic Opportunity shall  
8 grant a certificate of exemption under this item (31) to  
9 qualified data centers as defined by Section 605-1025 of the  
10 Department of Commerce and Economic Opportunity Law of the  
11 Civil Administrative Code of Illinois.

12 For the purposes of this item (31):

13 "Data center" means a building or a series of  
14 buildings rehabilitated or constructed to house working  
15 servers in one physical location or multiple sites within  
16 the State of Illinois.

17 "Qualified tangible personal property" means:  
18 electrical systems and equipment; climate control and  
19 chilling equipment and systems; mechanical systems and  
20 equipment; monitoring and secure systems; emergency  
21 generators; hardware; computers; servers; data storage  
22 devices; network connectivity equipment; racks; cabinets;  
23 telecommunications cabling infrastructure; raised floor  
24 systems; peripheral components or systems; software;  
25 mechanical, electrical, or plumbing systems; battery  
26 systems; cooling systems and towers; temperature control

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

18 This item (31) is exempt from the provisions of Section  
19 3-75.

20 (32) Beginning July 1, 2022, breast pumps, breast pump  
21 collection and storage supplies, and breast pump kits. This  
22 item (32) is exempt from the provisions of Section 3-75. As  
23 used in this item (32):

24 "Breast pump" means an electrically controlled or  
25 manually controlled pump device designed or marketed to be  
26 used to express milk from a human breast during lactation,

1 including the pump device and any battery, AC adapter, or  
2 other power supply unit that is used to power the pump  
3 device and is packaged and sold with the pump device at the  
4 time of sale.

5 "Breast pump collection and storage supplies" means  
6 items of tangible personal property designed or marketed  
7 to be used in conjunction with a breast pump to collect  
8 milk expressed from a human breast and to store collected  
9 milk until it is ready for consumption.

10 "Breast pump collection and storage supplies"  
11 includes, but is not limited to: breast shields and breast  
12 shield connectors; breast pump tubes and tubing adapters;  
13 breast pump valves and membranes; backflow protectors and  
14 backflow protector adaptors; bottles and bottle caps  
15 specific to the operation of the breast pump; and breast  
16 milk storage bags.

17 "Breast pump collection and storage supplies" does not  
18 include: (1) bottles and bottle caps not specific to the  
19 operation of the breast pump; (2) breast pump travel bags  
20 and other similar carrying accessories, including ice  
21 packs, labels, and other similar products; (3) breast pump  
22 cleaning supplies; (4) nursing bras, bra pads, breast  
23 shells, and other similar products; and (5) creams,  
24 ointments, and other similar products that relieve  
25 breastfeeding-related symptoms or conditions of the  
26 breasts or nipples, unless sold as part of a breast pump

1 kit that is pre-packaged by the breast pump manufacturer  
2 or distributor.

3 "Breast pump kit" means a kit that: (1) contains no  
4 more than a breast pump, breast pump collection and  
5 storage supplies, a rechargeable battery for operating the  
6 breast pump, a breastmilk cooler, bottle stands, ice  
7 packs, and a breast pump carrying case; and (2) is  
8 pre-packaged as a breast pump kit by the breast pump  
9 manufacturer or distributor.

10 (33) Tangible personal property sold by or on behalf of  
11 the State Treasurer pursuant to the Revised Uniform Unclaimed  
12 Property Act. This item (33) is exempt from the provisions of  
13 Section 3-75.

14 (34) Beginning on January 1, 2024, tangible personal  
15 property purchased by an active duty member of the armed  
16 forces of the United States who presents valid military  
17 identification and purchases the property using a form of  
18 payment where the federal government is the payor. The member  
19 of the armed forces must complete, at the point of sale, a form  
20 prescribed by the Department of Revenue documenting that the  
21 transaction is eligible for the exemption under this  
22 paragraph. Retailers must keep the form as documentation of  
23 the exemption in their records for a period of not less than 6  
24 years. "Armed forces of the United States" means the United  
25 States Army, Navy, Air Force, Marine Corps, or Coast Guard.  
26 This paragraph is exempt from the provisions of Section 3-75.

1       (35) Qualified tangible personal property used in the  
2 construction or operation of a megaproject for which a  
3 certificate has been issued by the Department of Revenue as  
4 described and defined in Division 22 of Article 10 of the  
5 Property Tax Code, whether that tangible personal property is  
6 purchased by the owner, operator, or tenant of the megaproject  
7 or by a contractor or subcontractor of the owner, operator, or  
8 tenant.

9       For the purposes of this item (35):

10       "Megaproject" has the meaning ascribed to that term in  
11 Section 10-910 of the Property Tax Code.

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

1 distribute, or manage electricity necessary to operate  
2 qualified tangible personal property; and all other tangible  
3 personal property that is essential to the operations of a  
4 megaproject. The term "qualified tangible personal property"  
5 also includes building materials to be incorporated into the  
6 megaproject. To document the exemption allowed under this  
7 Section, the retailer, contractor or subcontractor or supplier  
8 must obtain from the purchaser a copy of the certificate  
9 issued by the Department of Revenue for the megaproject as  
10 described and defined in Division 22 of Article 10 of the  
11 Property Tax Code.

12 This item (35) is exempt from the provisions of Section  
13 3-75.

14 (Source: P.A. 102-16, eff. 6-17-21; 102-700, Article 70,  
15 Section 70-10, eff. 4-19-22; 102-700, Article 75, Section  
16 75-10, eff. 4-19-22; 102-1026, eff. 5-27-22; 103-9, Article 5,  
17 Section 5-10, eff. 6-7-23; 103-9, Article 15, Section 15-10,  
18 eff. 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24;  
19 revised 12-12-23.)

20 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

21 Sec. 9. Each serviceman required or authorized to collect  
22 the tax herein imposed shall pay to the Department the amount  
23 of such tax (except as otherwise provided) at the time when he  
24 is required to file his return for the period during which such  
25 tax was collected, less a discount of 2.1% prior to January 1,



1 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar  
2 year, whichever is greater, which is allowed to reimburse the  
3 serviceman for expenses incurred in collecting the tax,  
4 keeping records, preparing and filing returns, remitting the  
5 tax and supplying data to the Department on request. When  
6 determining the discount allowed under this Section,  
7 servicemen shall include the amount of tax that would have  
8 been due at the 1% rate but for the 0% rate imposed under this  
9 amendatory Act of the 102nd General Assembly. The discount  
10 under this Section is not allowed for the 1.25% portion of  
11 taxes paid on aviation fuel that is subject to the revenue use  
12 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133. The  
13 discount allowed under this Section is allowed only for  
14 returns that are filed in the manner required by this Act. The  
15 Department may disallow the discount for servicemen whose  
16 certificate of registration is revoked at the time the return  
17 is filed, but only if the Department's decision to revoke the  
18 certificate of registration has become final. A serviceman  
19 need not remit that part of any tax collected by him to the  
20 extent that he is required to pay and does pay the tax imposed  
21 by the Service Occupation Tax Act with respect to his sale of  
22 service involving the incidental transfer by him of the same  
23 property.

24 Except as provided hereinafter in this Section, on or  
25 before the twentieth day of each calendar month, such  
26 serviceman shall file a return for the preceding calendar

1 month in accordance with reasonable Rules and Regulations to  
2 be promulgated by the Department. Such return shall be filed  
3 on a form prescribed by the Department and shall contain such  
4 information as the Department may reasonably require. The  
5 return shall include the gross receipts which were received  
6 during the preceding calendar month or quarter on the  
7 following items upon which tax would have been due but for the  
8 0% rate imposed under this amendatory Act of the 102nd General  
9 Assembly: (i) food for human consumption that is to be  
10 consumed off the premises where it is sold (other than  
11 alcoholic beverages, food consisting of or infused with adult  
12 use cannabis, soft drinks, and food that has been prepared for  
13 immediate consumption); and (ii) food prepared for immediate  
14 consumption and transferred incident to a sale of service  
15 subject to this Act or the Service Occupation Tax Act by an  
16 entity licensed under the Hospital Licensing Act, the Nursing  
17 Home Care Act, the Assisted Living and Shared Housing Act, the  
18 ID/DD Community Care Act, the MC/DD Act, the Specialized  
19 Mental Health Rehabilitation Act of 2013, or the Child Care  
20 Act of 1969, or an entity that holds a permit issued pursuant  
21 to the Life Care Facilities Act. The return shall also include  
22 the amount of tax that would have been due on the items listed  
23 in the previous sentence but for the 0% rate imposed under this  
24 amendatory Act of the 102nd General Assembly.

25 On and after January 1, 2018, with respect to servicemen  
26 whose annual gross receipts average \$20,000 or more, all

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

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

- 14 1. The name of the seller;
- 15 2. The address of the principal place of business from  
16 which he engages in business as a serviceman in this  
17 State;
- 18 3. The total amount of taxable receipts received by  
19 him during the preceding calendar month, including  
20 receipts from charge and time sales, but less all  
21 deductions allowed by law;
- 22 4. The amount of credit provided in Section 2d of this  
23 Act;
- 24 5. The amount of tax due;
- 25 5-5. The signature of the taxpayer; and
- 26 6. Such other reasonable information as the Department

1           may require.

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

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

20           Notwithstanding any other provision of this Act to the  
21 contrary, servicemen 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" means 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 If the serviceman is otherwise required to file a monthly  
14 return and if the serviceman's average monthly tax liability  
15 to the Department does not exceed \$200, the Department may  
16 authorize his returns to be filed on a quarter annual basis,  
17 with the return for January, February and March of a given year  
18 being due by April 20 of such year; with the return for April,  
19 May 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 is otherwise required to file a monthly  
25 or quarterly return and if the serviceman's average monthly  
26 tax liability to the Department does not exceed \$50, the

1 Department may authorize his returns to be filed on an annual  
2 basis, with the return for a given year being due by January 20  
3 of the following year.

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

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

14 Where a serviceman collects the tax with respect to the  
15 selling price of property which he sells and the purchaser  
16 thereafter returns such property and the serviceman refunds  
17 the selling price thereof to the purchaser, such serviceman  
18 shall also refund, to the purchaser, the tax so collected from  
19 the purchaser. When filing his return for the period in which  
20 he refunds such tax to the purchaser, the serviceman may  
21 deduct the amount of the tax so refunded by him to the  
22 purchaser from any other Service Use Tax, Service Occupation  
23 Tax, retailers' occupation tax or use tax which such  
24 serviceman may be required to pay or remit to the Department,  
25 as shown by such return, provided that the amount of the tax to  
26 be deducted shall previously have been remitted to the

1 Department by such serviceman. If the serviceman shall not  
2 previously have remitted the amount of such tax to the  
3 Department, he shall be entitled to no deduction hereunder  
4 upon refunding such tax to the purchaser.

5 Any serviceman filing a return hereunder shall also  
6 include the total tax upon the selling price of tangible  
7 personal property purchased for use by him as an incident to a  
8 sale of service, and such serviceman shall remit the amount of  
9 such tax to the Department when filing such return.

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

16 Where the serviceman has more than one business registered  
17 with the Department under separate registration hereunder,  
18 such serviceman shall not file each return that is due as a  
19 single return covering all such registered businesses, but  
20 shall file separate returns for each such registered business.

21 Notwithstanding any provision of law to the contrary,  
22 beginning on the first day of the first month after the  
23 Arlington Megaproject is established under Division 22 of  
24 Article 10 of the Property Tax Code, all taxes collected under  
25 this Act from persons located within the Arlington Megaproject  
26 shall be deposited into the Arlington Megaproject



1 Infrastructure Fund.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

11 Subject to payments of amounts into the Build Illinois  
12 Fund, the McCormick Place Expansion Project Fund, the Illinois  
13 Tax Increment Fund, and the Tax Compliance and Administration  
14 Fund as provided in this Section, beginning on July 1, 2018 the  
15 Department shall pay each month into the Downstate Public  
16 Transportation Fund the moneys required to be so paid under  
17 Section 2-3 of the 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 State and Local Sales Tax  
10 Reform Fund, the Build Illinois Fund, the McCormick Place  
11 Expansion Project Fund, the Energy Infrastructure Fund, and  
12 the Tax Compliance and Administration Fund as provided in this  
13 Section, the Department shall pay each month into the Road  
14 Fund the amount estimated to represent 16% of the net revenue  
15 realized from the taxes imposed on motor fuel and gasohol.  
16 Beginning July 1, 2022 and until July 1, 2023, subject to the  
17 payment of amounts into the State and Local Sales Tax Reform  
18 Fund, the Build Illinois Fund, the McCormick Place Expansion  
19 Project Fund, the Illinois Tax Increment Fund, and the Tax  
20 Compliance and Administration Fund as provided in this  
21 Section, the Department shall pay each month into the Road  
22 Fund the amount estimated to represent 32% of the net revenue  
23 realized from the taxes imposed on motor fuel and gasohol.  
24 Beginning July 1, 2023 and until July 1, 2024, subject to the  
25 payment of amounts into the State and Local Sales Tax Reform  
26 Fund, the Build Illinois Fund, the McCormick Place Expansion

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

25 Of the remainder of the moneys received by the Department  
26 pursuant to this Act, 75% thereof shall be paid into the

1 General Revenue Fund of the State Treasury and 25% shall be  
2 reserved in a special account and used only for the transfer to  
3 the Common School Fund as part of the monthly transfer from the  
4 General Revenue Fund in accordance with Section 8a of the  
5 State Finance Act.

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

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

17 (Source: P.A. 102-700, eff. 4-19-22; 103-363, eff. 7-28-23.)

18 Section 915. The Service Occupation Tax Act is amended by  
19 changing Sections 3-5 and 9 as follows:

20 (35 ILCS 115/3-5)

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

23 (1) Personal property sold by a corporation, society,  
24 association, foundation, institution, or organization, other

1 than a limited liability company, that is organized and  
2 operated as a not-for-profit service enterprise for the  
3 benefit of persons 65 years of age or older if the personal  
4 property was not purchased by the enterprise for the purpose  
5 of resale by the enterprise.

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

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

24 (4) Legal tender, currency, medallions, or gold or silver  
25 coinage issued by the State of Illinois, the government of the  
26 United States of America, or the government of any foreign

1 country, and bullion.

2 (5) 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 or  
6 purchased for lease, certified by the purchaser to be used  
7 primarily for graphic arts production. Equipment includes  
8 chemicals or chemicals acting as catalysts but only if the  
9 chemicals or chemicals acting as catalysts effect a direct and  
10 immediate change upon a graphic arts product. Beginning on  
11 July 1, 2017, graphic arts machinery and equipment is included  
12 in the manufacturing and assembling machinery and equipment  
13 exemption under Section 2 of this Act.

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

17 (7) Farm machinery and equipment, both new and used,  
18 including that manufactured on special order, certified by the  
19 purchaser to be used primarily for production agriculture or  
20 State or federal agricultural programs, including individual  
21 replacement parts for the machinery and equipment, including  
22 machinery and equipment purchased for lease, and including  
23 implements of husbandry defined in Section 1-130 of the  
24 Illinois Vehicle Code, farm machinery and agricultural  
25 chemical and fertilizer spreaders, and nurse wagons required  
26 to be registered under Section 3-809 of the Illinois Vehicle



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

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

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

25 Beginning on January 1, 2024, farm machinery and equipment  
26 also includes electrical power generation equipment used

1 primarily for production agriculture.

2 This item (7) is exempt from the provisions of Section  
3 3-55.

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

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

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

1 beverage function with respect to which the service charge is  
2 imposed.

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

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

18 (12) Until July 1, 2028, coal and aggregate exploration,  
19 mining, off-highway hauling, processing, maintenance, and  
20 reclamation equipment, including replacement parts and  
21 equipment, and including equipment purchased for lease, but  
22 excluding motor vehicles required to be registered under the  
23 Illinois Vehicle Code. The changes made to this Section by  
24 Public Act 97-767 apply on and after July 1, 2003, but no claim  
25 for credit or refund is allowed on or after August 16, 2013  
26 (the effective date of Public Act 98-456) for such taxes paid

1 during the period beginning July 1, 2003 and ending on August  
2 16, 2013 (the effective date of Public Act 98-456).

3 (13) Beginning January 1, 1992 and through June 30, 2016,  
4 food for human consumption that is to be consumed off the  
5 premises where it is sold (other than alcoholic beverages,  
6 soft drinks and food that has been prepared for immediate  
7 consumption) and prescription and non-prescription medicines,  
8 drugs, medical appliances, and insulin, urine testing  
9 materials, syringes, and needles used by diabetics, for human  
10 use, when purchased for use by a person receiving medical  
11 assistance under Article V of the Illinois Public Aid Code who  
12 resides in a licensed long-term care facility, as defined in  
13 the Nursing Home Care Act, or in a licensed facility as defined  
14 in the ID/DD Community Care Act, the MC/DD Act, or the  
15 Specialized Mental Health Rehabilitation Act of 2013.

16 (14) Semen used for artificial insemination of livestock  
17 for direct agricultural production.

18 (15) Horses, or interests in horses, registered with and  
19 meeting the requirements of any of the Arabian Horse Club  
20 Registry of America, Appaloosa Horse Club, American Quarter  
21 Horse Association, United States Trotting Association, or  
22 Jockey Club, as appropriate, used for purposes of breeding or  
23 racing for prizes. This item (15) is exempt from the  
24 provisions of Section 3-55, and the exemption provided for  
25 under this item (15) applies for all periods beginning May 30,  
26 1995, but no claim for credit or refund is allowed on or after

1 January 1, 2008 (the effective date of Public Act 95-88) for  
2 such taxes paid during the period beginning May 30, 2000 and  
3 ending on January 1, 2008 (the effective date of Public Act  
4 95-88).

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

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

19 (18) Beginning with taxable years ending on or after  
20 December 31, 1995 and ending with taxable years ending on or  
21 before December 31, 2004, personal property that is donated  
22 for disaster relief to be used in a State or federally declared  
23 disaster area in Illinois or bordering Illinois by a  
24 manufacturer or retailer that is registered in this State to a  
25 corporation, society, association, foundation, or institution  
26 that has been issued a sales tax exemption identification

1 number by the Department that assists victims of the disaster  
2 who reside within the declared disaster area.

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

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

20 (21) A motor vehicle, as that term is defined in Section  
21 1-146 of the Illinois Vehicle Code, that is donated to a  
22 corporation, limited liability company, society, association,  
23 foundation, or institution that is determined by the  
24 Department to be organized and operated exclusively for  
25 educational purposes. For purposes of this exemption, "a  
26 corporation, limited liability company, society, association,

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

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

1           (23) Beginning January 1, 2000 and through December 31,  
2           2001, new or used automatic vending machines that prepare and  
3           serve hot food and beverages, including coffee, soup, and  
4           other items, and replacement parts for these machines.  
5           Beginning January 1, 2002 and through June 30, 2003, machines  
6           and parts for machines used in commercial, coin-operated  
7           amusement and vending business if a use or occupation tax is  
8           paid on the gross receipts derived from the use of the  
9           commercial, coin-operated amusement and vending machines. This  
10          paragraph is exempt from the provisions of Section 3-55.

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

21          (25) Beginning on August 2, 2001 (the effective date of  
22          Public Act 92-227), personal property sold to a lessor who  
23          leases the property, under a lease of one year or longer  
24          executed or in effect at the time of the purchase, to a  
25          governmental body that has been issued an active tax exemption  
26          identification number by the Department under Section 1g of



1 the Retailers' Occupation Tax Act. This paragraph is exempt  
2 from the provisions of Section 3-55.

3 (26) Beginning on January 1, 2002 and through June 30,  
4 2016, tangible personal property purchased from an Illinois  
5 retailer by a taxpayer engaged in centralized purchasing  
6 activities in Illinois who will, upon receipt of the property  
7 in Illinois, temporarily store the property in Illinois (i)  
8 for the purpose of subsequently transporting it outside this  
9 State for use or consumption thereafter solely outside this  
10 State or (ii) for the purpose of being processed, fabricated,  
11 or manufactured into, attached to, or incorporated into other  
12 tangible personal property to be transported outside this  
13 State and thereafter used or consumed solely outside this  
14 State. The Director of Revenue shall, pursuant to rules  
15 adopted in accordance with the Illinois Administrative  
16 Procedure Act, issue a permit to any taxpayer in good standing  
17 with the Department who is eligible for the exemption under  
18 this paragraph (26). The permit issued under this paragraph  
19 (26) shall authorize the holder, to the extent and in the  
20 manner specified in the rules adopted under this Act, to  
21 purchase tangible personal property from a retailer exempt  
22 from the taxes imposed by this Act. Taxpayers shall maintain  
23 all necessary books and records to substantiate the use and  
24 consumption of all such tangible personal property outside of  
25 the State of Illinois.

26 (27) Beginning January 1, 2008, tangible personal property

1 used in the construction or maintenance of a community water  
2 supply, as defined under Section 3.145 of the Environmental  
3 Protection Act, that is operated by a not-for-profit  
4 corporation that holds a valid water supply permit issued  
5 under Title IV of the Environmental Protection Act. This  
6 paragraph is exempt from the provisions of Section 3-55.

7 (28) Tangible personal property sold to 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 3-55.

22 (29) Beginning January 1, 2010 and continuing through  
23 December 31, 2029, materials, parts, equipment, components,  
24 and furnishings incorporated into or upon an aircraft as part  
25 of the modification, refurbishment, completion, replacement,  
26 repair, or maintenance of the aircraft. This exemption

1 includes consumable supplies used in the modification,  
2 refurbishment, completion, replacement, repair, and  
3 maintenance of aircraft. However, until January 1, 2024, this  
4 exemption excludes any materials, parts, equipment,  
5 components, and consumable supplies used in the modification,  
6 replacement, repair, and maintenance of aircraft engines or  
7 power plants, whether such engines or power plants are  
8 installed or uninstalled upon any such aircraft. "Consumable  
9 supplies" include, but are not limited to, adhesive, tape,  
10 sandpaper, general purpose lubricants, cleaning solution,  
11 latex gloves, and protective films.

12 Beginning January 1, 2010 and continuing through December  
13 31, 2023, this exemption applies only to the transfer of  
14 qualifying tangible personal property incident to the  
15 modification, refurbishment, completion, replacement, repair,  
16 or maintenance of an aircraft by persons 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. From January 1, 2024  
25 through December 31, 2029, this exemption applies only to the  
26 use of qualifying tangible personal property by: (A) persons

1 who modify, refurbish, complete, repair, replace, or maintain  
2 aircraft and who (i) hold an Air Agency Certificate and are  
3 empowered to operate an approved repair station by the Federal  
4 Aviation Administration, (ii) have a Class IV Rating, and  
5 (iii) conduct operations in accordance with Part 145 of the  
6 Federal Aviation Regulations; and (B) persons who engage in  
7 the modification, replacement, repair, and maintenance of  
8 aircraft engines or power plants without regard to whether or  
9 not those persons meet the qualifications of item (A).

10 The changes made to this paragraph (29) by Public Act  
11 98-534 are declarative of existing law. It is the intent of the  
12 General Assembly that the exemption under this paragraph (29)  
13 applies continuously from January 1, 2010 through December 31,  
14 2024; however, no claim for credit or refund is allowed for  
15 taxes paid as a result of the disallowance of this exemption on  
16 or after January 1, 2015 and prior to February 5, 2020 (the  
17 effective date of Public Act 101-629).

18 (30) Beginning January 1, 2017 and through December 31,  
19 2026, menstrual pads, tampons, and menstrual cups.

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

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

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

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

16 For the purposes of this item (32):

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

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

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

22 This item (32) is exempt from the provisions of Section  
23 3-55.

24 (33) Beginning July 1, 2022, breast pumps, breast pump  
25 collection and storage supplies, and breast pump kits. This  
26 item (33) is exempt from the provisions of Section 3-55. As

1 used in this item (33):

2 "Breast pump" means an electrically controlled or  
3 manually controlled pump device designed or marketed to be  
4 used to express milk from a human breast during lactation,  
5 including the pump device and any battery, AC adapter, or  
6 other power supply unit that is used to power the pump  
7 device and is packaged and sold with the pump device at the  
8 time of sale.

9 "Breast pump collection and storage supplies" means  
10 items of tangible personal property designed or marketed  
11 to be used in conjunction with a breast pump to collect  
12 milk expressed from a human breast and to store collected  
13 milk until it is ready for consumption.

14 "Breast pump collection and storage supplies"  
15 includes, but is not limited to: breast shields and breast  
16 shield connectors; breast pump tubes and tubing adapters;  
17 breast pump valves and membranes; backflow protectors and  
18 backflow protector adaptors; bottles and bottle caps  
19 specific to the operation of the breast pump; and breast  
20 milk storage bags.

21 "Breast pump collection and storage supplies" does not  
22 include: (1) bottles and bottle caps not specific to the  
23 operation of the breast pump; (2) breast pump travel bags  
24 and other similar carrying accessories, including ice  
25 packs, labels, and other similar products; (3) breast pump  
26 cleaning supplies; (4) nursing bras, bra pads, breast

1 shells, and other similar products; and (5) creams,  
2 ointments, and other similar products that relieve  
3 breastfeeding-related symptoms or conditions of the  
4 breasts or nipples, unless sold as part of a breast pump  
5 kit that is pre-packaged by the breast pump manufacturer  
6 or distributor.

7 "Breast pump kit" means a kit that: (1) contains no  
8 more than a breast pump, breast pump collection and  
9 storage supplies, a rechargeable battery for operating the  
10 breast pump, a breastmilk cooler, bottle stands, ice  
11 packs, and a breast pump carrying case; and (2) is  
12 pre-packaged as a breast pump kit by the breast pump  
13 manufacturer or distributor.

14 (34) Tangible personal property sold by or on behalf of  
15 the State Treasurer pursuant to the Revised Uniform Unclaimed  
16 Property Act. This item (34) is exempt from the provisions of  
17 Section 3-55.

18 (35) Beginning on January 1, 2024, tangible personal  
19 property purchased by an active duty member of the armed  
20 forces of the United States who presents valid military  
21 identification and purchases the property using a form of  
22 payment where the federal government is the payor. The member  
23 of the armed forces must complete, at the point of sale, a form  
24 prescribed by the Department of Revenue documenting that the  
25 transaction is eligible for the exemption under this  
26 paragraph. Retailers must keep the form as documentation of



1 the exemption in their records for a period of not less than 6  
2 years. "Armed forces of the United States" means the United  
3 States Army, Navy, Air Force, Marine Corps, or Coast Guard.  
4 This paragraph is exempt from the provisions of Section 3-55.

5 (36) Qualified tangible personal property used in the  
6 construction or operation of a megaproject for which a  
7 certificate has been issued by the Department of Revenue as  
8 described and defined in Division 22 of Article 10 of the  
9 Property Tax Code, whether that tangible personal property is  
10 purchased by the owner, operator, or tenant of the megaproject  
11 or by a contractor or subcontractor of the owner, operator, or  
12 tenant.

13 For the purposes of this item (36):

14 "Megaproject" has the meaning ascribed to that term in  
15 Section 10-910 of the Property Tax Code.

16 "Qualified tangible personal property" means: electrical  
17 systems and equipment; climate control and chilling equipment  
18 and systems; mechanical systems and equipment; monitoring and  
19 security systems; emergency generators; hardware; computers;  
20 servers; data storage devices; network connectivity equipment;  
21 racks; cabinets; telecommunications cabling infrastructure;  
22 raised floor systems; peripheral components or systems;  
23 software; mechanical, electrical, or plumbing systems; battery  
24 systems; cooling systems and towers; temperature control  
25 systems; other cabling; and other data center infrastructure  
26 equipment and systems necessary to operate qualified tangible

1 personal property, including fixtures; and component parts of  
2 any of the foregoing, including installation, maintenance,  
3 repair, refurbishment, and replacement of qualified tangible  
4 personal property to generate, transform, transmit,  
5 distribute, or manage electricity necessary to operate  
6 qualified tangible personal property; and all other tangible  
7 personal property that is essential to the operations of a  
8 megaproject. The term "qualified tangible personal property"  
9 also includes building materials to be incorporated into the  
10 megaproject. To document the exemption allowed under this  
11 Section, the retailer, contractor or subcontractor or supplier  
12 must obtain from the purchaser a copy of the certificate  
13 issued by the Department of Revenue for the megaproject as  
14 described and defined in Division 22 of Article 10 of the  
15 Property Tax Code.

16 This item (36) is exempt from the provisions of Section  
17 3-55.

18 (Source: P.A. 102-16, eff. 6-17-21; 102-700, Article 70,  
19 Section 70-15, eff. 4-19-22; 102-700, Article 75, Section  
20 75-15, eff. 4-19-22; 102-1026, eff. 5-27-22; 103-9, Article 5,  
21 Section 5-15, eff. 6-7-23; 103-9, Article 15, Section 15-15,  
22 eff. 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24;  
23 revised 12-12-23.)

24 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

25 Sec. 9. Each serviceman required or authorized to collect

1 the tax herein imposed shall pay to the Department the amount  
2 of such tax at the time when he is required to file his return  
3 for the period during which such tax was collectible, less a  
4 discount of 2.1% prior to January 1, 1990, and 1.75% on and  
5 after January 1, 1990, or \$5 per calendar year, whichever is  
6 greater, which is allowed to reimburse the serviceman for  
7 expenses incurred in collecting the tax, keeping records,  
8 preparing and filing returns, remitting the tax, and supplying  
9 data to the Department on request. When determining the  
10 discount allowed under this Section, servicemen shall include  
11 the amount of tax that would have been due at the 1% rate but  
12 for the 0% rate imposed under Public Act 102-700 ~~this~~  
13 ~~amendatory Act of the 102nd General Assembly~~. The discount  
14 under this Section is not allowed for the 1.25% portion of  
15 taxes paid on aviation fuel that is subject to the revenue use  
16 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133. 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 servicemen 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.

23 Where such tangible personal property is sold under a  
24 conditional sales contract, or under any other form of sale  
25 wherein the payment of the principal sum, or a part thereof, is  
26 extended beyond the close of the period for which the return is

1 filed, the serviceman, in collecting the tax may collect, for  
2 each tax return period, only the tax applicable to the part of  
3 the selling price actually received during such tax return  
4 period.

5 Except as provided hereinafter in this Section, on or  
6 before the twentieth day of each calendar month, such  
7 serviceman shall file a return for the preceding calendar  
8 month in accordance with reasonable rules and regulations to  
9 be promulgated by the Department of Revenue. Such return shall  
10 be filed on a form prescribed by the Department and shall  
11 contain such information as the Department may reasonably  
12 require. The return shall include the gross receipts which  
13 were received during the preceding calendar month or quarter  
14 on the following items upon which tax would have been due but  
15 for the 0% rate imposed under Public Act 102-700 ~~this~~  
16 ~~amendatory Act of the 102nd General Assembly~~: (i) food for  
17 human consumption that is to be consumed off the premises  
18 where it is sold (other than alcoholic beverages, food  
19 consisting of or infused with adult use cannabis, soft drinks,  
20 and food that has been prepared for immediate consumption);  
21 and (ii) food prepared for immediate consumption and  
22 transferred incident to a sale of service subject to this Act  
23 or the Service Use Tax Act by an entity licensed under the  
24 Hospital Licensing Act, the Nursing Home Care Act, the  
25 Assisted Living and Shared Housing Act, the ID/DD Community  
26 Care Act, the MC/DD Act, the Specialized Mental Health

1 Rehabilitation Act of 2013, or the Child Care Act of 1969, or  
2 an entity that holds a permit issued pursuant to the Life Care  
3 Facilities Act. The return shall also include the amount of  
4 tax that would have been due on the items listed in the  
5 previous sentence but for the 0% rate imposed under Public Act  
6 102-700 ~~this amendatory Act of the 102nd General Assembly.~~

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

14 The Department may require returns to be filed on a  
15 quarterly basis. If so required, a return for each calendar  
16 quarter shall be filed on or before the twentieth day of the  
17 calendar month following the end of such calendar quarter. The  
18 taxpayer shall also file a return with the Department for each  
19 of the first 2 ~~two~~ months of each calendar quarter, on or  
20 before the twentieth day of the following calendar month,  
21 stating:

22 1. The name of the seller;

23 2. The address of the principal place of business from  
24 which he engages in business as a serviceman in this  
25 State;

26 3. The total amount of taxable receipts received by

1           him during the preceding calendar month, including  
2           receipts from charge and time sales, but less all  
3           deductions allowed by law;

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

6           5. The amount of tax due;

7           5-5. The signature of the taxpayer; and

8           6. Such other reasonable information as the Department  
9           may require.

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

24          If a taxpayer fails to sign a return within 30 days after  
25          the proper notice and demand for signature by the Department,  
26          the return shall be considered valid and any amount shown to be

1 due on the return shall be deemed assessed.

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

7 Prior to October 1, 2003, and on and after September 1,  
8 2004 a serviceman may accept a Manufacturer's Purchase Credit  
9 certification from a purchaser in satisfaction of Service Use  
10 Tax as provided in Section 3-70 of the Service Use Tax Act if  
11 the purchaser provides the appropriate documentation as  
12 required by Section 3-70 of the Service Use Tax Act. A  
13 Manufacturer's Purchase Credit certification, accepted prior  
14 to October 1, 2003 or on or after September 1, 2004 by a  
15 serviceman as provided in Section 3-70 of the Service Use Tax  
16 Act, may be used by that serviceman to satisfy Service  
17 Occupation Tax liability in the amount claimed in the  
18 certification, not to exceed 6.25% of the receipts subject to  
19 tax from a qualifying purchase. A Manufacturer's Purchase  
20 Credit reported on any original or amended return filed under  
21 this Act after October 20, 2003 for reporting periods prior to  
22 September 1, 2004 shall be disallowed. Manufacturer's Purchase  
23 Credit reported on annual returns due on or after January 1,  
24 2005 will be disallowed for periods prior to September 1,  
25 2004. No Manufacturer's Purchase Credit may be used after  
26 September 30, 2003 through August 31, 2004 to satisfy any tax

1 liability imposed under this Act, including any audit  
2 liability.

3 Beginning on July 1, 2023 and through December 31, 2032, a  
4 serviceman may accept a Sustainable Aviation Fuel Purchase  
5 Credit certification from an air common carrier-purchaser in  
6 satisfaction of Service Use Tax as provided in Section 3-72 of  
7 the Service Use Tax Act if the purchaser provides the  
8 appropriate documentation as required by Section 3-72 of the  
9 Service Use Tax Act. A Sustainable Aviation Fuel Purchase  
10 Credit certification accepted by a serviceman in accordance  
11 with this paragraph may be used by that serviceman to satisfy  
12 service occupation tax liability (but not in satisfaction of  
13 penalty or interest) in the amount claimed in the  
14 certification, not to exceed 6.25% of the receipts subject to  
15 tax from a sale of aviation fuel. In addition, for a sale of  
16 aviation fuel to qualify to earn the Sustainable Aviation Fuel  
17 Purchase Credit, servicemen must retain in their books and  
18 records a certification from the producer of the aviation fuel  
19 that the aviation fuel sold by the serviceman and for which a  
20 sustainable aviation fuel purchase credit was earned meets the  
21 definition of sustainable aviation fuel under Section 3-72 of  
22 the Service Use Tax Act. The documentation must include detail  
23 sufficient for the Department to determine the number of  
24 gallons of sustainable aviation fuel sold.

25 If the serviceman's average monthly tax liability to the  
26 Department does not exceed \$200, the Department may authorize



1 his returns to be filed on a quarter annual basis, with the  
2 return for January, February, and March of a given year being  
3 due by April 20 of such year; with the return for April, May,  
4 and June of a given year being due by July 20 of such year;  
5 with the return for July, August, and September of a given year  
6 being due by October 20 of such year, and with the return for  
7 October, November, and December of a given year being due by  
8 January 20 of the following year.

9 If the serviceman's average monthly tax liability to the  
10 Department does not exceed \$50, the Department may authorize  
11 his returns to be filed on an annual basis, with the return for  
12 a given year being due by January 20 of the following year.

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

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

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

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

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

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

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

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

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

1 deduction hereunder upon refunding such tax to the purchaser.

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

9 Where the serviceman has more than one business registered  
10 with the Department under separate registrations hereunder,  
11 such serviceman shall file separate returns for each  
12 registered business.

13 Notwithstanding any provision of law to the contrary,  
14 beginning on the first day of the first month after the  
15 Arlington Megaproject is established under Division 22 of  
16 Article 10 of the Property Tax Code, all taxes collected under  
17 this Act from persons located within the Arlington Megaproject  
18 shall be deposited into the Arlington Megaproject  
19 Infrastructure Fund.

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

1                                   2036                                   450,000,000

2                                   and

3                                   each fiscal year

4                                   thereafter that bonds

5                                   are outstanding under

6                                   Section 13.2 of the

7                                   Metropolitan Pier and

8                                   Exposition Authority Act,

9                                   but not after fiscal year 2060.

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

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

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

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

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

1 shall pay into the Tax Compliance and Administration Fund, to  
2 be used, subject to appropriation, to fund additional auditors  
3 and compliance personnel at the Department of Revenue, an  
4 amount equal to 1/12 of 5% of 80% of the cash receipts  
5 collected during the preceding fiscal year by the Audit Bureau  
6 of the Department under the Use Tax Act, the Service Use Tax  
7 Act, the Service Occupation Tax Act, the Retailers' Occupation  
8 Tax Act, and associated local occupation and use taxes  
9 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, and the Tax Compliance and Administration  
13 Fund as provided in this Section, beginning on July 1, 2018 the  
14 Department shall pay each month into the Downstate Public  
15 Transportation Fund the moneys required to be so paid under  
16 Section 2-3 of the Downstate Public Transportation Act.

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

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

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

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

7           Beginning July 1, 2021 and until July 1, 2022, subject to  
8 the payment of amounts into the County and Mass Transit  
9 District Fund, the Local Government Tax Fund, the Build  
10 Illinois Fund, the McCormick Place Expansion Project Fund, the  
11 Illinois Tax Increment Fund, and the Tax Compliance and  
12 Administration Fund as provided in this Section, the  
13 Department shall pay each month into the Road Fund the amount  
14 estimated to represent 16% of the net revenue realized from  
15 the taxes imposed on motor fuel and gasohol. Beginning July 1,  
16 2022 and until July 1, 2023, subject to the payment of amounts  
17 into the County and Mass Transit District Fund, the Local  
18 Government Tax Fund, the Build Illinois Fund, the McCormick  
19 Place Expansion Project Fund, the Illinois Tax Increment Fund,  
20 and the Tax Compliance and Administration Fund as provided in  
21 this Section, the Department shall pay each month into the  
22 Road Fund the amount estimated to represent 32% of the net  
23 revenue realized from the taxes imposed on motor fuel and  
24 gasohol. Beginning July 1, 2023 and until July 1, 2024,  
25 subject to the payment of amounts into the 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, and the Tax Compliance  
3 and Administration Fund as provided in this Section, the  
4 Department shall pay each month into the Road Fund the amount  
5 estimated to represent 48% of the net revenue realized from  
6 the taxes imposed on motor fuel and gasohol. Beginning July 1,  
7 2024 and until July 1, 2025, subject to the payment of amounts  
8 into the County and Mass Transit District Fund, the Local  
9 Government Tax Fund, the Build Illinois Fund, the McCormick  
10 Place Expansion Project Fund, the Illinois Tax Increment Fund,  
11 and the Tax Compliance and Administration Fund as provided in  
12 this Section, the Department shall pay each month into the  
13 Road Fund the amount estimated to represent 64% of the net  
14 revenue realized from the taxes imposed on motor fuel and  
15 gasohol. Beginning on July 1, 2025, subject to the payment of  
16 amounts into the County and Mass Transit District Fund, the  
17 Local Government Tax Fund, the Build Illinois Fund, the  
18 McCormick Place Expansion Project Fund, the Illinois Tax  
19 Increment Fund, and the Tax Compliance and Administration Fund  
20 as provided in this Section, the Department shall pay each  
21 month into the Road Fund the amount estimated to represent 80%  
22 of the net revenue realized from the taxes imposed on motor  
23 fuel and gasohol. As used in this paragraph "motor fuel" has  
24 the meaning given to that term in Section 1.1 of the Motor Fuel  
25 Tax Law, and "gasohol" has the meaning given to that term in  
26 Section 3-40 of the Use Tax Act.

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

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

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

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

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

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

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

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

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

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

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

24           (Source: P.A. 102-700, eff. 4-19-22; 103-9, eff. 6-7-23;  
25 103-363, eff. 7-28-23; revised 9-25-23.)

1 Section 920. \*\*\*ADDITIONAL INFORMATION\*\*\* is amended by  
2 changing Section 3 **\*\*\*PLACE IN TEXT BELOW\*\*\***

3 \*\*\*ADDITIONAL INFORMATION\*\*\* is amended by changing Section  
4 2-5 **\*\*\*PLACE IN TEXT BELOW\*\*\***

5 The Retailers' Occupation Tax Act is amended by changing  
6 Sections 2-5 and 3 as follows:

7 (35 ILCS 120/2-5)

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

11 (1) Farm chemicals.

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

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

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

16          Farm machinery and equipment also includes computers,  
17          sensors, software, and related equipment used primarily in  
18          the computer-assisted operation of production agriculture  
19          facilities, equipment, and activities such as, but not  
20          limited to, the collection, monitoring, and correlation of  
21          animal and crop data for the purpose of formulating animal  
22          diets and agricultural chemicals.

23          Beginning on January 1, 2024, farm machinery and  
24          equipment also includes electrical power generation  
25          equipment used primarily for production agriculture.

26          This item (2) is exempt from the provisions of Section

1 2-70.

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

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

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

26 (6) Personal property sold by a teacher-sponsored

1 student organization affiliated with an elementary or  
2 secondary school located in Illinois.

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

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

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

24 (10) Personal property sold by a corporation, society,  
25 association, foundation, institution, or organization,  
26 other than a limited liability company, that is organized



1 and operated as a not-for-profit service enterprise for  
2 the benefit of persons 65 years of age or older if the  
3 personal property was not purchased by the enterprise for  
4 the purpose of resale by the enterprise.

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

21 (12) (Blank).

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

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

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

24           (14) Machinery and equipment that will be used by the  
25          purchaser, or a lessee of the purchaser, primarily in the  
26          process of manufacturing or assembling tangible personal

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

24 (15) Proceeds of mandatory service charges separately  
25 stated on customers' bills for purchase and consumption of  
26 food and beverages, to the extent that the proceeds of the

1 service charge are in fact turned over as tips or as a  
2 substitute for tips to the employees who participate  
3 directly in preparing, serving, hosting or cleaning up the  
4 food or beverage function with respect to which the  
5 service charge is imposed.

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

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

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

22 (19) Until July 1, 2003, oil field exploration,  
23 drilling, and production equipment, including (i) rigs and  
24 parts of rigs, rotary rigs, cable tool rigs, and workover  
25 rigs, (ii) pipe and tubular goods, including casing and  
26 drill strings, (iii) pumps and pump-jack units, (iv)

1 storage tanks and flow lines, (v) any individual  
2 replacement part for oil field exploration, drilling, and  
3 production equipment, and (vi) machinery and equipment  
4 purchased for lease; but excluding motor vehicles required  
5 to be registered under the Illinois Vehicle Code.

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

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

24 (22) Until June 30, 2013, fuel and petroleum products  
25 sold to or used by an air carrier, certified by the carrier  
26 to be used for consumption, shipment, or storage in the

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

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

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

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

25          (25) Except as provided in item (25-5) of this  
26          Section, a motor vehicle sold in this State to a

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

12 (25-5) The exemption under item (25) does not apply if  
13 the state in which the motor vehicle will be titled does  
14 not allow a reciprocal exemption for a motor vehicle sold  
15 and delivered in that state to an Illinois resident but  
16 titled in Illinois. The tax collected under this Act on  
17 the sale of a motor vehicle in this State to a resident of  
18 another state that does not allow a reciprocal exemption  
19 shall be imposed at a rate equal to the state's rate of tax  
20 on taxable property in the state in which the purchaser is  
21 a resident, except that the tax shall not exceed the tax  
22 that would otherwise be imposed under this Act. At the  
23 time of the sale, the purchaser shall execute a statement,  
24 signed under penalty of perjury, of his or her intent to  
25 title the vehicle in the state in which the purchaser is a  
26 resident within 30 days after the sale and of the fact of

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

16 (25-7) Beginning on July 1, 2007, no tax is imposed  
17 under this Act on the sale of an aircraft, as defined in  
18 Section 3 of the Illinois Aeronautics Act, if all of the  
19 following conditions are met:

20 (1) the aircraft leaves this State within 15 days  
21 after the later of either the issuance of the final  
22 billing for the sale of the aircraft, or the  
23 authorized approval for return to service, completion  
24 of the maintenance record entry, and completion of the  
25 test flight and ground test for inspection, as  
26 required by 14 CFR 91.407;



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

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

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

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

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

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

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

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

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

25           (29) Personal property sold to a lessor who leases the  
26 property, under a lease of one year or longer executed or

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

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

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

1 repairs are initiated on facilities located in the  
2 declared disaster area within 6 months after the disaster.

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

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

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

16           (35) Beginning January 1, 2000 and through December  
17 31, 2001, new or used automatic vending machines that  
18 prepare and serve hot food and beverages, including  
19 coffee, soup, and other items, and replacement parts for  
20 these machines. Beginning January 1, 2002 and through June  
21 30, 2003, machines and parts for machines used in  
22 commercial, coin-operated amusement and vending business  
23 if a use or occupation tax is paid on the gross receipts  
24 derived from the use of the commercial, coin-operated  
25 amusement and vending machines. This paragraph is exempt  
26 from the provisions of Section 2-70.

1           (35-5) Beginning August 23, 2001 and through June 30,  
2           2016, food for human consumption that is to be consumed  
3           off the premises where it is sold (other than alcoholic  
4           beverages, soft drinks, and food that has been prepared  
5           for immediate consumption) and prescription and  
6           nonprescription medicines, drugs, medical appliances, and  
7           insulin, urine testing materials, syringes, and needles  
8           used by diabetics, for human use, when purchased for use  
9           by a person receiving medical assistance under Article V  
10          of the Illinois Public Aid Code who resides in a licensed  
11          long-term care facility, as defined in the Nursing Home  
12          Care Act, or a licensed facility as defined in the ID/DD  
13          Community Care Act, the MC/DD Act, or the Specialized  
14          Mental Health Rehabilitation Act of 2013.

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

25          (37) Beginning August 2, 2001, personal property sold  
26          to a lessor who leases the property, under a lease of one

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

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

1 maintain all necessary books and records to substantiate  
2 the use and consumption of all such tangible personal  
3 property outside of the State of Illinois.

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

12 (40) Beginning January 1, 2010 and continuing through  
13 December 31, 2029, materials, parts, equipment,  
14 components, and furnishings incorporated into or upon an  
15 aircraft as part of the modification, refurbishment,  
16 completion, replacement, repair, or maintenance of the  
17 aircraft. This exemption includes consumable supplies used  
18 in the modification, refurbishment, completion,  
19 replacement, repair, and maintenance of aircraft. However,  
20 until January 1, 2024, this exemption excludes any  
21 materials, parts, equipment, components, and consumable  
22 supplies used in the modification, replacement, repair,  
23 and maintenance of aircraft engines or power plants,  
24 whether such engines or power plants are installed or  
25 uninstalled upon any such aircraft. "Consumable supplies"  
26 include, but are not limited to, adhesive, tape,



1 sandpaper, general purpose lubricants, cleaning solution,  
2 latex gloves, and protective films.

3 Beginning January 1, 2010 and continuing through  
4 December 31, 2023, this exemption applies only to the sale  
5 of qualifying tangible personal property to persons who  
6 modify, refurbish, complete, replace, or maintain an  
7 aircraft and who (i) hold an Air Agency Certificate and  
8 are empowered to operate an approved repair station by the  
9 Federal Aviation Administration, (ii) have a Class IV  
10 Rating, and (iii) conduct operations in accordance with  
11 Part 145 of the Federal Aviation Regulations. The  
12 exemption does not include aircraft operated by a  
13 commercial air carrier providing scheduled passenger air  
14 service pursuant to authority issued under Part 121 or  
15 Part 129 of the Federal Aviation Regulations. From January  
16 1, 2024 through December 31, 2029, this exemption applies  
17 only to the use of qualifying tangible personal property  
18 by: (A) persons who modify, refurbish, complete, repair,  
19 replace, or maintain aircraft and who (i) hold an Air  
20 Agency Certificate and are empowered to operate an  
21 approved repair station by the Federal Aviation  
22 Administration, (ii) have a Class IV Rating, and (iii)  
23 conduct operations in accordance with Part 145 of the  
24 Federal Aviation Regulations; and (B) persons who engage  
25 in the modification, replacement, repair, and maintenance  
26 of aircraft engines or power plants without regard to

1           whether or not those persons meet the qualifications of  
2           item (A).

3           The changes made to this paragraph (40) by Public Act  
4           98-534 are declarative of existing law. It is the intent  
5           of the General Assembly that the exemption under this  
6           paragraph (40) applies continuously from January 1, 2010  
7           through December 31, 2024; however, no claim for credit or  
8           refund is allowed for taxes paid as a result of the  
9           disallowance of this exemption on or after January 1, 2015  
10          and prior to February 5, 2020 (the effective date of  
11          Public Act 101-629).

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

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

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

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

26          The Department of Commerce and Economic Opportunity

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

6 For the purposes of this item (44):

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

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

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

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

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

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

6 (46) Beginning July 1, 2022, breast pumps, breast pump  
7 collection and storage supplies, and breast pump kits.  
8 This item (46) is exempt from the provisions of Section  
9 2-70. As used in this item (46):

10 "Breast pump" means an electrically controlled or  
11 manually controlled pump device designed or marketed to be  
12 used to express milk from a human breast during lactation,  
13 including the pump device and any battery, AC adapter, or  
14 other power supply unit that is used to power the pump  
15 device and is packaged and sold with the pump device at the  
16 time of sale.

17 "Breast pump collection and storage supplies" means  
18 items of tangible personal property designed or marketed  
19 to be used in conjunction with a breast pump to collect  
20 milk expressed from a human breast and to store collected  
21 milk until it is ready for consumption.

22 "Breast pump collection and storage supplies"  
23 includes, but is not limited to: breast shields and breast  
24 shield connectors; breast pump tubes and tubing adapters;  
25 breast pump valves and membranes; backflow protectors and  
26 backflow protector adaptors; bottles and bottle caps

1 specific to the operation of the breast pump; and breast  
2 milk storage bags.

3 "Breast pump collection and storage supplies" does not  
4 include: (1) bottles and bottle caps not specific to the  
5 operation of the breast pump; (2) breast pump travel bags  
6 and other similar carrying accessories, including ice  
7 packs, labels, and other similar products; (3) breast pump  
8 cleaning supplies; (4) nursing bras, bra pads, breast  
9 shells, and other similar products; and (5) creams,  
10 ointments, and other similar products that relieve  
11 breastfeeding-related symptoms or conditions of the  
12 breasts or nipples, unless sold as part of a breast pump  
13 kit that is pre-packaged by the breast pump manufacturer  
14 or distributor.

15 "Breast pump kit" means a kit that: (1) contains no  
16 more than a breast pump, breast pump collection and  
17 storage supplies, a rechargeable battery for operating the  
18 breast pump, a breastmilk cooler, bottle stands, ice  
19 packs, and a breast pump carrying case; and (2) is  
20 pre-packaged as a breast pump kit by the breast pump  
21 manufacturer or distributor.

22 (47) Tangible personal property sold by or on behalf  
23 of the State Treasurer pursuant to the Revised Uniform  
24 Unclaimed Property Act. This item (47) is exempt from the  
25 provisions of Section 2-70.

26 (48) Beginning on January 1, 2024, tangible personal

1 property purchased by an active duty member of the armed  
2 forces of the United States who presents valid military  
3 identification and purchases the property using a form of  
4 payment where the federal government is the payor. The  
5 member of the armed forces must complete, at the point of  
6 sale, a form prescribed by the Department of Revenue  
7 documenting that the transaction is eligible for the  
8 exemption under this paragraph. Retailers must keep the  
9 form as documentation of the exemption in their records  
10 for a period of not less than 6 years. "Armed forces of the  
11 United States" means the United States Army, Navy, Air  
12 Force, Marine Corps, or Coast Guard. This paragraph is  
13 exempt from the provisions of Section 2-70.

14 (49) Qualified tangible personal property used in the  
15 construction or operation of a megaproject for which a  
16 certificate has been issued by the Department of Revenue  
17 as described and defined in Division 22 of Article 10 of  
18 the Property Tax Code, whether that tangible personal  
19 property is purchased by the owner, operator, or tenant of  
20 the megaproject or by a contractor or subcontractor of the  
21 owner, operator, or tenant. For the purposes of this item  
22 (49):

23 "Megaproject" has the meaning ascribed to that term in  
24 Section 10-910 of the Property Tax Code.

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

1           Code.

2           This item (49) is exempt from the provisions of  
3           Section 2-70.

4           (Source: P.A. 102-16, eff. 6-17-21; 102-634, eff. 8-27-21;  
5           102-700, Article 70, Section 70-20, eff. 4-19-22; 102-700,  
6           Article 75, Section 75-20, eff. 4-19-22; 102-813, eff.  
7           5-13-22; 102-1026, eff. 5-27-22; 103-9, Article 5, Section  
8           5-20, eff. 6-7-23; 103-9, Article 15, Section 15-20, eff.  
9           6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24; revised  
10          12-12-23.)

11           (35 ILCS 120/3) (from Ch. 120, par. 442)

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

17                 1. The name of the seller;

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

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

1 services furnished, by him during such preceding calendar  
2 month or quarter;

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

8 5. Deductions allowed by law;

9 6. Gross receipts which were received by him during  
10 the preceding calendar month or quarter and upon the basis  
11 of which the tax is imposed, including gross receipts on  
12 food for human consumption that is to be consumed off the  
13 premises where it is sold (other than alcoholic beverages,  
14 food consisting of or infused with adult use cannabis,  
15 soft drinks, and food that has been prepared for immediate  
16 consumption) which were received during the preceding  
17 calendar month or quarter and upon which tax would have  
18 been due but for the 0% rate imposed under Public Act  
19 102-700;

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

22 8. The amount of tax due, including the amount of tax  
23 that would have been due on food for human consumption  
24 that is to be consumed off the premises where it is sold  
25 (other than alcoholic beverages, food consisting of or  
26 infused with adult use cannabis, soft drinks, and food

1 that has been prepared for immediate consumption) but for  
2 the 0% rate imposed under Public Act 102-700;

3 9. The signature of the taxpayer; and

4 10. Such other reasonable information as the  
5 Department may require.

6 On and after January 1, 2018, except for returns required  
7 to be filed prior to January 1, 2023 for motor vehicles,  
8 watercraft, aircraft, and trailers that are required to be  
9 registered with an agency of this State, with respect to  
10 retailers whose annual gross receipts average \$20,000 or more,  
11 all returns required to be filed pursuant to this Act shall be  
12 filed electronically. On and after January 1, 2023, with  
13 respect to retailers whose annual gross receipts average  
14 \$20,000 or more, all returns required to be filed pursuant to  
15 this Act, including, but not limited to, returns for motor  
16 vehicles, watercraft, aircraft, and trailers that are required  
17 to be registered with an agency of this State, shall be filed  
18 electronically. Retailers who demonstrate that they do not  
19 have access to the Internet or demonstrate hardship in filing  
20 electronically may petition the Department to waive the  
21 electronic filing requirement.

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

26 Each return shall be accompanied by the statement of

1 prepaid tax issued pursuant to Section 2e for which credit is  
2 claimed.

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

24 Beginning on July 1, 2023 and through December 31, 2032, a  
25 retailer may accept a Sustainable Aviation Fuel Purchase  
26 Credit certification from an air common carrier-purchaser in

1 satisfaction of Use Tax on aviation fuel as provided in  
2 Section 3-87 of the Use Tax Act if the purchaser provides the  
3 appropriate documentation as required by Section 3-87 of the  
4 Use Tax Act. A Sustainable Aviation Fuel Purchase Credit  
5 certification accepted by a retailer in accordance with this  
6 paragraph may be used by that retailer to satisfy Retailers'  
7 Occupation Tax liability (but not in satisfaction of penalty  
8 or interest) in the amount claimed in the certification, not  
9 to exceed 6.25% of the receipts subject to tax from a sale of  
10 aviation fuel. In addition, for a sale of aviation fuel to  
11 qualify to earn the Sustainable Aviation Fuel Purchase Credit,  
12 retailers must retain in their books and records a  
13 certification from the producer of the aviation fuel that the  
14 aviation fuel sold by the retailer and for which a sustainable  
15 aviation fuel purchase credit was earned meets the definition  
16 of sustainable aviation fuel under Section 3-87 of the Use Tax  
17 Act. The documentation must include detail sufficient for the  
18 Department to determine the number of gallons of sustainable  
19 aviation fuel sold.

20 The Department may require returns to be filed on a  
21 quarterly basis. If so required, a return for each calendar  
22 quarter shall be filed on or before the twentieth day of the  
23 calendar month following the end of such calendar quarter. The  
24 taxpayer shall also file a return with the Department for each  
25 of the first 2 ~~two~~ months of each calendar quarter, on or  
26 before the twentieth day of the following calendar month,

1 stating:

2 1. The name of the seller;

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

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

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

13 5. The amount of tax due; and

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

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

1 fuel" means jet fuel and aviation gasoline.

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

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



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

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

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

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

26           Before August 1 of each year beginning in 1993, the

1 Department shall notify all taxpayers required to make  
2 payments by electronic funds transfer. All taxpayers required  
3 to make payments by electronic funds transfer shall make those  
4 payments for a minimum of one year beginning on October 1.

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

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

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

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

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

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

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

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

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

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

1 businesses, but shall file separate returns for each such  
2 registered business.

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

26 Except as provided in this Section, the retailer filing

1 the return under this Section shall, at the time of filing such  
2 return, pay to the Department the amount of tax imposed by this  
3 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%  
4 on and after January 1, 1990, or \$5 per calendar year,  
5 whichever is greater, which is allowed to reimburse the  
6 retailer for the expenses incurred in keeping records,  
7 preparing and filing returns, remitting the tax and supplying  
8 data to the Department on request. On and after January 1,  
9 2021, a certified service provider, as defined in the Leveling  
10 the Playing Field for Illinois Retail Act, filing the return  
11 under this Section on behalf of a remote retailer shall, at the  
12 time of such return, pay to the Department the amount of tax  
13 imposed by this Act less a discount of 1.75%. A remote retailer  
14 using a certified service provider to file a return on its  
15 behalf, as provided in the Leveling the Playing Field for  
16 Illinois Retail Act, is not eligible for the discount. When  
17 determining the discount allowed under this Section, retailers  
18 shall include the amount of tax that would have been due at the  
19 1% rate but for the 0% rate imposed under Public Act 102-700.  
20 When determining the discount allowed under this Section,  
21 retailers shall include the amount of tax that would have been  
22 due at the 6.25% rate but for the 1.25% rate imposed on sales  
23 tax holiday items under Public Act 102-700. The discount under  
24 this Section is not allowed for the 1.25% portion of taxes paid  
25 on aviation fuel that is subject to the revenue use  
26 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133. Any

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

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

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

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

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

1 0% in Public Act 102-700 on food for human consumption that is  
2 to be consumed off the premises where it is sold (other than  
3 alcoholic beverages, food consisting of or infused with adult  
4 use cannabis, soft drinks, and food that has been prepared for  
5 immediate consumption) had not occurred. For quarter monthly  
6 payments due under this paragraph on or after July 1, 2023 and  
7 through June 30, 2024, "25% of the taxpayer's liability for  
8 the same calendar month of the preceding year" shall be  
9 determined as if the rate reduction to 0% in Public Act 102-700  
10 had not occurred. Quarter monthly payment status shall be  
11 determined under this paragraph as if the rate reduction to  
12 1.25% in Public Act 102-700 on sales tax holiday items had not  
13 occurred. For quarter monthly payments due on or after July 1,  
14 2023 and through June 30, 2024, "25% of the taxpayer's  
15 liability for the same calendar month of the preceding year"  
16 shall be determined as if the rate reduction to 1.25% in Public  
17 Act 102-700 on sales tax holiday items had not occurred. If any  
18 such quarter monthly payment is not paid at the time or in the  
19 amount required by this Section, then the taxpayer shall be  
20 liable for penalties and interest on the difference between  
21 the minimum amount due as a payment and the amount of such  
22 quarter monthly payment actually and timely paid, except  
23 insofar as the taxpayer has previously made payments for that  
24 month to the Department in excess of the minimum payments  
25 previously due as provided in this Section. The Department  
26 shall make reasonable rules and regulations to govern the



1 quarter monthly payment amount and quarter monthly payment  
2 dates for taxpayers who file on other than a calendar monthly  
3 basis.

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

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

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

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

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

1 Act, in accordance with reasonable rules and regulations to be  
2 prescribed by the Department. If no such request is made, the  
3 taxpayer may credit such excess payment against tax liability  
4 subsequently to be remitted to the Department under this Act,  
5 the Use Tax Act, the Service Occupation Tax Act, or the Service  
6 Use Tax Act, in accordance with reasonable rules and  
7 regulations prescribed by the Department. If the Department  
8 subsequently determined that all or any part of the credit  
9 taken was not actually due to the taxpayer, the taxpayer's  
10 2.1% and 1.75% vendor's discount shall be reduced by 2.1% or  
11 1.75% of the difference between the credit taken and that  
12 actually due, and that taxpayer shall be liable for penalties  
13 and interest on such difference.

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

19 Notwithstanding any provision of law to the contrary,  
20 beginning on the first day of the first month after the  
21 Arlington Megaproject is established under Division 22 of  
22 Article 10 of the Property Tax Code, all taxes collected under  
23 this Act from persons located within the Arlington Megaproject  
24 shall be deposited into the Arlington Megaproject  
25 Infrastructure Fund.

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

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

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

13 Beginning August 1, 2000, each month the Department shall  
14 pay into the County and Mass Transit District Fund 20% of the  
15 net revenue realized for the preceding month from the 1.25%  
16 rate on the selling price of motor fuel and gasohol. If, in any  
17 month, the tax on sales tax holiday items, as defined in  
18 Section 2-8, is imposed at the rate of 1.25%, then the  
19 Department shall pay 20% of the net revenue realized for that  
20 month from the 1.25% rate on the selling price of sales tax  
21 holiday items into the County and Mass Transit District Fund.

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

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

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

16 Beginning August 1, 2000, each month the Department shall  
17 pay into the Local Government Tax Fund 80% of the net revenue  
18 realized for the preceding month from the 1.25% rate on the  
19 selling price of motor fuel and gasohol. If, in any month, the  
20 tax on sales tax holiday items, as defined in Section 2-8, is  
21 imposed at the rate of 1.25%, then the Department shall pay 80%  
22 of the net revenue realized for that month from the 1.25% rate  
23 on the selling price of sales tax holiday items into the Local  
24 Government Tax Fund.

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

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

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

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

26 Fiscal Year..... Total Deposit



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

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

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

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

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

21 The Department may, upon separate written notice to a  
22 taxpayer, require the taxpayer to prepare and file with the  
23 Department on a form prescribed by the Department within not  
24 less than 60 days after receipt of the notice an annual  
25 information return for the tax year specified in the notice.  
26 Such annual return to the Department shall include a statement

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

19 If the annual information return required by this Section  
20 is not filed when and as required, the taxpayer shall be liable  
21 as follows:

22 (i) Until January 1, 1994, the taxpayer shall be  
23 liable for a penalty equal to 1/6 of 1% of the tax due from  
24 such taxpayer under this Act during the period to be  
25 covered by the annual return for each month or fraction of  
26 a month until such return is filed as required, the

1 penalty to be assessed and collected in the same manner as  
2 any other penalty provided for in this Act.

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

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

14 The provisions of this Section concerning the filing of an  
15 annual information return do not apply to a retailer who is not  
16 required to file an income tax return with the United States  
17 Government.

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

25 Net revenue realized for a month shall be the revenue  
26 collected by the State pursuant to this Act, less the amount

1 paid out during that month as refunds to taxpayers for  
2 overpayment of liability.

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

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

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

21 (Source: P.A. 102-634, eff. 8-27-21; 102-700, Article 60,  
22 Section 60-30, eff. 4-19-22; 102-700, Article 65, Section  
23 65-10, eff. 4-19-22; 102-813, eff. 5-13-22; 102-1019, eff.  
24 1-1-23; 103-9, eff. 6-7-23; 103-154, eff. 6-30-23; 103-363,  
25 eff. 7-28-23; revised 9-27-23.)

1 Section 923. The Hotel Operators' Occupation Tax Act is  
2 amended by changing Section 6 as follows:

3 (35 ILCS 145/6) (from Ch. 120, par. 481b.36)

4 Sec. 6. Filing of returns and distribution of revenue.  
5 Except as provided hereinafter in this Section, on or before  
6 the last day of each calendar month, every person engaged in  
7 the business of renting, leasing or letting rooms in a hotel in  
8 this State during the preceding calendar month shall file a  
9 return with the Department, stating:

10 1. The name of the operator;

11 2. His residence address and the address of his  
12 principal place of business and the address of the  
13 principal place of business (if that is a different  
14 address) from which he engages in the business of renting,  
15 leasing or letting rooms in a hotel in this State;

16 3. Total amount of rental receipts received by him  
17 during the preceding calendar month from renting, leasing  
18 or letting rooms during such preceding calendar month;

19 4. Total amount of rental receipts received by him  
20 during the preceding calendar month from renting, leasing  
21 or letting rooms to permanent residents during such  
22 preceding calendar month;

23 5. Total amount of other exclusions from gross rental  
24 receipts allowed by this Act;

25 6. Gross rental receipts which were received by him



1           during the preceding calendar month and upon the basis of  
2           which the tax is imposed;

3                 7. The amount of tax due;

4                 8. Such other reasonable information as the Department  
5           may require.

6           If the operator's average monthly tax liability to the  
7           Department does not exceed \$200, the Department may authorize  
8           his returns to be filed on a quarter annual basis, with the  
9           return for January, February and March of a given year being  
10          due by April 30 of such year; with the return for April, May  
11          and June of a given year being due by July 31 of such year;  
12          with the return for July, August and September of a given year  
13          being due by October 31 of such year, and with the return for  
14          October, November and December of a given year being due by  
15          January 31 of the following year.

16          If the operator's average monthly tax liability to the  
17          Department does not exceed \$50, the Department may authorize  
18          his returns to be filed on an annual basis, with the return for  
19          a given year being due by January 31 of the following year.

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

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

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

4 Where the same person has more than 1 business registered  
5 with the Department under separate registrations under this  
6 Act, such person shall not file each return that is due as a  
7 single return covering all such registered businesses, but  
8 shall file separate returns for each such registered business.

9 In his return, the operator shall determine the value of  
10 any consideration other than money received by him in  
11 connection with the renting, leasing or letting of rooms in  
12 the course of his business and he shall include such value in  
13 his return. Such determination shall be subject to review and  
14 revision by the Department in the manner hereinafter provided  
15 for the correction of returns.

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

20 The person filing the return herein provided for shall, at  
21 the time of filing such return, pay to the Department the  
22 amount of tax herein imposed. The operator filing the return  
23 under this Section shall, at the time of filing such return,  
24 pay to the Department the amount of tax imposed by this Act  
25 less a discount of 2.1% or \$25 per calendar year, whichever is  
26 greater, which is allowed to reimburse the operator for the

1 expenses incurred in keeping records, preparing and filing  
2 returns, remitting the tax and supplying data to the  
3 Department on request.

4 If any payment provided for in this Section exceeds the  
5 operator's liabilities under this Act, as shown on an original  
6 return, the Department may authorize the operator to credit  
7 such excess payment against liability subsequently to be  
8 remitted to the Department under this Act, in accordance with  
9 reasonable rules adopted by the Department. If the Department  
10 subsequently determines that all or any part of the credit  
11 taken was not actually due to the operator, the operator's  
12 discount shall be reduced by an amount equal to the difference  
13 between the discount as applied to the credit taken and that  
14 actually due, and that operator shall be liable for penalties  
15 and interest on such difference.

16 Notwithstanding any provision of law to the contrary,  
17 beginning on the first day of the first month after the  
18 Arlington Megaproject is established under Division 22 of  
19 Article 10 of the Property Tax Code, all taxes collected under  
20 this Act from hotels located within the Arlington Megaproject  
21 shall be deposited into the Arlington Megaproject  
22 Infrastructure Fund.

23 Of the remaining proceeds, there ~~There~~ shall be deposited  
24 into the Build Illinois Fund in the State Treasury for each  
25 State fiscal year 40% of the amount of total net revenue from  
26 the tax imposed by subsection (a) of Section 3. Of the

1 remaining 60%: (i) \$5,000,000 shall be deposited into the  
2 Illinois Sports Facilities Fund and credited to the Subsidy  
3 Account each fiscal year by making monthly deposits in the  
4 amount of 1/8 of \$5,000,000 plus cumulative deficiencies in  
5 such deposits for prior months, and (ii) an amount equal to the  
6 then applicable Advance Amount shall be deposited into the  
7 Illinois Sports Facilities Fund and credited to the Advance  
8 Account each fiscal year by making monthly deposits in the  
9 amount of 1/8 of the then applicable Advance Amount plus any  
10 cumulative deficiencies in such deposits for prior months.

11 (The deposits of the then applicable Advance Amount during  
12 each fiscal year shall be treated as advances of funds to the  
13 Illinois Sports Facilities Authority for its corporate  
14 purposes to the extent paid to the Authority or its trustee and  
15 shall be repaid into the General Revenue Fund in the State  
16 Treasury by the State Treasurer on behalf of the Authority  
17 pursuant to Section 19 of the Illinois Sports Facilities  
18 Authority Act, as amended. If in any fiscal year the full  
19 amount of the then applicable Advance Amount is not repaid  
20 into the General Revenue Fund, then the deficiency shall be  
21 paid from the amount in the Local Government Distributive Fund  
22 that would otherwise be allocated to the City of Chicago under  
23 the State Revenue Sharing Act.)

24 For purposes of the foregoing paragraph, the term "Advance  
25 Amount" means, for fiscal year 2002, \$22,179,000, and for  
26 subsequent fiscal years through fiscal year 2033, 105.615% of

1 the Advance Amount for the immediately preceding fiscal year,  
2 rounded up to the nearest \$1,000.

3 Of the remaining 60% of the amount of total net revenue  
4 beginning on August 1, 2011 through June 30, 2023, from the tax  
5 imposed by subsection (a) of Section 3 after all required  
6 deposits into the Illinois Sports Facilities Fund, an amount  
7 equal to 8% of the net revenue realized from this Act during  
8 the preceding month shall be deposited as follows: 18% of such  
9 amount shall be deposited into the Chicago Travel Industry  
10 Promotion Fund for the purposes described in subsection (n) of  
11 Section 5 of the Metropolitan Pier and Exposition Authority  
12 Act and the remaining 82% of such amount shall be deposited  
13 into the Local Tourism Fund each month for purposes authorized  
14 by Section 605-705 of the Department of Commerce and Economic  
15 Opportunity Law. Beginning on August 1, 2011 and through June  
16 30, 2023, an amount equal to 4.5% of the net revenue realized  
17 from this Act during the preceding month shall be deposited as  
18 follows: 55% of such amount shall be deposited into the  
19 Chicago Travel Industry Promotion Fund for the purposes  
20 described in subsection (n) of Section 5 of the Metropolitan  
21 Pier and Exposition Authority Act and the remaining 45% of  
22 such amount deposited into the International Tourism Fund for  
23 the purposes authorized in Section 605-707 of the Department  
24 of Commerce and Economic Opportunity Law. "Net revenue  
25 realized" means the revenue collected by the State under this  
26 Act less the amount paid out as refunds to taxpayers for

1 overpayment of liability under this Act.

2 Beginning on July 1, 2023, of the remaining 60% of the  
3 amount of total net revenue realized from the tax imposed  
4 under subsection (a) of Section 3, after all required deposits  
5 into the Illinois Sports Facilities Fund:

6 (1) an amount equal to 8% of the net revenue realized  
7 under this Act for the preceding month shall be deposited  
8 as follows: 82% to the Local Tourism Fund and 18% to the  
9 Chicago Travel Industry Promotion Fund; and

10 (2) an amount equal to 4.5% of the net revenue  
11 realized under this Act for the preceding month shall be  
12 deposited as follows: 55% to the Chicago Travel Industry  
13 Promotion Fund and 45% to the International Tourism Fund.

14 After making all these deposits, any remaining net revenue  
15 realized from the tax imposed under subsection (a) of Section  
16 3 shall be deposited into the Tourism Promotion Fund in the  
17 State Treasury. All moneys received by the Department from the  
18 additional tax imposed under subsection (b) of Section 3 shall  
19 be deposited into the Build Illinois Fund in the State  
20 Treasury.

21 The Department may, upon separate written notice to a  
22 taxpayer, require the taxpayer to prepare and file with the  
23 Department on a form prescribed by the Department within not  
24 less than 60 days after receipt of the notice an annual  
25 information return for the tax year specified in the notice.  
26 Such annual return to the Department shall include a statement

1 of gross receipts as shown by the operator's last State income  
2 tax return. If the total receipts of the business as reported  
3 in the State income tax return do not agree with the gross  
4 receipts reported to the Department for the same period, the  
5 operator shall attach to his annual information return a  
6 schedule showing a reconciliation of the 2 amounts and the  
7 reasons for the difference. The operator's annual information  
8 return to the Department shall also disclose payroll  
9 information of the operator's business during the year covered  
10 by such return and any additional reasonable information which  
11 the Department deems would be helpful in determining the  
12 accuracy of the monthly, quarterly or annual tax returns by  
13 such operator as hereinbefore provided for in this Section.

14 If the annual information return required by this Section  
15 is not filed when and as required the taxpayer shall be liable  
16 for a penalty in an amount determined in accordance with  
17 Section 3-4 of the Uniform Penalty and Interest Act until such  
18 return is filed as required, the penalty to be assessed and  
19 collected in the same manner as any other penalty provided for  
20 in this 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 foregoing portion of this Section concerning the  
4 filing of an annual information return shall not apply to an  
5 operator who is not required to file an income tax return with  
6 the United States Government.

7 (Source: P.A. 102-16, eff. 6-17-21; 103-8, eff. 6-7-23.)

8 Section 925. The Property Tax Code is amended by adding  
9 Division 22 to Article 10 as follows:

10 (35 ILCS 200/Art. 10 Div. 22 heading new)

11 Division 22. Megaprojects

12 (35 ILCS 200/10-900 new)

13 Sec. 10-900. Findings. The State's economy is highly  
14 vulnerable to other states that have major financial incentive  
15 programs and competitive tax incentives. Certain businesses  
16 and commercial operations that generate significant economic  
17 activity bear a disproportionately high property tax burden  
18 compared to their impact on government services and compared  
19 to their positive economic benefits to the State and the local  
20 economy and their derivative benefits to taxing districts. To  
21 incentivize the significant capital investment and economic  
22 activity of certain large-scale businesses and industrial and  
23 commercial operations, the State finds that a valuation



1 procedure for real property taxes on special properties, known  
2 as megaprojects, will reduce barriers to investment and  
3 economic activity in Illinois. The General Assembly finds that  
4 it is in the best interest of Illinois to establish a new  
5 category of valuation for megaprojects that recognizes their  
6 complexity and encourages local development at underutilized  
7 properties.

8 (35 ILCS 200/10-910 new)

9 Sec. 10-910. Megaproject Assessment Freeze and Payment  
10 Law; definitions. This Division 22 may be cited as the  
11 Megaproject Assessment Freeze and Payment Law.

12 As used in this Division:

13 "Assessment officer" means the chief county assessment  
14 officer of the county in which the megaproject is located.

15 "Assessment period" means the period beginning on the  
16 first day of the calendar year after the calendar year in which  
17 a megaproject is placed in service and ending on the date when  
18 the megaproject no longer qualifies as a megaproject under  
19 this Division.

20 "Base tax year" means the tax year prior to the first  
21 calendar year during which the Department issues a megaproject  
22 certificate under this Division.

23 "Base year" means:

24 (1) the calendar year prior to the calendar year in  
25 which the Department issues the megaproject certificate,

1 if the Department issues a megaproject certificate for a  
2 project located on the property without granting  
3 preliminary approval for the project pursuant to Section  
4 10-940; or

5 (2) the calendar year prior to the calendar year in  
6 which the Department grants that preliminary approval, if  
7 the Department grants preliminary approval pursuant to  
8 Section 10-940 for a megaproject located on the property.

9 "Base year valuation" means the assessed value, in the  
10 base year, of the property comprising the megaproject.

11 "Company" means one or more entities whose aggregate  
12 investment in the megaproject meets the minimum investment  
13 required under this Division. "Company" includes a company  
14 affiliate unless the context clearly indicates otherwise.

15 "Company affiliate" means an entity that joins with or is  
16 an affiliate of a company and that participates in the  
17 investment in, or financing of, a megaproject.

18 "Department" means the Department of Revenue.

19 "Eligible costs" means all costs incurred by or on behalf  
20 of, or allocated to, a company, prior to the Department's  
21 issuance of the megaproject certificate or during the  
22 investment period, to create or construct a megaproject.

23 "Eligible costs" includes, without limitation:

24 (1) the purchase, site preparation, renovation,  
25 rehabilitation, and construction of land, buildings,  
26 structures, equipment, and furnishings used for or in the

1 megaproject;

2 (2) any goods or services for the megaproject that are  
3 purchased and capitalized under generally accepted  
4 accounting principles, including any organizational costs  
5 and research and development costs incurred in Illinois;

6 (3) capitalized lease costs for land, buildings,  
7 structures, and equipment valued at their present value  
8 using the interest rate at which the company borrows funds  
9 prevailing at the time the company entered into the lease;

10 (4) infrastructure development costs;

11 (5) debt service and project financing costs;

12 (6) noncapitalized research and development costs;

13 (7) job training and education costs;

14 (8) lease and relocation costs; and

15 (9) amounts expended by a company or company affiliate  
16 as a nonresponsible party pursuant to a voluntary program  
17 of site remediation, including amounts expended to obtain  
18 a certification of completion, if completion of  
19 remediation is certified by the Illinois Environmental  
20 Protection Agency.

21 "Entity" means a sole proprietorship, partnership, firm,  
22 corporation, limited liability company, association, or other  
23 business enterprise.

24 "Incentive agreement" means an agreement between a company  
25 and a local municipality obligating the company to make the  
26 special payment under this Division, in addition to paying

1 property taxes, during the incentive period for a megaproject.

2 "Incentive period" means the period beginning on the first  
3 day of the calendar year after the calendar year in which the  
4 megaproject is placed in service and each calendar year  
5 thereafter until the earlier of (i) the expiration or  
6 termination of the incentive agreement or (ii) the revocation  
7 of the megaproject certificate.

8 "Inducement resolution" means a resolution adopted by the  
9 local municipality setting forth the commitment of the local  
10 municipality to enter into an incentive agreement.

11 "Investment period" means the period ending 7 years after  
12 the date on which the Department issues the megaproject  
13 certificate, or such other longer period of time as the local  
14 municipality and the company may agree to, not to exceed an  
15 initial period of 10 years.

16 "Local municipality" means the city, village, or  
17 incorporated town in which the megaproject is located or, if  
18 the megaproject is located in an unincorporated area, the  
19 county in which the megaproject is located.

20 "Megaproject" means a project that satisfies the minimum  
21 investment, investment period, and other requirements of this  
22 Division.

23 "Megaproject certificate" means a certificate issued by  
24 the Department that authorizes an assessment freeze as  
25 provided in this Division.

26 "Minimum investment" means an investment in the

1 megaproject of at least \$500,000,000 in eligible costs within  
2 the investment period.

3 "Minority person" means a person who is a citizen or  
4 lawful permanent resident of the United States and who is any  
5 of the following:

6 (1) American Indian or Alaska Native (a person having  
7 origins in any of the original peoples of North and South  
8 America, including Central America, and who maintains  
9 tribal affiliation or community attachment).

10 (2) Asian (a person having origins in any of the  
11 original peoples of the Far East, Southeast Asia, or the  
12 Indian subcontinent, including, but not limited to,  
13 Cambodia, China, India, Japan, Korea, Malaysia, Pakistan,  
14 the Philippine Islands, Thailand, and Vietnam).

15 (3) Black or African American (a person having origins  
16 in any of the black racial groups of Africa).

17 (4) Hispanic or Latino (a person of Cuban, Mexican,  
18 Puerto Rican, South or Central American, or other Spanish  
19 culture or origin, regardless of race).

20 (5) Middle Eastern or North African.

21 (6) Native Hawaiian or Other Pacific Islander (a  
22 person having origins in any of the original peoples of  
23 Hawaii, Guam, Samoa, or other Pacific Islands).

24 "Minority-owned business" means a business that is at  
25 least 51% owned by one or more minority persons, or in the case  
26 of a corporation, at least 51% of the stock in which is owned

1 by one or more minority persons; and the management and daily  
2 business operations of which are controlled by one or more of  
3 the minority individuals who own it.

4 "Placed in service" means that construction of the  
5 megaproject is substantially complete, which may be evidenced  
6 by issuance of a certificate of occupancy for the megaproject  
7 by the local municipality or any other governmental body  
8 having jurisdiction over construction of the megaproject or,  
9 if no certificate of occupancy is required as to the  
10 megaproject, commencement of operations at the megaproject  
11 site.

12 "Project" means modification to or construction on land,  
13 buildings, and other improvements on the land, including  
14 water, sewage treatment and disposal facilities, air pollution  
15 control facilities, and all other machinery, apparatus,  
16 equipment, office facilities, related infrastructure, and  
17 furnishings that are considered necessary, suitable, or useful  
18 by a company, including all such property subject to  
19 assessment under the Property Tax Code.

20 "Special payment" means the annual amount paid in addition  
21 to property taxes paid during the incentive period as provided  
22 in the incentive agreement.

23 "Taxing district" has the meaning set forth in Section  
24 1-150.

25 "Termination date" means the last day of a calendar year  
26 that is no later than the 23rd year following the first

1 calendar year in which a megaproject is placed in service. A  
2 company may apply to the local municipality prior to the  
3 termination date for an extension of the termination date  
4 beyond the 23rd year for up to 17 additional years, for a total  
5 of 40 years. The corporate authorities of the local  
6 municipality shall approve an extension of the termination  
7 date by resolution upon a finding of substantial public  
8 benefit. A copy of the resolution must be delivered to the  
9 Department within 30 days of the date the resolution was  
10 adopted. If the incentive agreement is terminated under  
11 Section 10-937, then the termination date is the date the  
12 agreement is terminated.

13 (35 ILCS 200/10-912 new)

14 Sec. 10-912. Express authorization for megaproject. The  
15 Department may issue a megaproject certificate for a  
16 megaproject in the Village of Arlington Heights. The  
17 megaproject authorized by this Section may be referred to as  
18 the Arlington Megaproject.

19 (35 ILCS 200/10-912.1 new)

20 Sec. 10-912.1. Arlington Megaproject Oversight Board.

21 (a) There is hereby established the Arlington Megaproject  
22 Oversight Board. As used in this Section, "Megaproject Board"  
23 means the Arlington Megaproject Oversight Board.

24 (b) The voting members of the Megaproject Board are as

1 follows:

2 (1) The Mayor of the Village of Arlington Heights or  
3 his or her designee, who shall be the chairperson of the  
4 Board.

5 (2) The Mayor of the City of Rolling Meadows or his or  
6 her designee.

7 (3) The Mayor of the Village of Palatine or his or her  
8 designee.

9 (4) The Executive Director of the Salt Creek Rural  
10 Park District or his or her designee.

11 (5) The Superintendent of Township High School  
12 District 214 or his or her designee.

13 (6) The Superintendent of Township High School  
14 District 211 or his or her designee.

15 (7) The Superintendent of Community Consolidated  
16 School District 15 or his or her designee.

17 (c) The nonvoting, advisory members of the Megaproject  
18 Board are as follows:

19 (1) The President of the Cook County Board of  
20 Commissioners or his or her designee.

21 (2) The Mayor of the Village of Buffalo Grove or his or  
22 her designee.

23 (3) The Mayor of the Village of Elk Grove Village or  
24 his or her designee.

25 (4) The Mayor of the Village of Mount Prospect or his  
26 or her designee.



1           (5) The Mayor of the City of Prospect Heights or his or  
2           her designee.

3           (6) The Mayor of the Village of Schaumburg or his or  
4           her designee.

5           (7) The Mayor of the Village of Wheeling or his or her  
6           designee.

7           (8) The Secretary of Transportation or his or her  
8           designee.

9           (9) The Executive Director of the Suburban Bus  
10           Division of the Regional Transportation Authority or his  
11           or her designee.

12           (10) The Executive Director of the Illinois State Toll  
13           Highway Authority or his or her designee.

14           (11) The members of the General Assembly serving  
15           Representative Districts 51, 53, 54, 55, 56, 57, and 59  
16           and Legislative Districts 26, 27, 28, 29, and 30.

17           (d) The voting members of the Megaproject Board constitute  
18           a public body that is subject to the Open Meetings Act.

19           (e) Four voting members of the Megaproject Board shall  
20           constitute a quorum. Actions of the Megaproject Board must  
21           receive the affirmative vote of at least 4 voting members. The  
22           Megaproject Board shall determine the times and places of its  
23           meetings. The voting and nonvoting members of the Megaproject  
24           Board shall serve without compensation, but they are entitled  
25           to reimbursement by the Village of Arlington Heights for  
26           reasonable expenses incurred in the performance of their

1 official duties.

2 (f) The Arlington Heights Village Clerk shall serve as the  
3 Secretary of the Megaproject Board.

4 (g) The Village of Arlington Heights shall provide  
5 administrative and other support to the Megaproject Board.

6 (h) Prior to the Village of Arlington Heights entering  
7 into, amending, or terminating an incentive agreement pursuant  
8 to this Division, the incentive agreement, amendment, or  
9 termination must be approved by resolution of the Megaproject  
10 Board. The requirement of this subsection is in addition to  
11 all other requirements of Sections 10-920 and 10-925 of this  
12 Act.

13 (i) The Megaproject Board may meet periodically at the  
14 call of the chairperson of the Megaproject Board to conduct  
15 oversight of the Arlington Megaproject and to provide  
16 recommendations related to the Arlington Megaproject.

17 (j) In the event the provisions of this Section conflict  
18 with the provisions of Division 22 of Article 10 of this Act,  
19 the provisions of this Section shall control.

20 (k) The Village of Arlington Heights may not regulate the  
21 Arlington Megaproject in a manner inconsistent with this  
22 Section. This Section is a limitation under subsection (i) of  
23 Section 6 of Article VII of the Illinois Constitution on the  
24 concurrent exercise by home rule units of powers and functions  
25 exercised by the State.

1 (35 ILCS 200/10-915 new)

2 Sec. 10-915. Valuation during incentive period;  
3 eligibility.

4 (a) Property certified by the Department as megaproject  
5 property pursuant to this Division is eligible for an  
6 assessment freeze, as provided in this Division, eliminating  
7 from consideration, for assessment purposes during the  
8 incentive period, the value added to the property by the  
9 project and limiting the total valuation of the property  
10 during the incentive period to the base year valuation. If the  
11 company does not anticipate completing the project within the  
12 investment period, then the local municipality may approve one  
13 or more extensions of time to complete the project. However,  
14 the local municipality may not extend the project for a period  
15 that exceeds 5 years after the last day of the investment  
16 period. Unless approved as part of the original incentive  
17 agreement, the corporate authorities may approve an extension  
18 under this subsection by resolution, a copy of which must be  
19 delivered to the Department within 30 days after the date the  
20 resolution is adopted.

21 (b) To qualify for a megaproject certificate, the company  
22 must:

23 (1) make the minimum investment in the megaproject  
24 during the investment period; minimum investment  
25 requirements shall be construed broadly for purposes of  
26 this Division;

1           (2) enter into an incentive agreement with the local  
2           municipality as described in this Division;

3           (3) enter into a project labor agreement with the  
4           applicable local building trades council before the  
5           commencement of any of the following activities related to  
6           the project: demolition; construction; rehabilitation;  
7           maintenance; or renovation; the project labor agreement  
8           shall remain in effect throughout any relevant incentive  
9           period;

10           (4) establish the goal of awarding 20% of the total  
11           dollar amount of contracts that are related to the project  
12           and are awarded by the company during each calendar year  
13           to minority-owned businesses;

14           (5) in order to protect employment opportunities and  
15           minimize job displacement, make written offers of  
16           employment, and require all vendors and contractors  
17           engaged in the post-construction operations to make  
18           written offers of employment, to all persons displaced  
19           from prior relevant employment as a consequence of the  
20           megaproject and to hire those employees who accept  
21           employment prior to hiring additional employees; and

22           (6) enter into a labor peace agreement with any bona  
23           fide labor organization representing or attempting to  
24           represent its post-construction operations employees,  
25           including those employees employed by subcontractors or  
26           vendors of the company; as used in this paragraph (6),

1 "labor peace agreement" means an agreement with any bona  
2 fide labor organization that, at a minimum, includes the  
3 following to protect the State's proprietary interest:

4 (A) a prohibition on the labor organization from  
5 engaging in picketing, work stoppages, boycotts, and  
6 any other economic interference with the company's  
7 business during the term of the labor agreement; and

8 (B) a provision that both parties will submit to  
9 binding arbitration for all outstanding matters not  
10 agreed upon within 120 days of the from the date that a  
11 labor organization becomes recognized as bargaining  
12 representative of the bargaining unit.

13 (c) For purposes of this Division, if a single company  
14 enters into a financing arrangement of the type described in  
15 subsection (b) of Section 10-950, the investment in or  
16 financing of the property by a developer, lessor, financing  
17 entity, or other third party in accordance with this  
18 arrangement is considered investment by the company.  
19 Investment by a related person to the company is considered  
20 investment by the company.

21 (35 ILCS 200/10-920 new)

22 Sec. 10-920. Incentive agreement; assessment freeze for  
23 megaprojects; incentive period; inducement resolution;  
24 location of the project; criteria to qualify.

25 (a) To obtain the benefits provided in this Division, the

1 company shall apply in writing to the local municipality to  
2 enter into an incentive agreement with the municipality, in  
3 the form and manner required by the local municipality, and  
4 shall certify the facts asserted in the application.

5 (b) The corporate authorities of the local municipality,  
6 prior to entering into an incentive agreement under this  
7 Section, shall hold a public hearing to consider the  
8 application. The amount and terms of the proposed special  
9 payment and the duration of the incentive agreement shall be  
10 considered at the public hearing.

11 (c) Copies of the completed application shall be provided  
12 to each taxing district for which property taxes were assessed  
13 on the property for the immediately preceding tax year. Those  
14 copies shall be provided at least 30 days prior to the  
15 scheduled public hearing at which the corporate authorities of  
16 the local municipality will consider the application.

17 (d) The company and the local municipality shall enter  
18 into an incentive agreement requiring the special payment  
19 described in Section 10-925. The corporate authorities of the  
20 local municipality shall adopt an ordinance approving the  
21 incentive agreement.

22 (e) If an incentive agreement is not executed within 5  
23 years after the local municipality's adoption of an inducement  
24 resolution, expenditures incurred by the company more than 5  
25 years prior to the execution of the incentive agreement shall  
26 not qualify as part of the minimum investment.

1       (f) To be eligible to enter into an incentive agreement  
2       under this Division, the company must commit to a project that  
3       meets the minimum investment set forth in this Division.

4           (35 ILCS 200/10-925 new)

5       Sec. 10-925. Contents of incentive agreement.

6       (a) The incentive agreement under Section 10-920 must  
7       require the company to pay, or be responsible for the payment  
8       of, an annual special payment to the local municipality,  
9       beginning with the first tax year for which the assessment  
10       freeze under this Division is applied to the megaproject. The  
11       amount of the special payment shall be established by the  
12       local municipality in the incentive agreement and may be a  
13       fixed amount for the duration of the incentive period or may be  
14       subject to adjustment (downward or upward) based on factors  
15       memorialized in the incentive agreement.

16       (b) The incentive agreement shall obligate the company to  
17       operate the megaproject at the designated project location for  
18       a minimum of 20 years.

19       (c) The incentive agreement may contain such other terms  
20       and conditions as are mutually agreeable to the local  
21       municipality and the company and are consistent with the  
22       requirements of this Division, including, without limitation,  
23       operational and job creation requirements.

24       (d) In addition, all incentive agreements entered into  
25       pursuant to Section 10-920 must include, as the first portion

1 of the document, a recapitulation of the remaining contents of  
2 the document which includes, but is not limited to, the  
3 following:

4 (1) the legal name of each party to the agreement;

5 (2) the street address of the project and the property  
6 subject to the agreement;

7 (3) the agreed minimum investment;

8 (4) the term of the agreement;

9 (5) a schedule showing the amount of the special  
10 payment and its calculation for each year of the  
11 agreement;

12 (6) a schedule showing the amount to be distributed  
13 annually to each affected taxing district, which amount  
14 shall be a percentage of the special payment equal to the  
15 taxing district's proportionate share of property taxes  
16 due and payable for the base tax year;

17 (7) any other feature or aspect of the agreement that  
18 may affect the calculation of items (5) and (6) of this  
19 subsection; and

20 (8) an identification of the party or parties to the  
21 agreement who are responsible for updating the information  
22 contained in the summary document.

23 (35 ILCS 200/10-930 new)

24 Sec. 10-930. Installment bills; distribution of special  
25 payments.



1       (a) The local municipality shall prepare a bill for each  
2 installment of the special payment according to the schedule  
3 set forth in paragraph (5) of subsection (d) of Section  
4 10-925, or as modified pursuant to paragraph (7) of subsection  
5 (d) of Section 10-925, and that payment must be distributed to  
6 the affected taxing entities according to the schedule in  
7 paragraph (6) of subsection (d) of Section 10-925 or as  
8 modified in paragraph (7) of subsection (d) of Section 10-925.

9       (b) Distribution to taxing districts of the special  
10 payments associated with a megaproject must be made within 30  
11 days after receipt by the local municipality of the special  
12 payment amounts.

13       (c) Misallocations of the distribution of the special  
14 payments may be corrected by adjusting later distributions,  
15 but these adjustments must be made in the next succeeding year  
16 following identification and resolution of the misallocation.  
17 To the extent that distributions have been made improperly in  
18 previous years, claims for adjustment must be made within one  
19 year of the distribution.

20       (35 ILCS 200/10-935 new)

21       Sec. 10-935. Use of revenues. A taxing district that  
22 receives and retains revenues from a special payment under  
23 this Division may use all or a portion of the revenues for the  
24 purposes of financing the issuance of revenue bonds.

1 (35 ILCS 200/10-937 new)

2 Sec. 10-937. Termination of incentive agreement; automatic  
3 termination; minimum level of investment required to remain  
4 qualified for assessment freeze.

5 (a) The local municipality and the company may mutually  
6 agree to terminate the incentive agreement at any time. From  
7 the date of termination, the megaproject is subject to  
8 assessment on the basis of the then current fair cash value.

9 (b) An incentive agreement shall be terminated if the  
10 company fails to satisfy the minimum investment level provided  
11 in this Division. If the incentive agreement is terminated  
12 under this subsection, the megaproject is subject to  
13 assessment on the basis of the then current fair cash value  
14 beginning in the tax year during which the termination occurs.

15 (c) An incentive agreement shall terminate if, at any  
16 time, the company no longer has the minimum level of  
17 investment as provided in this Division, without regard to  
18 depreciation.

19 (35 ILCS 200/10-940 new)

20 Sec. 10-940. Megaproject applications; certification as a  
21 megaproject and revocation of certification.

22 (a) The Department shall receive applications for  
23 megaproject certificates under this Division in a form and  
24 manner provided by the Department by rule. The Department  
25 shall promptly notify the assessment officer when the

1 Department receives an application under this Section. The  
2 Department's rules shall provide that an applicant may request  
3 preliminary approval of the megaproject before the project  
4 begins, before the applicant has entered into a fully executed  
5 incentive agreement with the local municipality, or before the  
6 project has been placed in service.

7 (b) An applicant for a megaproject certificate under this  
8 Division must provide evidence to the Department of a fully  
9 executed incentive agreement between the company and the local  
10 municipality as described in this Division.

11 (c) An applicant for a megaproject certificate under this  
12 Division must provide evidence to the Department of a fully  
13 executed project labor agreement entered into with the  
14 applicable local building trades council prior to the  
15 commencement of any demolition, building construction, or  
16 building renovation at the project. If the demolition,  
17 building construction, or building renovation begins after the  
18 application is approved, then the applicant must transmit a  
19 copy of the fully executed project labor agreement to the  
20 Department as soon as possible after the agreement is  
21 executed.

22 (d) An applicant for a megaproject certificate under this  
23 Division must provide evidence to the Department that the  
24 company has established the goal of awarding 20% of the total  
25 dollar amount of contracts awarded during each calendar year  
26 by the company, that are related to the project, to

1 minority-owned businesses.

2 (e) The Department shall approve an application for a  
3 megaproject certificate if the Department finds that the  
4 project meets the requirements of this Division.

5 (f) Upon approval of the application, the Department shall  
6 issue a megaproject certificate to the applicant and transmit  
7 a copy to the assessment officer. The certificate shall  
8 identify the property on which the megaproject is located.

9 (g) For each calendar year following issuance of the  
10 megaproject certificate, until the minimum investment  
11 requirements have been met and the megaproject has been placed  
12 in service, the company shall deliver a report to the  
13 Department on the status of construction or creation of the  
14 megaproject and the amount of minimum investment made in the  
15 megaproject during the preceding calendar year. If the  
16 Department determines, in accordance with the Administrative  
17 Review Law and the Illinois Administrative Procedure Act, that  
18 a project for which a certificate has been issued has not met  
19 the minimum investment requirements of this Division within  
20 the investment period, the Department shall revoke the  
21 certificate by written notice to the taxpayer of record and  
22 transmit a copy of the revocation to the assessment officer.

23 (h) If the local municipality notifies the Department that  
24 the incentive agreement between the company and the local  
25 municipality has been terminated, the Department shall revoke  
26 the certificate by written notice to the taxpayer of record

1 and transmit a copy of the revocation to the assessment  
2 officer.

3 (i) In addition to all other requirements of this Section,  
4 the Department may issue a megaproject certificate only if the  
5 megaproject is expressly authorized by Section 10-912.

6 (j) An applicant for a megaproject certificate under this  
7 Division must provide evidence to the Department of the fully  
8 executed labor peace agreements entered into with any bona  
9 fide labor organization representing or attempting to  
10 represent its post-construction operations employees prior to  
11 the Department approving an application or granting  
12 preliminary approval of a megaproject certificate.

13 (35 ILCS 200/10-945 new)

14 Sec. 10-945. Computation of valuation.

15 (a) Upon receipt of the megaproject certificate from the  
16 Department, the assessment officer shall determine the base  
17 year valuation and shall make a notation on each statement of  
18 assessment during the assessment period that the valuation of  
19 the project is based upon the issuance of a megaproject  
20 certificate.

21 (b) Upon revocation of a megaproject certificate, the  
22 assessment officer shall compute the assessed valuation of the  
23 project on the basis of the then current fair cash value of the  
24 property.

1 (35 ILCS 200/10-950 new)

2 Sec. 10-950. Transfers of interest in a megaproject;  
3 sale-leaseback arrangement; requirements.

4 (a) Subject to the terms of the incentive agreement  
5 between the company and the local municipality, ownership of  
6 or any interest in the megaproject and any and all related  
7 project property, including, without limitation, transfers of  
8 indirect beneficial interests and equity interests in a  
9 company owning a megaproject, shall not affect the assessment  
10 freeze or the validity of the megaproject certificate issued  
11 under this Division. Notwithstanding the provisions of this  
12 subsection, the incentive agreement shall be a covenant  
13 running with the land.

14 (b) A company may enter into lending, financing, security,  
15 leasing, or similar arrangements, or a succession of such  
16 arrangements, with a financing entity concerning all or part  
17 of a project, including, without limitation, a sale-leaseback  
18 arrangement, equipment lease, build-to-suit lease, synthetic  
19 lease, defeased tax benefit, or transfer lease, an assignment,  
20 sublease, or similar arrangement, or succession of those  
21 arrangements, with one or more financing entities concerning  
22 all or part of a project, regardless of the identity of the  
23 income tax or fee owner of the megaproject. Neither the  
24 original transfer to the financing entity nor the later  
25 transfer from the financing entity back to the company,  
26 pursuant to terms in the sale-leaseback agreement, shall

1 affect the assessment freeze or the validity of the  
2 megaproject certificate issued under this Division, regardless  
3 of whether the income tax basis is changed for income tax  
4 purposes.

5 (c) The Department must receive notice of all transfers  
6 undertaken with respect to other projects. Notice shall be  
7 made in writing within 60 days after the transfer, identifying  
8 each transferee and containing other information required by  
9 the Department with the appropriate returns. Failure to meet  
10 this notice requirement does not adversely affect the  
11 assessment freeze.

12 (35 ILCS 200/10-955 new)

13 Sec. 10-955. Minimum investment by company affiliates. To  
14 be eligible for the benefits of this Division, a company must  
15 invest the minimum investment. Investments by company  
16 affiliates during the investment period may be applied toward  
17 the minimum investment under this Division regardless of  
18 whether the company affiliate was part of the project. To  
19 qualify for the assessment freeze, the minimum investments  
20 must be located at the megaproject.

21 (35 ILCS 200/10-960 new)

22 Sec. 10-960. Projects to be valued at fair cash value for  
23 purposes of bonded indebtedness and limitations on property  
24 tax extensions. Projects to which an assessment freeze applies

1 pursuant to this Division shall be valued at their fair cash  
2 value for purposes of calculating a municipality's general  
3 obligation bond limits and a taxing district's limitation on  
4 tax extensions.

5 (35 ILCS 200/10-965 new)

6 Sec. 10-965. Abatements. Any taxing district, upon a  
7 majority vote of its governing authority, may, after the  
8 determination of the assessed valuation as set forth in this  
9 Division, order the clerk of the appropriate municipality or  
10 county to abate any portion of real property taxes otherwise  
11 levied or extended by the taxing district on a megaproject.

12 (35 ILCS 200/10-970 new)

13 Sec. 10-970. Filing of returns, contracts, and other  
14 information; due date of payments and returns.

15 (a) The company and the local municipality shall file  
16 notices, reports, and other information as required by the  
17 Department.

18 (b) Special payments are due at the same time as property  
19 tax payments and property tax returns are due for the  
20 megaproject property.

21 (c) Failure to make a timely special payment results in  
22 the assessment of penalties as if the payment were a  
23 delinquent property tax payment or return.

24 (d) Within 30 days after the date of execution of an



1 incentive agreement, a copy of the incentive agreement must be  
2 filed with the Department, the county assessor, and the county  
3 auditor for the county in which the megaproject is located.

4 (35 ILCS 200/10-980 new)

5 Sec. 10-980. Rules. The Department may issue rulings and  
6 adopt rules as necessary to carry out the purpose of this  
7 Division.

8 (35 ILCS 200/10-990 new)

9 Sec. 10-990. Invalidity. If all or any part of this  
10 Division is determined to be unconstitutional or otherwise  
11 unenforceable by a court of competent jurisdiction, a company  
12 has 180 days from the date of the determination to transfer  
13 title to a megaproject to an authorized economic development  
14 authority, which may qualify for property tax assessment under  
15 this Division or which may be exempt from property taxes.

16 Section 930. The Sports Wagering Act is amended by  
17 changing Section 25-90 as follows:

18 (230 ILCS 45/25-90)

19 Sec. 25-90. Tax; Sports Wagering Fund.

20 (a) For the privilege of holding a license to operate  
21 sports wagering under this Act, this State shall impose and  
22 collect 15% of a master sports wagering licensee's adjusted

1 gross sports wagering receipts from sports wagering. The  
2 accrual method of accounting shall be used for purposes of  
3 calculating the amount of the tax owed by the licensee.

4 The taxes levied and collected pursuant to this subsection  
5 (a) are due and payable to the Board no later than the last day  
6 of the month following the calendar month in which the  
7 adjusted gross sports wagering receipts were received and the  
8 tax obligation was accrued.

9 (a-5) In addition to the tax imposed under subsection (a)  
10 of this Section, for the privilege of holding a license to  
11 operate sports wagering under this Act, the State shall impose  
12 and collect 2% of the adjusted gross receipts from sports  
13 wagers that are placed within a home rule county with a  
14 population of over 3,000,000 inhabitants, which shall be paid,  
15 subject to appropriation from the General Assembly, from the  
16 Sports Wagering Fund to that home rule county for the purpose  
17 of enhancing the county's criminal justice system.

18 (a-6) In addition to the taxes imposed under subsections  
19 (a) and (a-5) of this Section, the State shall impose and  
20 collect a tax equal to 3% of the adjusted gross sports wagering  
21 receipts from sports wagers that are placed within the  
22 Arlington Megaproject established under Division 22 of Article  
23 10 of the Property Tax Code. All moneys collected under this  
24 subsection (a-6) shall be deposited into the Arlington  
25 Megaproject Infrastructure Fund.

26 (b) The Sports Wagering Fund is hereby created as a

1 special fund in the State treasury. Except as otherwise  
2 provided in this Act, all moneys collected under this Act by  
3 the Board shall be deposited into the Sports Wagering Fund. On  
4 the 25th of each month, any moneys remaining in the Sports  
5 Wagering Fund in excess of the anticipated monthly  
6 expenditures from the Fund through the next month, as  
7 certified by the Board to the State Comptroller, shall be  
8 transferred by the State Comptroller and the State Treasurer  
9 to the Capital Projects Fund.

10 (c) Beginning with July 2021, and on a monthly basis  
11 thereafter, the Board shall certify to the State Comptroller  
12 the amount of license fees collected in the month for initial  
13 licenses issued under this Act, except for occupational  
14 licenses. As soon after certification as practicable, the  
15 State Comptroller shall direct and the State Treasurer shall  
16 transfer the certified amount from the Sports Wagering Fund to  
17 the Rebuild Illinois Projects Fund.

18 (Source: P.A. 101-31, eff. 6-28-19; 102-16, eff. 6-17-21;  
19 102-687, eff. 12-17-21.)

20 Section 935. The Liquor Control Act of 1934 is amended by  
21 adding Section 8-15 as follows:

22 (235 ILCS 5/8-15 new)

23 Sec. 8-15. Arlington Megaproject. Notwithstanding any  
24 provision of law to the contrary, beginning on the first day of

1 the first month after the Arlington Megaproject is established  
2 under Division 22 of Article 10 of the Property Tax Code, all  
3 taxes collected under this Act from persons located within the  
4 Arlington Megaproject shall be deposited into the Arlington  
5 Megaproject Infrastructure Fund.

6 Section 997. Severability. The provisions of this Act are  
7 severable under Section 1.31 of the Statute on Statutes.

8 Section 999. Effective date. This Act takes effect upon  
9 becoming law.

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