



93RD GENERAL ASSEMBLY

State of Illinois

2003 and 2004

Introduced 02/09/04, by Richard P. Myers

SYNOPSIS AS INTRODUCED:

30 ILCS 105/6z-18	from Ch. 127, par. 142z-18
30 ILCS 105/6z-20	from Ch. 127, par. 142z-20
35 ILCS 105/3-10	from Ch. 120, par. 439.3-10
35 ILCS 105/9	from Ch. 120, par. 439.9
35 ILCS 110/3-10	from Ch. 120, par. 439.33-10
35 ILCS 110/9	from Ch. 120, par. 439.39
35 ILCS 115/3-10	from Ch. 120, par. 439.103-10
35 ILCS 115/9	from Ch. 120, par. 439.109
35 ILCS 120/2-10	from Ch. 120, par. 441-10
35 ILCS 120/3	from Ch. 120, par. 442

Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Provides that, beginning July 1, 2004, the tax with respect to textbooks required for use at State universities and public community colleges or certain other institutions of higher learning is imposed under these Acts at the rate of 1.25% (eliminating the State's portion of the tax). Authorizes the Department of Revenue to adopt rules. Amends the State Finance Act to adjust the distribution with respect to this tax. Effective immediately.

LRB093 16681 SJM 42332 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT regarding taxation.

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

4 Section 5. The State Finance Act is amended by changing
5 Sections 6z-18 and 6z-20 as follows:

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

7 Sec. 6z-18. A portion of the money paid into the Local
8 Government Tax Fund from sales of food for human consumption
9 which is to be consumed off the premises where it is sold
10 (other than alcoholic beverages, soft drinks and food which has
11 been prepared for immediate consumption) and prescription and
12 nonprescription medicines, drugs, medical appliances and
13 insulin, urine testing materials, syringes and needles used by
14 diabetics, which occurred in municipalities, shall be
15 distributed to each municipality based upon the sales which
16 occurred in that municipality. The remainder shall be
17 distributed to each county based upon the sales which occurred
18 in the unincorporated area of that county.

19 A portion of the money paid into the Local Government Tax
20 Fund from the 6.25% general use tax rate on the selling price
21 of tangible personal property which is purchased outside
22 Illinois at retail from a retailer and which is titled or
23 registered by any agency of this State's government shall be
24 distributed to municipalities as provided in this paragraph.
25 Each municipality shall receive the amount attributable to
26 sales for which Illinois addresses for titling or registration
27 purposes are given as being in such municipality. The remainder
28 of the money paid into the Local Government Tax Fund from such
29 sales shall be distributed to counties. Each county shall
30 receive the amount attributable to sales for which Illinois
31 addresses for titling or registration purposes are given as
32 being located in the unincorporated area of such county.

1 A portion of the money paid into the Local Government Tax
2 Fund from the 6.25% general rate (and, beginning July 1, 2000
3 and through December 31, 2000, the 1.25% rate on motor fuel and
4 gasohol and, beginning July 1, 2004, the 1.25% rate on
5 textbooks required for use at State universities and public
6 community colleges or at institutions of higher learning as
7 defined in the Illinois Financial Assistance Act for Nonpublic
8 Institutions of Higher Learning) on sales subject to taxation
9 under the Retailers' Occupation Tax Act and the Service
10 Occupation Tax Act, which occurred in municipalities, shall be
11 distributed to each municipality, based upon the sales which
12 occurred in that municipality. The remainder shall be
13 distributed to each county, based upon the sales which occurred
14 in the unincorporated area of such county.

15 For the purpose of determining allocation to the local
16 government unit, a retail sale by a producer of coal or other
17 mineral mined in Illinois is a sale at retail at the place
18 where the coal or other mineral mined in Illinois is extracted
19 from the earth. This paragraph does not apply to coal or other
20 mineral when it is delivered or shipped by the seller to the
21 purchaser at a point outside Illinois so that the sale is
22 exempt under the United States Constitution as a sale in
23 interstate or foreign commerce.

24 Whenever the Department determines that a refund of money
25 paid into the Local Government Tax Fund should be made to a
26 claimant instead of issuing a credit memorandum, the Department
27 shall notify the State Comptroller, who shall cause the order
28 to be drawn for the amount specified, and to the person named,
29 in such notification from the Department. Such refund shall be
30 paid by the State Treasurer out of the Local Government Tax
31 Fund.

32 On or before the 25th day of each calendar month, the
33 Department shall prepare and certify to the Comptroller the
34 disbursement of stated sums of money to named municipalities
35 and counties, the municipalities and counties to be those
36 entitled to distribution of taxes or penalties paid to the

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

19 When certifying the amount of monthly disbursement to a
20 municipality or county under this Section, the Department shall
21 increase or decrease that amount by an amount necessary to
22 offset any misallocation of previous disbursements. The offset
23 amount shall be the amount erroneously disbursed within the 6
24 months preceding the time a misallocation is discovered.

25 The provisions directing the distributions from the
26 special fund in the State Treasury provided for in this Section
27 shall constitute an irrevocable and continuing appropriation
28 of all amounts as provided herein. The State Treasurer and
29 State Comptroller are hereby authorized to make distributions
30 as provided in this Section.

31 In construing any development, redevelopment, annexation,
32 preannexation or other lawful agreement in effect prior to
33 September 1, 1990, which describes or refers to receipts from a
34 county or municipal retailers' occupation tax, use tax or
35 service occupation tax which now cannot be imposed, such
36 description or reference shall be deemed to include the

1 replacement revenue for such abolished taxes, distributed from
2 the Local Government Tax Fund.

3 (Source: P.A. 90-491, eff. 1-1-98; 91-51, eff. 6-30-99; 91-872,
4 eff. 7-1-00.)

5 (30 ILCS 105/6z-20) (from Ch. 127, par. 142z-20)

6 Sec. 6z-20. Of the money received from the 6.25% general
7 rate (and, beginning July 1, 2000 and through December 31,
8 2000, the 1.25% rate on motor fuel and gasohol and, beginning
9 July 1, 2004, the 1.25% rate on textbooks required for use at
10 State universities and public community colleges or at
11 institutions of higher learning as defined in the Illinois
12 Financial Assistance Act for Nonpublic Institutions of Higher
13 Learning) on sales subject to taxation under the Retailers'
14 Occupation Tax Act and Service Occupation Tax Act and paid into
15 the County and Mass Transit District Fund, distribution to the
16 Regional Transportation Authority tax fund, created pursuant
17 to Section 4.03 of the Regional Transportation Authority Act,
18 for deposit therein shall be made based upon the retail sales
19 occurring in a county having more than 3,000,000 inhabitants.
20 The remainder shall be distributed to each county having
21 3,000,000 or fewer inhabitants based upon the retail sales
22 occurring in each such county.

23 For the purpose of determining allocation to the local
24 government unit, a retail sale by a producer of coal or other
25 mineral mined in Illinois is a sale at retail at the place
26 where the coal or other mineral mined in Illinois is extracted
27 from the earth. This paragraph does not apply to coal or other
28 mineral when it is delivered or shipped by the seller to the
29 purchaser at a point outside Illinois so that the sale is
30 exempt under the United States Constitution as a sale in
31 interstate or foreign commerce.

32 Of the money received from the 6.25% general use tax rate
33 on tangible personal property which is purchased outside
34 Illinois at retail from a retailer and which is titled or
35 registered by any agency of this State's government and paid

1 into the County and Mass Transit District Fund, the amount for
2 which Illinois addresses for titling or registration purposes
3 are given as being in each county having more than 3,000,000
4 inhabitants shall be distributed into the Regional
5 Transportation Authority tax fund, created pursuant to Section
6 4.03 of the Regional Transportation Authority Act. The
7 remainder of the money paid from such sales shall be
8 distributed to each county based on sales for which Illinois
9 addresses for titling or registration purposes are given as
10 being located in the county. Any money paid into the Regional
11 Transportation Authority Occupation and Use Tax Replacement
12 Fund from the County and Mass Transit District Fund prior to
13 January 14, 1991, which has not been paid to the Authority
14 prior to that date, shall be transferred to the Regional
15 Transportation Authority tax fund.

16 Whenever the Department determines that a refund of money
17 paid into the County and Mass Transit District Fund should be
18 made to a claimant instead of issuing a credit memorandum, the
19 Department shall notify the State Comptroller, who shall cause
20 the order to be drawn for the amount specified, and to the
21 person named, in such notification from the Department. Such
22 refund shall be paid by the State Treasurer out of the County
23 and Mass Transit District Fund.

24 On or before the 25th day of each calendar month, the
25 Department shall prepare and certify to the Comptroller the
26 disbursement of stated sums of money to the Regional
27 Transportation Authority and to named counties, the counties to
28 be those entitled to distribution, as hereinabove provided, of
29 taxes or penalties paid to the Department during the second
30 preceding calendar month. The amount to be paid to the Regional
31 Transportation Authority and each county having 3,000,000 or
32 fewer inhabitants shall be the amount (not including credit
33 memoranda) collected during the second preceding calendar
34 month by the Department and paid into the County and Mass
35 Transit District Fund, plus an amount the Department determines
36 is necessary to offset any amounts which were erroneously paid

1 to a different taxing body, and not including an amount equal
2 to the amount of refunds made during the second preceding
3 calendar month by the Department, and not including any amount
4 which the Department determines is necessary to offset any
5 amounts which were payable to a different taxing body but were
6 erroneously paid to the Regional Transportation Authority or
7 county. Within 10 days after receipt, by the Comptroller, of
8 the disbursement certification to the Regional Transportation
9 Authority and counties, provided for in this Section to be
10 given to the Comptroller by the Department, the Comptroller
11 shall cause the orders to be drawn for the respective amounts
12 in accordance with the directions contained in such
13 certification.

14 When certifying the amount of a monthly disbursement to the
15 Regional Transportation Authority or to a county under this
16 Section, the Department shall increase or decrease that amount
17 by an amount necessary to offset any misallocation of previous
18 disbursements. The offset amount shall be the amount
19 erroneously disbursed within the 6 months preceding the time a
20 misallocation is discovered.

21 The provisions directing the distributions from the
22 special fund in the State Treasury provided for in this Section
23 and from the Regional Transportation Authority tax fund created
24 by Section 4.03 of the Regional Transportation Authority Act
25 shall constitute an irrevocable and continuing appropriation
26 of all amounts as provided herein. The State Treasurer and
27 State Comptroller are hereby authorized to make distributions
28 as provided in this Section.

29 In construing any development, redevelopment, annexation,
30 preannexation or other lawful agreement in effect prior to
31 September 1, 1990, which describes or refers to receipts from a
32 county or municipal retailers' occupation tax, use tax or
33 service occupation tax which now cannot be imposed, such
34 description or reference shall be deemed to include the
35 replacement revenue for such abolished taxes, distributed from
36 the County and Mass Transit District Fund or Local Government

1 Distributive Fund, as the case may be.

2 (Source: P.A. 90-491, eff. 1-1-98; 91-872, eff. 7-1-00.)

3 Section 10. The Use Tax Act is amended by changing Sections
4 3-10 and 9 as follows:

5 (35 ILCS 105/3-10) (from Ch. 120, par. 439.3-10)

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

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

31 With respect to gasohol, the tax imposed by this Act
32 applies to (i) 70% of the proceeds of sales made on or after
33 January 1, 1990, and before July 1, 2003, (ii) 80% of the
34 proceeds of sales made on or after July 1, 2003 and on or

1 before December 31, 2013, and (iii) 100% of the proceeds of
2 sales made thereafter. If, at any time, however, the tax under
3 this Act on sales of gasohol is imposed at the rate of 1.25%,
4 then the tax imposed by this Act applies to 100% of the
5 proceeds of sales of gasohol made during that time.

6 With respect to majority blended ethanol fuel, the tax
7 imposed by this Act does not apply to the proceeds of sales
8 made on or after July 1, 2003 and on or before December 31,
9 2013 but applies to 100% of the proceeds of sales made
10 thereafter.

11 With respect to biodiesel blends with no less than 1% and
12 no more than 10% biodiesel, the tax imposed by this Act applies
13 to (i) 80% of the proceeds of sales made on or after July 1,
14 2003 and on or before December 31, 2013 and (ii) 100% of the
15 proceeds of sales made thereafter. If, at any time, however,
16 the tax under this Act on sales of biodiesel blends with no
17 less than 1% and no more than 10% biodiesel is imposed at the
18 rate of 1.25%, then the tax imposed by this Act applies to 100%
19 of the proceeds of sales of biodiesel blends with no less than
20 1% and no more than 10% biodiesel made during that time.

21 With respect to 100% biodiesel and biodiesel blends with
22 more than 10% but no more than 99% biodiesel, the tax imposed
23 by this Act does not apply to the proceeds of sales made on or
24 after July 1, 2003 and on or before December 31, 2013 but
25 applies to 100% of the proceeds of sales made thereafter.

26 Beginning July 1, 2004, with respect to textbooks required
27 for use at State universities and public community colleges or
28 at institutions of higher learning as defined in the Illinois
29 Financial Assistance Act for Nonpublic Institutions of Higher
30 Learning, the tax is imposed at the rate of 1.25%. The
31 Department may adopt rules necessary to implement and
32 administer the 1.25% rate on textbooks.

33 With respect to food for human consumption that is to be
34 consumed off the premises where it is sold (other than
35 alcoholic beverages, soft drinks, and food that has been
36 prepared for immediate consumption) and prescription and

1 nonprescription medicines, drugs, medical appliances,
2 modifications to a motor vehicle for the purpose of rendering
3 it usable by a disabled person, and insulin, urine testing
4 materials, syringes, and needles used by diabetics, for human
5 use, the tax is imposed at the rate of 1%. For the purposes of
6 this Section, the term "soft drinks" means any complete,
7 finished, ready-to-use, non-alcoholic drink, whether
8 carbonated or not, including but not limited to soda water,
9 cola, fruit juice, vegetable juice, carbonated water, and all
10 other preparations commonly known as soft drinks of whatever
11 kind or description that are contained in any closed or sealed
12 bottle, can, carton, or container, regardless of size. "Soft
13 drinks" does not include coffee, tea, non-carbonated water,
14 infant formula, milk or milk products as defined in the Grade A
15 Pasteurized Milk and Milk Products Act, or drinks containing
16 50% or more natural fruit or vegetable juice.

17 Notwithstanding any other provisions of this Act, "food for
18 human consumption that is to be consumed off the premises where
19 it is sold" includes all food sold through a vending machine,
20 except soft drinks and food products that are dispensed hot
21 from a vending machine, regardless of the location of the
22 vending machine.

23 If the property that is purchased at retail from a retailer
24 is acquired outside Illinois and used outside Illinois before
25 being brought to Illinois for use here and is taxable under
26 this Act, the "selling price" on which the tax is computed
27 shall be reduced by an amount that represents a reasonable
28 allowance for depreciation for the period of prior out-of-state
29 use.

30 (Source: P.A. 93-17, eff. 6-11-03.)

31 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

32 Sec. 9. Except as to motor vehicles, watercraft, aircraft,
33 and trailers that are required to be registered with an agency
34 of this State, each retailer required or authorized to collect
35 the tax imposed by this Act shall pay to the Department the

1 amount of such tax (except as otherwise provided) at the time
2 when he is required to file his return for the period during
3 which such tax was collected, less a discount of 2.1% prior to
4 January 1, 1990, and 1.75% on and after January 1, 1990, or \$5
5 per calendar year, whichever is greater, which is allowed to
6 reimburse the retailer for expenses incurred in collecting the
7 tax, keeping records, preparing and filing returns, remitting
8 the tax and supplying data to the Department on request. In the
9 case of retailers who report and pay the tax on a transaction
10 by transaction basis, as provided in this Section, such
11 discount shall be taken with each such tax remittance instead
12 of when such retailer files his periodic return. A retailer
13 need not remit that part of any tax collected by him to the
14 extent that he is required to remit and does remit the tax
15 imposed by the Retailers' Occupation Tax Act, with respect to
16 the sale of the same property.

17 Where such tangible personal property is sold under a
18 conditional sales contract, or under any other form of sale
19 wherein the payment of the principal sum, or a part thereof, is
20 extended beyond the close of the period for which the return is
21 filed, the retailer, in collecting the tax (except as to motor
22 vehicles, watercraft, aircraft, and trailers that are required
23 to be registered with an agency of this State), may collect for
24 each tax return period, only the tax applicable to that part of
25 the selling price actually received during such tax return
26 period.

27 Except as provided in this Section, on or before the
28 twentieth day of each calendar month, such retailer shall file
29 a return for the preceding calendar month. Such return shall be
30 filed on forms prescribed by the Department and shall furnish
31 such information as the Department may reasonably require.

32 The Department may require returns to be filed on a
33 quarterly basis. If so required, a return for each calendar
34 quarter shall be filed on or before the twentieth day of the
35 calendar month following the end of such calendar quarter. The
36 taxpayer shall also file a return with the Department for each

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

3 1. The name of the seller;

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

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

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

14 5. The amount of tax due;

15 5-5. The signature of the taxpayer; and

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

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

22 Beginning October 1, 1993, a taxpayer who has an average
23 monthly tax liability of \$150,000 or more shall make all
24 payments required by rules of the Department by electronic
25 funds transfer. Beginning October 1, 1994, a taxpayer who has
26 an average monthly tax liability of \$100,000 or more shall make
27 all payments required by rules of the Department by electronic
28 funds transfer. Beginning October 1, 1995, a taxpayer who has
29 an average monthly tax liability of \$50,000 or more shall make
30 all payments required by rules of the Department by electronic
31 funds transfer. Beginning October 1, 2000, a taxpayer who has
32 an annual tax liability of \$200,000 or more shall make all
33 payments required by rules of the Department by electronic
34 funds transfer. The term "annual tax liability" shall be the
35 sum of the taxpayer's liabilities under this Act, and under all
36 other State and local occupation and use tax laws administered

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

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

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

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

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

26 Before October 1, 2000, if the taxpayer's average monthly
27 tax liability to the Department under this Act, the Retailers'
28 Occupation Tax Act, the Service Occupation Tax Act, the Service
29 Use Tax Act was \$10,000 or more during the preceding 4 complete
30 calendar quarters, he shall file a return with the Department
31 each month by the 20th day of the month next following the
32 month during which such tax liability is incurred and shall
33 make payments to the Department on or before the 7th, 15th,
34 22nd and last day of the month during which such liability is
35 incurred. On and after October 1, 2000, if the taxpayer's
36 average monthly tax liability to the Department under this Act,

1 the Retailers' Occupation Tax Act, the Service Occupation Tax
2 Act, and the Service Use Tax Act was \$20,000 or more during the
3 preceding 4 complete calendar quarters, he shall file a return
4 with the Department each month by the 20th day of the month
5 next following the month during which such tax liability is
6 incurred and shall make payment to the Department on or before
7 the 7th, 15th, 22nd and last day of the month during which such
8 liability is incurred. If the month during which such tax
9 liability is incurred began prior to January 1, 1985, each
10 payment shall be in an amount equal to 1/4 of the taxpayer's
11 actual liability for the month or an amount set by the
12 Department not to exceed 1/4 of the average monthly liability
13 of the taxpayer to the Department for the preceding 4 complete
14 calendar quarters (excluding the month of highest liability and
15 the month of lowest liability in such 4 quarter period). If the
16 month during which such tax liability is incurred begins on or
17 after January 1, 1985, and prior to January 1, 1987, each
18 payment shall be in an amount equal to 22.5% of the taxpayer's
19 actual liability for the month or 27.5% of the taxpayer's
20 liability for the same calendar month of the preceding year. If
21 the month during which such tax liability is incurred begins on
22 or after January 1, 1987, and prior to January 1, 1988, each
23 payment shall be in an amount equal to 22.5% of the taxpayer's
24 actual liability for the month or 26.25% of the taxpayer's
25 liability for the same calendar month of the preceding year. If
26 the month during which such tax liability is incurred begins on
27 or after January 1, 1988, and prior to January 1, 1989, or
28 begins on or after January 1, 1996, each payment shall be in an
29 amount equal to 22.5% of the taxpayer's actual liability for
30 the month or 25% of the taxpayer's liability for the same
31 calendar month of the preceding year. If the month during which
32 such tax liability is incurred begins on or after January 1,
33 1989, and prior to January 1, 1996, each payment shall be in an
34 amount equal to 22.5% of the taxpayer's actual liability for
35 the month or 25% of the taxpayer's liability for the same
36 calendar month of the preceding year or 100% of the taxpayer's

1 actual liability for the quarter monthly reporting period. The
2 amount of such quarter monthly payments shall be credited
3 against the final tax liability of the taxpayer's return for
4 that month. Before October 1, 2000, once applicable, the
5 requirement of the making of quarter monthly payments to the
6 Department shall continue until such taxpayer's average
7 monthly liability to the Department during the preceding 4
8 complete calendar quarters (excluding the month of highest
9 liability and the month of lowest liability) is less than
10 \$9,000, or until such taxpayer's average monthly liability to
11 the Department as computed for each calendar quarter of the 4
12 preceding complete calendar quarter period is less than
13 \$10,000. However, if a taxpayer can show the Department that a
14 substantial change in the taxpayer's business has occurred
15 which causes the taxpayer to anticipate that his average
16 monthly tax liability for the reasonably foreseeable future
17 will fall below the \$10,000 threshold stated above, then such
18 taxpayer may petition the Department for change in such
19 taxpayer's reporting status. On and after October 1, 2000, once
20 applicable, the requirement of the making of quarter monthly
21 payments to the Department shall continue until such taxpayer's
22 average monthly liability to the Department during the
23 preceding 4 complete calendar quarters (excluding the month of
24 highest liability and the month of lowest liability) is less
25 than \$19,000 or until such taxpayer's average monthly liability
26 to the Department as computed for each calendar quarter of the
27 4 preceding complete calendar quarter period is less than
28 \$20,000. However, if a taxpayer can show the Department that a
29 substantial change in the taxpayer's business has occurred
30 which causes the taxpayer to anticipate that his average
31 monthly tax liability for the reasonably foreseeable future
32 will fall below the \$20,000 threshold stated above, then such
33 taxpayer may petition the Department for a change in such
34 taxpayer's reporting status. The Department shall change such
35 taxpayer's reporting status unless it finds that such change is
36 seasonal in nature and not likely to be long term. If any such

1 quarter monthly payment is not paid at the time or in the
2 amount required by this Section, then the taxpayer shall be
3 liable for penalties and interest on the difference between the
4 minimum amount due and the amount of such quarter monthly
5 payment actually and timely paid, except insofar as the
6 taxpayer has previously made payments for that month to the
7 Department in excess of the minimum payments previously due as
8 provided in this Section. The Department shall make reasonable
9 rules and regulations to govern the quarter monthly payment
10 amount and quarter monthly payment dates for taxpayers who file
11 on other than a calendar monthly basis.

12 If any such payment provided for in this Section exceeds
13 the taxpayer's liabilities under this Act, the Retailers'
14 Occupation Tax Act, the Service Occupation Tax Act and the
15 Service Use Tax Act, as shown by an original monthly return,
16 the Department shall issue to the taxpayer a credit memorandum
17 no later than 30 days after the date of payment, which
18 memorandum may be submitted by the taxpayer to the Department
19 in payment of tax liability subsequently to be remitted by the
20 taxpayer to the Department or be assigned by the taxpayer to a
21 similar taxpayer under this Act, the Retailers' Occupation Tax
22 Act, the Service Occupation Tax Act or the Service Use Tax Act,
23 in accordance with reasonable rules and regulations to be
24 prescribed by the Department, except that if such excess
25 payment is shown on an original monthly return and is made
26 after December 31, 1986, no credit memorandum shall be issued,
27 unless requested by the taxpayer. If no such request is made,
28 the taxpayer may credit such excess payment against tax
29 liability subsequently to be remitted by the taxpayer to the
30 Department under this Act, the Retailers' Occupation Tax Act,
31 the Service Occupation Tax Act or the Service Use Tax Act, in
32 accordance with reasonable rules and regulations prescribed by
33 the Department. If the Department subsequently determines that
34 all or any part of the credit taken was not actually due to the
35 taxpayer, the taxpayer's 2.1% or 1.75% vendor's discount shall
36 be reduced by 2.1% or 1.75% of the difference between the

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

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

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

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

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

30 In addition, with respect to motor vehicles, watercraft,
31 aircraft, and trailers that are required to be registered with
32 an agency of this State, every retailer selling this kind of
33 tangible personal property shall file, with the Department,
34 upon a form to be prescribed and supplied by the Department, a
35 separate return for each such item of tangible personal
36 property which the retailer sells, except that if, in the same

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

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

1 require.

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

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

30 With each such transaction reporting return, the retailer
31 shall remit the proper amount of tax due (or shall submit
32 satisfactory evidence that the sale is not taxable if that is
33 the case), to the Department or its agents, whereupon the
34 Department shall issue, in the purchaser's name, a tax receipt
35 (or a certificate of exemption if the Department is satisfied
36 that the particular sale is tax exempt) which such purchaser

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

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

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

33 Where a retailer collects the tax with respect to the
34 selling price of tangible personal property which he sells and
35 the purchaser thereafter returns such tangible personal
36 property and the retailer refunds the selling price thereof to

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

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

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

27 Where the retailer has more than one business registered
28 with the Department under separate registration under this Act,
29 such retailer may not file each return that is due as a single
30 return covering all such registered businesses, but shall file
31 separate returns for each such registered business.

32 Beginning January 1, 1990, each month the Department shall
33 pay into the State and Local Sales Tax Reform Fund, a special
34 fund in the State Treasury which is hereby created, the net
35 revenue realized for the preceding month from the 1% tax on
36 sales of food for human consumption which is to be consumed off

1 the premises where it is sold (other than alcoholic beverages,
2 soft drinks and food which has been prepared for immediate
3 consumption) and prescription and nonprescription medicines,
4 drugs, medical appliances and insulin, urine testing
5 materials, syringes and needles used by diabetics.

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

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

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

25 Beginning August 1, 2004, each month the Department shall
26 pay into the State and Local Sales Tax Reform Fund 100% of the
27 net revenue realized for the preceding month from the 1.25%
28 rate on the selling price of textbooks required for use at
29 State universities and public community colleges or at
30 institutions of higher learning as defined in the Illinois
31 Financial Assistance Act for Nonpublic Institutions of Higher
32 Learning.

33 Beginning January 1, 1990, each month the Department shall
34 pay into the Local Government Tax Fund 16% of the net revenue
35 realized for the preceding month from the 6.25% general rate on
36 the selling price of tangible personal property which is

1 purchased outside Illinois at retail from a retailer and which
2 is titled or registered by an agency of this State's
3 government.

4 Of the remainder of the moneys received by the Department
5 pursuant to this Act, (a) 1.75% thereof shall be paid into the
6 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
7 and after July 1, 1989, 3.8% thereof shall be paid into the
8 Build Illinois Fund; provided, however, that if in any fiscal
9 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
10 may be, of the moneys received by the Department and required
11 to be paid into the Build Illinois Fund pursuant to Section 3
12 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax
13 Act, Section 9 of the Service Use Tax Act, and Section 9 of the
14 Service Occupation Tax Act, such Acts being hereinafter called
15 the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case
16 may be, of moneys being hereinafter called the "Tax Act
17 Amount", and (2) the amount transferred to the Build Illinois
18 Fund from the State and Local Sales Tax Reform Fund shall be
19 less than the Annual Specified Amount (as defined in Section 3
20 of the Retailers' Occupation Tax Act), an amount equal to the
21 difference shall be immediately paid into the Build Illinois
22 Fund from other moneys received by the Department pursuant to
23 the Tax Acts; and further provided, that if on the last
24 business day of any month the sum of (1) the Tax Act Amount
25 required to be deposited into the Build Illinois Bond Account
26 in the Build Illinois Fund during such month and (2) the amount
27 transferred during such month to the Build Illinois Fund from
28 the State and Local Sales Tax Reform Fund shall have been less
29 than 1/12 of the Annual Specified Amount, an amount equal to
30 the difference shall be immediately paid into the Build
31 Illinois Fund from other moneys received by the Department
32 pursuant to the Tax Acts; and, further provided, that in no
33 event shall the payments required under the preceding proviso
34 result in aggregate payments into the Build Illinois Fund
35 pursuant to this clause (b) for any fiscal year in excess of
36 the greater of (i) the Tax Act Amount or (ii) the Annual

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

33 Subject to payment of amounts into the Build Illinois Fund
34 as provided in the preceding paragraph or in any amendment
35 thereto hereafter enacted, the following specified monthly
36 installment of the amount requested in the certificate of the

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

	Fiscal Year	Total Deposit
9		
10	1993	\$0
11	1994	53,000,000
12	1995	58,000,000
13	1996	61,000,000
14	1997	64,000,000
15	1998	68,000,000
16	1999	71,000,000
17	2000	75,000,000
18	2001	80,000,000
19	2002	93,000,000
20	2003	99,000,000
21	2004	103,000,000
22	2005	108,000,000
23	2006	113,000,000
24	2007	119,000,000
25	2008	126,000,000
26	2009	132,000,000
27	2010	139,000,000
28	2011	146,000,000
29	2012	153,000,000
30	2013	161,000,000
31	2014	170,000,000
32	2015	179,000,000
33	2016	189,000,000
34	2017	199,000,000
35	2018	210,000,000

1	2019	221,000,000
2	2020	233,000,000
3	2021	246,000,000
4	2022	260,000,000
5	2023 and	275,000,000

6 each fiscal year
7 thereafter that bonds
8 are outstanding under
9 Section 13.2 of the
10 Metropolitan Pier and
11 Exposition Authority Act,
12 but not after fiscal year 2042.

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

26 Subject to payment of amounts into the Build Illinois Fund
27 and the McCormick Place Expansion Project Fund pursuant to the
28 preceding paragraphs or in any amendments thereto hereafter
29 enacted, beginning July 1, 1993, the Department shall each
30 month pay into the Illinois Tax Increment Fund 0.27% of 80% of
31 the net revenue realized for the preceding month from the 6.25%
32 general rate on the selling price of tangible personal
33 property.

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

1 enacted, beginning with the receipt of the first report of
2 taxes paid by an eligible business and continuing for a 25-year
3 period, the Department shall each month pay into the Energy
4 Infrastructure Fund 80% of the net revenue realized from the
5 6.25% general rate on the selling price of Illinois-mined coal
6 that was sold to an eligible business. For purposes of this
7 paragraph, the term "eligible business" means a new electric
8 generating facility certified pursuant to Section 605-332 of
9 the Department of Commerce and Economic Opportunity Community
10 ~~Affairs~~ Law of the Civil Administrative Code of Illinois.

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

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

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

28 For greater simplicity of administration, manufacturers,
29 importers and wholesalers whose products are sold at retail in
30 Illinois by numerous retailers, and who wish to do so, may
31 assume the responsibility for accounting and paying to the
32 Department all tax accruing under this Act with respect to such
33 sales, if the retailers who are affected do not make written
34 objection to the Department to this arrangement.

35 (Source: P.A. 91-37, eff. 7-1-99; 91-51, eff. 6-30-99; 91-101,
36 eff. 7-12-99; 91-541, eff. 8-13-99; 91-872, eff. 7-1-00;

1 91-901, eff. 1-1-01; 92-12, eff. 7-1-01; 92-16, eff. 6-28-01;
2 92-208, eff. 8-2-01; 92-492, eff. 1-1-02; 92-600, eff. 6-28-02;
3 92-651, eff. 7-11-02; revised 10-15-03.)

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

6 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

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

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

17 With respect to gasohol, as defined in the Use Tax Act, the
18 tax imposed by this Act applies to (i) 70% of the selling price
19 of property transferred as an incident to the sale of service
20 on or after January 1, 1990, and before July 1, 2003, (ii) 80%
21 of the selling price of property transferred as an incident to
22 the sale of service on or after July 1, 2003 and on or before
23 December 31, 2013, and (iii) 100% of the selling price
24 thereafter. If, at any time, however, the tax under this Act on
25 sales of gasohol, as defined in the Use Tax Act, is imposed at
26 the rate of 1.25%, then the tax imposed by this Act applies to
27 100% of the proceeds of sales of gasohol made during that time.

28 With respect to majority blended ethanol fuel, as defined
29 in the Use Tax Act, the tax imposed by this Act does not apply
30 to the selling price of property transferred as an incident to
31 the sale of service on or after July 1, 2003 and on or before
32 December 31, 2013 but applies to 100% of the selling price
33 thereafter.

34 With respect to biodiesel blends, as defined in the Use Tax

1 Act, with no less than 1% and no more than 10% biodiesel, the
2 tax imposed by this Act applies to (i) 80% of the selling price
3 of property transferred as an incident to the sale of service
4 on or after July 1, 2003 and on or before December 31, 2013 and
5 (ii) 100% of the proceeds of the selling price thereafter. If,
6 at any time, however, the tax under this Act on sales of
7 biodiesel blends, as defined in the Use Tax Act, with no less
8 than 1% and no more than 10% biodiesel is imposed at the rate
9 of 1.25%, then the tax imposed by this Act applies to 100% of
10 the proceeds of sales of biodiesel blends with no less than 1%
11 and no more than 10% biodiesel made during that time.

12 With respect to 100% biodiesel, as defined in the Use Tax
13 Act, and biodiesel blends, as defined in the Use Tax Act, with
14 more than 10% but no more than 99% biodiesel, the tax imposed
15 by this Act does not apply to the proceeds of the selling price
16 of property transferred as an incident to the sale of service
17 on or after July 1, 2003 and on or before December 31, 2013 but
18 applies to 100% of the selling price thereafter.

19 Beginning July 1, 2004, with respect to textbooks required
20 for use at State universities and public community colleges or
21 at institutions of higher learning as defined in the Illinois
22 Financial Assistance Act for Nonpublic Institutions of Higher
23 Learning, the tax is imposed at the rate of 1.25%. The
24 Department may adopt rules necessary to implement and
25 administer the 1.25% rate on textbooks.

26 At the election of any registered serviceman made for each
27 fiscal year, sales of service in which the aggregate annual
28 cost price of tangible personal property transferred as an
29 incident to the sales of service is less than 35%, or 75% in
30 the case of servicemen transferring prescription drugs or
31 servicemen engaged in graphic arts production, of the aggregate
32 annual total gross receipts from all sales of service, the tax
33 imposed by this Act shall be based on the serviceman's cost
34 price of the tangible personal property transferred as an
35 incident to the sale of those services.

36 The tax shall be imposed at the rate of 1% on food prepared

1 for immediate consumption and transferred incident to a sale of
2 service subject to this Act or the Service Occupation Tax Act
3 by an entity licensed under the Hospital Licensing Act, the
4 Nursing Home Care Act, or the Child Care Act of 1969. The tax
5 shall also be imposed at the rate of 1% on food for human
6 consumption that is to be consumed off the premises where it is
7 sold (other than alcoholic beverages, soft drinks, and food
8 that has been prepared for immediate consumption and is not
9 otherwise included in this paragraph) and prescription and
10 nonprescription medicines, drugs, medical appliances,
11 modifications to a motor vehicle for the purpose of rendering
12 it usable by a disabled person, and insulin, urine testing
13 materials, syringes, and needles used by diabetics, for human
14 use. For the purposes of this Section, the term "soft drinks"
15 means any complete, finished, ready-to-use, non-alcoholic
16 drink, whether carbonated or not, including but not limited to
17 soda water, cola, fruit juice, vegetable juice, carbonated
18 water, and all other preparations commonly known as soft drinks
19 of whatever kind or description that are contained in any
20 closed or sealed bottle, can, carton, or container, regardless
21 of size. "Soft drinks" does not include coffee, tea,
22 non-carbonated water, infant formula, milk or milk products as
23 defined in the Grade A Pasteurized Milk and Milk Products Act,
24 or drinks containing 50% or more natural fruit or vegetable
25 juice.

26 Notwithstanding any other provisions of this Act, "food for
27 human consumption that is to be consumed off the premises where
28 it is sold" includes all food sold through a vending machine,
29 except soft drinks and food products that are dispensed hot
30 from a vending machine, regardless of the location of the
31 vending machine.

32 If the property that is acquired from a serviceman is
33 acquired outside Illinois and used outside Illinois before
34 being brought to Illinois for use here and is taxable under
35 this Act, the "selling price" on which the tax is computed
36 shall be reduced by an amount that represents a reasonable

1 allowance for depreciation for the period of prior out-of-state
2 use.

3 (Source: P.A. 93-17, eff. 6-11-03.)

4 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

5 Sec. 9. Each serviceman required or authorized to collect
6 the tax herein imposed shall pay to the Department the amount
7 of such tax (except as otherwise provided) at the time when he
8 is required to file his return for the period during which such
9 tax was collected, less a discount of 2.1% prior to January 1,
10 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar
11 year, whichever is greater, which is allowed to reimburse the
12 serviceman for expenses incurred in collecting the tax, keeping
13 records, preparing and filing returns, remitting the tax and
14 supplying data to the Department on request. A serviceman need
15 not remit that part of any tax collected by him to the extent
16 that he is required to pay and does pay the tax imposed by the
17 Service Occupation Tax Act with respect to his sale of service
18 involving the incidental transfer by him of the same property.

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

26 The Department may require returns to be filed on a
27 quarterly basis. If so required, a return for each calendar
28 quarter shall be filed on or before the twentieth day of the
29 calendar month following the end of such calendar quarter. The
30 taxpayer shall also file a return with the Department for each
31 of the first two months of each calendar quarter, on or before
32 the twentieth day of the following calendar month, stating:

- 33 1. The name of the seller;
- 34 2. The address of the principal place of business from
35 which he engages in business as a serviceman in this State;

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

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

7 5. The amount of tax due;

8 5-5. The signature of the taxpayer; and

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

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

15 Beginning October 1, 1993, a taxpayer who has an average
16 monthly tax liability of \$150,000 or more shall make all
17 payments required by rules of the Department by electronic
18 funds transfer. Beginning October 1, 1994, a taxpayer who has
19 an average monthly tax liability of \$100,000 or more shall make
20 all payments required by rules of the Department by electronic
21 funds transfer. Beginning October 1, 1995, a taxpayer who has
22 an average monthly tax liability of \$50,000 or more shall make
23 all payments required by rules of the Department by electronic
24 funds transfer. Beginning October 1, 2000, a taxpayer who has
25 an annual tax liability of \$200,000 or more shall make all
26 payments required by rules of the Department by electronic
27 funds transfer. The term "annual tax liability" shall be the
28 sum of the taxpayer's liabilities under this Act, and under all
29 other State and local occupation and use tax laws administered
30 by the Department, for the immediately preceding calendar year.
31 The term "average monthly tax liability" means the sum of the
32 taxpayer's liabilities under this Act, and under all other
33 State and local occupation and use tax laws administered by the
34 Department, for the immediately preceding calendar year
35 divided by 12. Beginning on October 1, 2002, a taxpayer who has
36 a tax liability in the amount set forth in subsection (b) of

1 Section 2505-210 of the Department of Revenue Law shall make
2 all payments required by rules of the Department by electronic
3 funds transfer.

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

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

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

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

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

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

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

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

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

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

27 Any serviceman filing a return hereunder shall also include
28 the total tax upon the selling price of tangible personal
29 property purchased for use by him as an incident to a sale of
30 service, and such serviceman shall remit the amount of such tax
31 to the Department when filing such return.

32 If experience indicates such action to be practicable, the
33 Department may prescribe and furnish a combination or joint
34 return which will enable servicemen, who are required to file
35 returns hereunder and also under the Service Occupation Tax
36 Act, to furnish all the return information required by both

1 Acts on the one form.

2 Where the serviceman has more than one business registered
3 with the Department under separate registration hereunder,
4 such serviceman shall not file each return that is due as a
5 single return covering all such registered businesses, but
6 shall file separate returns for each such registered business.

7 Beginning January 1, 1990, each month the Department shall
8 pay into the State and Local Tax Reform Fund, a special fund in
9 the State Treasury, the net revenue realized for the preceding
10 month from the 1% tax on sales of food for human consumption
11 which is to be consumed off the premises where it is sold
12 (other than alcoholic beverages, soft drinks and food which has
13 been prepared for immediate consumption) and prescription and
14 nonprescription medicines, drugs, medical appliances and
15 insulin, urine testing materials, syringes and needles used by
16 diabetics.

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

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

28 Beginning August 1, 2004, each month the Department shall
29 pay into the State and Local Sales Tax Reform Fund 100% of the
30 net revenue realized for the preceding month from the 1.25%
31 rate on the selling price of textbooks required for use at
32 State universities and public community colleges or at
33 institutions of higher learning as defined in the Illinois
34 Financial Assistance Act for Nonpublic Institutions of Higher
35 Learning.

36 Of the remainder of the moneys received by the Department

1 pursuant to this Act, (a) 1.75% thereof shall be paid into the
2 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
3 and after July 1, 1989, 3.8% thereof shall be paid into the
4 Build Illinois Fund; provided, however, that if in any fiscal
5 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
6 may be, of the moneys received by the Department and required
7 to be paid into the Build Illinois Fund pursuant to Section 3
8 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax
9 Act, Section 9 of the Service Use Tax Act, and Section 9 of the
10 Service Occupation Tax Act, such Acts being hereinafter called
11 the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case
12 may be, of moneys being hereinafter called the "Tax Act
13 Amount", and (2) the amount transferred to the Build Illinois
14 Fund from the State and Local Sales Tax Reform Fund shall be
15 less than the Annual Specified Amount (as defined in Section 3
16 of the Retailers' Occupation Tax Act), an amount equal to the
17 difference shall be immediately paid into the Build Illinois
18 Fund from other moneys received by the Department pursuant to
19 the Tax Acts; and further provided, that if on the last
20 business day of any month the sum of (1) the Tax Act Amount
21 required to be deposited into the Build Illinois Bond Account
22 in the Build Illinois Fund during such month and (2) the amount
23 transferred during such month to the Build Illinois Fund from
24 the State and Local Sales Tax Reform Fund shall have been less
25 than 1/12 of the Annual Specified Amount, an amount equal to
26 the difference shall be immediately paid into the Build
27 Illinois Fund from other moneys received by the Department
28 pursuant to the Tax Acts; and, further provided, that in no
29 event shall the payments required under the preceding proviso
30 result in aggregate payments into the Build Illinois Fund
31 pursuant to this clause (b) for any fiscal year in excess of
32 the greater of (i) the Tax Act Amount or (ii) the Annual
33 Specified Amount for such fiscal year; and, further provided,
34 that the amounts payable into the Build Illinois Fund under
35 this clause (b) shall be payable only until such time as the
36 aggregate amount on deposit under each trust indenture securing

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

29 Subject to payment of amounts into the Build Illinois Fund
30 as provided in the preceding paragraph or in any amendment
31 thereto hereafter enacted, the following specified monthly
32 installment of the amount requested in the certificate of the
33 Chairman of the Metropolitan Pier and Exposition Authority
34 provided under Section 8.25f of the State Finance Act, but not
35 in excess of the sums designated as "Total Deposit", shall be
36 deposited in the aggregate from collections under Section 9 of

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

5	Fiscal Year	Total
		Deposit
6	1993	\$0
7	1994	53,000,000
8	1995	58,000,000
9	1996	61,000,000
10	1997	64,000,000
11	1998	68,000,000
12	1999	71,000,000
13	2000	75,000,000
14	2001	80,000,000
15	2002	93,000,000
16	2003	99,000,000
17	2004	103,000,000
18	2005	108,000,000
19	2006	113,000,000
20	2007	119,000,000
21	2008	126,000,000
22	2009	132,000,000
23	2010	139,000,000
24	2011	146,000,000
25	2012	153,000,000
26	2013	161,000,000
27	2014	170,000,000
28	2015	179,000,000
29	2016	189,000,000
30	2017	199,000,000
31	2018	210,000,000
32	2019	221,000,000
33	2020	233,000,000
34	2021	246,000,000
35	2022	260,000,000

1 2023 and 275,000,000
2 each fiscal year
3 thereafter that bonds
4 are outstanding under
5 Section 13.2 of the
6 Metropolitan Pier and
7 Exposition Authority Act,
8 but not after fiscal year 2042.

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

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, the Department shall each
26 month pay into the Illinois Tax Increment Fund 0.27% of 80% of
27 the net revenue realized for the preceding month from the 6.25%
28 general rate on the selling price of tangible personal
29 property.

30 Subject to payment of amounts into the Build Illinois Fund
31 and the McCormick Place Expansion Project Fund pursuant to the
32 preceding paragraphs or in any amendments thereto hereafter
33 enacted, beginning with the receipt of the first report of
34 taxes paid by an eligible business and continuing for a 25-year
35 period, the Department shall each month pay into the Energy
36 Infrastructure Fund 80% of the net revenue realized from the

1 6.25% general rate on the selling price of Illinois-mined coal
2 that was sold to an eligible business. For purposes of this
3 paragraph, the term "eligible business" means a new electric
4 generating facility certified pursuant to Section 605-332 of
5 the Department of Commerce and Economic Opportunity ~~Community~~
6 ~~Affairs~~ Law of the Civil Administrative Code of Illinois.

7 All remaining moneys received by the Department pursuant to
8 this Act shall be paid into the General Revenue Fund of the
9 State Treasury.

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

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

21 (Source: P.A. 92-12, eff. 7-1-01; 92-208, eff. 8-2-01; 92-492,
22 eff. 1-1-02; 92-600, eff. 6-28-02; 92-651, eff. 7-11-02;
23 revised 10-15-03.)

24 Section 20. The Service Occupation Tax Act is amended by
25 changing Sections 3-10 and 9 as follows:

26 (35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

27 Sec. 3-10. Rate of tax. Unless otherwise provided in this
28 Section, the tax imposed by this Act is at the rate of 6.25% of
29 the "selling price", as defined in Section 2 of the Service Use
30 Tax Act, of the tangible personal property. For the purpose of
31 computing this tax, in no event shall the "selling price" be
32 less than the cost price to the serviceman of the tangible
33 personal property transferred. The selling price of each item
34 of tangible personal property transferred as an incident of a

1 sale of service may be shown as a distinct and separate item on
2 the serviceman's billing to the service customer. If the
3 selling price is not so shown, the selling price of the
4 tangible personal property is deemed to be 50% of the
5 serviceman's entire billing to the service customer. When,
6 however, a serviceman contracts to design, develop, and produce
7 special order machinery or equipment, the tax imposed by this
8 Act shall be based on the serviceman's cost price of the
9 tangible personal property transferred incident to the
10 completion of the contract.

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

15 With respect to gasohol, as defined in the Use Tax Act, the
16 tax imposed by this Act shall apply to (i) 70% of the cost
17 price of property transferred as an incident to the sale of
18 service on or after January 1, 1990, and before July 1, 2003,
19 (ii) 80% of the selling price of property transferred as an
20 incident to the sale of service on or after July 1, 2003 and on
21 or before December 31, 2013, and (iii) 100% of the cost price
22 thereafter. If, at any time, however, the tax under this Act on
23 sales of gasohol, as defined in the Use Tax Act, is imposed at
24 the rate of 1.25%, then the tax imposed by this Act applies to
25 100% of the proceeds of sales of gasohol made during that time.

26 With respect to majority blended ethanol fuel, as defined
27 in the Use Tax Act, the tax imposed by this Act does not apply
28 to the selling price of property transferred as an incident to
29 the sale of service on or after July 1, 2003 and on or before
30 December 31, 2013 but applies to 100% of the selling price
31 thereafter.

32 With respect to biodiesel blends, as defined in the Use Tax
33 Act, with no less than 1% and no more than 10% biodiesel, the
34 tax imposed by this Act applies to (i) 80% of the selling price
35 of property transferred as an incident to the sale of service
36 on or after July 1, 2003 and on or before December 31, 2013 and

1 (ii) 100% of the proceeds of the selling price thereafter. If,
2 at any time, however, the tax under this Act on sales of
3 biodiesel blends, as defined in the Use Tax Act, with no less
4 than 1% and no more than 10% biodiesel is imposed at the rate
5 of 1.25%, then the tax imposed by this Act applies to 100% of
6 the proceeds of sales of biodiesel blends with no less than 1%
7 and no more than 10% biodiesel made during that time.

8 With respect to 100% biodiesel, as defined in the Use Tax
9 Act, and biodiesel blends, as defined in the Use Tax Act, with
10 more than 10% but no more than 99% biodiesel material, the tax
11 imposed by this Act does not apply to the proceeds of the
12 selling price of property transferred as an incident to the
13 sale of service on or after July 1, 2003 and on or before
14 December 31, 2013 but applies to 100% of the selling price
15 thereafter.

16 Beginning July 1, 2004, with respect to textbooks required
17 for use at State universities and public community colleges or
18 at institutions of higher learning as defined in the Illinois
19 Financial Assistance Act for Nonpublic Institutions of Higher
20 Learning, the tax is imposed at the rate of 1.25%. The
21 Department may adopt rules necessary to implement and
22 administer the 1.25% rate on textbooks.

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

33 The tax shall be imposed at the rate of 1% on food prepared
34 for immediate consumption and transferred incident to a sale of
35 service subject to this Act or the Service Occupation Tax Act
36 by an entity licensed under the Hospital Licensing Act, the

1 Nursing Home Care Act, or the Child Care Act of 1969. The tax
2 shall also be imposed at the rate of 1% on food for human
3 consumption that is to be consumed off the premises where it is
4 sold (other than alcoholic beverages, soft drinks, and food
5 that has been prepared for immediate consumption and is not
6 otherwise included in this paragraph) and prescription and
7 nonprescription medicines, drugs, medical appliances,
8 modifications to a motor vehicle for the purpose of rendering
9 it usable by a disabled person, and insulin, urine testing
10 materials, syringes, and needles used by diabetics, for human
11 use. For the purposes of this Section, the term "soft drinks"
12 means any complete, finished, ready-to-use, non-alcoholic
13 drink, whether carbonated or not, including but not limited to
14 soda water, cola, fruit juice, vegetable juice, carbonated
15 water, and all other preparations commonly known as soft drinks
16 of whatever kind or description that are contained in any
17 closed or sealed can, carton, or container, regardless of size.
18 "Soft drinks" does not include coffee, tea, non-carbonated
19 water, infant formula, milk or milk products as defined in the
20 Grade A Pasteurized Milk and Milk Products Act, or drinks
21 containing 50% or more natural fruit or vegetable juice.

22 Notwithstanding any other provisions of this Act, "food for
23 human consumption that is to be consumed off the premises where
24 it is sold" includes all food sold through a vending machine,
25 except soft drinks and food products that are dispensed hot
26 from a vending machine, regardless of the location of the
27 vending machine.

28 (Source: P.A. 93-17, eff. 6-11-03.)

29 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

30 Sec. 9. Each serviceman required or authorized to collect
31 the tax herein imposed shall pay to the Department the amount
32 of such tax at the time when he is required to file his return
33 for the period during which such tax was collectible, less a
34 discount of 2.1% prior to January 1, 1990, and 1.75% on and
35 after January 1, 1990, or \$5 per calendar year, whichever is

1 greater, which is allowed to reimburse the serviceman for
2 expenses incurred in collecting the tax, keeping records,
3 preparing and filing returns, remitting the tax and supplying
4 data to the Department on request.

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

13 Except as provided hereinafter in this Section, on or
14 before the twentieth day of each calendar month, such
15 serviceman shall file a return for the preceding calendar month
16 in accordance with reasonable rules and regulations to be
17 promulgated by the Department of Revenue. Such return shall be
18 filed on a form prescribed by the Department and shall contain
19 such information as the Department may reasonably require.

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

- 27 1. The name of the seller;
- 28 2. The address of the principal place of business from
29 which he engages in business as a serviceman in this State;
- 30 3. The total amount of taxable receipts received by him
31 during the preceding calendar month, including receipts
32 from charge and time sales, but less all deductions allowed
33 by law;
- 34 4. The amount of credit provided in Section 2d of this
35 Act;
- 36 5. The amount of tax due;

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

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

8 Prior to October 1, 2003, a serviceman may accept a
9 Manufacturer's Purchase Credit certification from a purchaser
10 in satisfaction of Service Use Tax as provided in Section 3-70
11 of the Service Use Tax Act if the purchaser provides the
12 appropriate documentation as required by Section 3-70 of the
13 Service Use Tax Act. A Manufacturer's Purchase Credit
14 certification, accepted prior to October 1, 2003 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 shall be disallowed. No
22 Manufacturer's Purchase Credit may be used after September 30,
23 2003 to satisfy any tax liability imposed under this Act,
24 including any audit liability.

25 If the serviceman's average monthly tax liability to the
26 Department does not exceed \$200, the Department may authorize
27 his returns to be filed on a quarter annual basis, with the
28 return for January, February and March of a given year being
29 due by April 20 of such year; with the return for April, May
30 and June of a given year being due by July 20 of such year; with
31 the return for July, August and September of a given year being
32 due by October 20 of such year, and with the return for
33 October, November and December of a given year being due by
34 January 20 of the following year.

35 If the serviceman's average monthly tax liability to the
36 Department does not exceed \$50, the Department may authorize

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

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

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

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

1 funds transfer.

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

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

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

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

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

34 If experience indicates such action to be practicable, the
35 Department may prescribe and furnish a combination or joint
36 return which will enable servicemen, who are required to file

1 returns hereunder and also under the Retailers' Occupation Tax
2 Act, the Use Tax Act or the Service Use Tax Act, to furnish all
3 the return information required by all said Acts on the one
4 form.

5 Where the serviceman has more than one business registered
6 with the Department under separate registrations hereunder,
7 such serviceman shall file separate returns for each registered
8 business.

9 Beginning January 1, 1990, each month the Department shall
10 pay into the Local Government Tax Fund the revenue realized for
11 the preceding month from the 1% tax on sales of food for human
12 consumption which is to be consumed off the premises where it
13 is sold (other than alcoholic beverages, soft drinks and food
14 which has been prepared for immediate consumption) and
15 prescription and nonprescription medicines, drugs, medical
16 appliances and insulin, urine testing materials, syringes and
17 needles used by diabetics.

18 Beginning January 1, 1990, each month the Department shall
19 pay into the County and Mass Transit District Fund 4% of the
20 revenue realized for the preceding month from the 6.25% general
21 rate.

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

26 Beginning August 1, 2004, each month the Department shall
27 pay into the County and Mass Transit District Fund 20% of the
28 net revenue realized for the preceding month from the 1.25%
29 rate on the selling price of textbooks required for use at
30 State universities and public community colleges or at
31 institutions of higher learning as defined in the Illinois
32 Financial Assistance Act for Nonpublic Institutions of Higher
33 Learning.

34 Beginning January 1, 1990, each month the Department shall
35 pay into the Local Government Tax Fund 16% of the revenue
36 realized for the preceding month from the 6.25% general rate on

1 transfers of tangible personal property.

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

6 Beginning August 1, 2004, each month the Department shall
7 pay into the Local Government Tax Fund 80% of the net revenue
8 realized for the preceding month from the 1.25% rate on the
9 selling price of textbooks required for use at State
10 universities and public community colleges or at institutions
11 of higher learning as defined in the Illinois Financial
12 Assistance Act for Nonpublic Institutions of Higher Learning.

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

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

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

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

18	Fiscal Year	Total Deposit
19	1993	\$0
20	1994	53,000,000
21	1995	58,000,000
22	1996	61,000,000
23	1997	64,000,000
24	1998	68,000,000
25	1999	71,000,000
26	2000	75,000,000
27	2001	80,000,000
28	2002	93,000,000
29	2003	99,000,000
30	2004	103,000,000
31	2005	108,000,000
32	2006	113,000,000
33	2007	119,000,000
34	2008	126,000,000
35	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	246,000,000
13	2022	260,000,000
14	2023 and	275,000,000

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 2042.

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
 27 the State Treasurer in the respective month under subsection
 28 (g) of Section 13 of the Metropolitan Pier and Exposition
 29 Authority Act, plus cumulative deficiencies in the deposits
 30 required under this Section for previous months and years,
 31 shall be deposited into the McCormick Place Expansion Project
 32 Fund, until the full amount requested for the fiscal year, but
 33 not in excess of the amount specified above as "Total Deposit",
 34 has been deposited.

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

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

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

20 Remaining moneys received by the Department pursuant to
21 this Act shall be paid into the General Revenue Fund of the
22 State Treasury.

23 The Department may, upon separate written notice to a
24 taxpayer, require the taxpayer to prepare and file with the
25 Department on a form prescribed by the Department within not
26 less than 60 days after receipt of the notice an annual
27 information return for the tax year specified in the notice.
28 Such annual return to the Department shall include a statement
29 of gross receipts as shown by the taxpayer's last Federal
30 income tax return. If the total receipts of the business as
31 reported in the Federal income tax return do not agree with the
32 gross receipts reported to the Department of Revenue for the
33 same period, the taxpayer shall attach to his annual return a
34 schedule showing a reconciliation of the 2 amounts and the
35 reasons for the difference. The taxpayer's annual return to the
36 Department shall also disclose the cost of goods sold by the

1 taxpayer during the year covered by such return, opening and
2 closing inventories of such goods for such year, cost of goods
3 used from stock or taken from stock and given away by the
4 taxpayer during such year, pay roll information of the
5 taxpayer's business during such year and any additional
6 reasonable information which the Department deems would be
7 helpful in determining the accuracy of the monthly, quarterly
8 or annual returns filed by such taxpayer as hereinbefore
9 provided for in this Section.

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

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

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

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

31 The foregoing portion of this Section concerning the filing
32 of an annual information return shall not apply to a serviceman
33 who is not required to file an income tax return with the
34 United States Government.

35 As soon as possible after the first day of each month, upon
36 certification of the Department of Revenue, the Comptroller

1 shall order transferred and the Treasurer shall transfer from
2 the General Revenue Fund to the Motor Fuel Tax Fund an amount
3 equal to 1.7% of 80% of the net revenue realized under this Act
4 for the second preceding month. Beginning April 1, 2000, this
5 transfer is no longer required and shall not be made.

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

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

18 (Source: P.A. 92-12, eff. 7-1-01; 92-208, eff. 8-2-01; 92-492,
19 eff. 1-1-02; 92-600, eff. 6-28-02; 92-651, eff. 7-11-02; 93-24,
20 eff. 6-20-03; revised 10-15-03.)

21 Section 25. The Retailers' Occupation Tax Act is amended by
22 changing Sections 2-10 and 3 as follows:

23 (35 ILCS 120/2-10) (from Ch. 120, par. 441-10)

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

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

32 Within 14 days after the effective date of this amendatory
33 Act of the 91st General Assembly, each retailer of motor fuel
34 and gasohol shall cause the following notice to be posted in a

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

13 With respect to gasohol, as defined in the Use Tax Act, the
14 tax imposed by this Act applies to (i) 70% of the proceeds of
15 sales made on or after January 1, 1990, and before July 1,
16 2003, (ii) 80% of the proceeds of sales made on or after July
17 1, 2003 and on or before December 31, 2013, and (iii) 100% of
18 the proceeds of sales made thereafter. If, at any time,
19 however, the tax under this Act on sales of gasohol, as defined
20 in the Use Tax Act, is imposed at the rate of 1.25%, then the
21 tax imposed by this Act applies to 100% of the proceeds of
22 sales of gasohol made during that time.

23 With respect to majority blended ethanol fuel, as defined
24 in the Use Tax Act, the tax imposed by this Act does not apply
25 to the proceeds of sales made on or after July 1, 2003 and on or
26 before December 31, 2013 but applies to 100% of the proceeds of
27 sales made thereafter.

28 With respect to biodiesel blends, as defined in the Use Tax
29 Act, with no less than 1% and no more than 10% biodiesel, the
30 tax imposed by this Act applies to (i) 80% of the proceeds of
31 sales made on or after July 1, 2003 and on or before December
32 31, 2013 and (ii) 100% of the proceeds of sales made
33 thereafter. If, at any time, however, the tax under this Act on
34 sales of biodiesel blends, as defined in the Use Tax Act, with
35 no less than 1% and no more than 10% biodiesel is imposed at
36 the rate of 1.25%, then the tax imposed by this Act applies to

1 100% of the proceeds of sales of biodiesel blends with no less
2 than 1% and no more than 10% biodiesel made during that time.

3 With respect to 100% biodiesel, as defined in the Use Tax
4 Act, and biodiesel blends, as defined in the Use Tax Act, with
5 more than 10% but no more than 99% biodiesel, the tax imposed
6 by this Act does not apply to the proceeds of sales made on or
7 after July 1, 2003 and on or before December 31, 2013 but
8 applies to 100% of the proceeds of sales made thereafter.

9 Beginning July 1, 2004, with respect to textbooks required
10 for use at State universities and public community colleges or
11 at institutions of higher learning as defined in the Illinois
12 Financial Assistance Act for Nonpublic Institutions of Higher
13 Learning, the tax is imposed at the rate of 1.25%. The
14 Department may adopt rules necessary to implement and
15 administer the 1.25% rate on textbooks.

16 With respect to food for human consumption that is to be
17 consumed off the premises where it is sold (other than
18 alcoholic beverages, soft drinks, and food that has been
19 prepared for immediate consumption) and prescription and
20 nonprescription medicines, drugs, medical appliances,
21 modifications to a motor vehicle for the purpose of rendering
22 it usable by a disabled person, and insulin, urine testing
23 materials, syringes, and needles used by diabetics, for human
24 use, the tax is imposed at the rate of 1%. For the purposes of
25 this Section, the term "soft drinks" means any complete,
26 finished, ready-to-use, non-alcoholic drink, whether
27 carbonated or not, including but not limited to soda water,
28 cola, fruit juice, vegetable juice, carbonated water, and all
29 other preparations commonly known as soft drinks of whatever
30 kind or description that are contained in any closed or sealed
31 bottle, can, carton, or container, regardless of size. "Soft
32 drinks" does not include coffee, tea, non-carbonated water,
33 infant formula, milk or milk products as defined in the Grade A
34 Pasteurized Milk and Milk Products Act, or drinks containing
35 50% or more natural fruit or vegetable juice.

36 Notwithstanding any other provisions of this Act, "food for

1 human consumption that is to be consumed off the premises where
2 it is sold" includes all food sold through a vending machine,
3 except soft drinks and food products that are dispensed hot
4 from a vending machine, regardless of the location of the
5 vending machine.

6 (Source: P.A. 93-17, eff. 6-11-03.)

7 (35 ILCS 120/3) (from Ch. 120, par. 442)

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

13 1. The name of the seller;

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

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

24 4. Total amount received by him during the preceding
25 calendar month or quarter on charge and time sales of
26 tangible personal property, and from services furnished,
27 by him prior to the month or quarter for which the return
28 is filed;

29 5. Deductions allowed by law;

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

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

35 8. The amount of tax due;

1 9. The signature of the taxpayer; and

2 10. Such other reasonable information as the
3 Department may require.

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

8 Each return shall be accompanied by the statement of
9 prepaid tax issued pursuant to Section 2e for which credit is
10 claimed.

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

27 The Department may require returns to be filed on a
28 quarterly basis. If so required, a return for each calendar
29 quarter shall be filed on or before the twentieth day of the
30 calendar month following the end of such calendar quarter. The
31 taxpayer shall also file a return with the Department for each
32 of the first two months of each calendar quarter, on or before
33 the twentieth day of the following calendar month, stating:

34 1. The name of the seller;

35 2. The address of the principal place of business from
36 which he engages in the business of selling tangible

1 personal property at retail in this State;

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

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

9 5. The amount of tax due; and

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

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

26 Beginning on October 1, 2003, every distributor, importing
27 distributor, and manufacturer of alcoholic liquor as defined in
28 the Liquor Control Act of 1934, shall file a statement with the
29 Department of Revenue, no later than the 10th day of the month
30 for the preceding month during which transactions occurred, by
31 electronic means, showing the total amount of gross receipts
32 from the sale of alcoholic liquor sold or distributed during
33 the preceding month to purchasers; identifying the purchaser to
34 whom it was sold or distributed; the purchaser's tax
35 registration number; and such other information reasonably
36 required by the Department. A copy of the monthly statement

1 shall be sent to the retailer no later than the 10th day of the
2 month for the preceding month during which transactions
3 occurred.

4 If a total amount of less than \$1 is payable, refundable or
5 creditable, such amount shall be disregarded if it is less than
6 50 cents and shall be increased to \$1 if it is 50 cents or more.

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

32 Before August 1 of each year beginning in 1993, the
33 Department shall notify all taxpayers required to make payments
34 by electronic funds transfer. All taxpayers required to make
35 payments by electronic funds transfer shall make those payments
36 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 payments
7 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 Any amount which is required to be shown or reported on any
12 return or other document under this Act shall, if such amount
13 is not a whole-dollar amount, be increased to the nearest
14 whole-dollar amount in any case where the fractional part of a
15 dollar is 50 cents or more, and decreased to the nearest
16 whole-dollar amount where the fractional part of a dollar is
17 less than 50 cents.

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

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

35 Such quarter annual and annual returns, as to form and
36 substance, shall be subject to the same requirements as monthly

1 returns.

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

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

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

1 Any retailer who sells only motor vehicles, watercraft,
2 aircraft, or trailers that are required to be registered with
3 an agency of this State, so that all retailers' occupation tax
4 liability is required to be reported, and is reported, on such
5 transaction reporting returns and who is not otherwise required
6 to file monthly or quarterly returns, need not file monthly or
7 quarterly returns. However, those retailers shall be required
8 to file returns on an annual basis.

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

30 The transaction reporting return in the case of watercraft
31 or aircraft must show the name and address of the seller; the
32 name and address of the purchaser; the amount of the selling
33 price including the amount allowed by the retailer for
34 traded-in property, if any; the amount allowed by the retailer
35 for the traded-in tangible personal property, if any, to the
36 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 price;
3 the amount of tax due from the retailer with respect to such
4 transaction; the amount of tax collected from the purchaser by
5 the retailer on such transaction (or satisfactory evidence that
6 such tax is not due in that particular instance, if that is
7 claimed to be the fact); the place and date of the sale, a
8 sufficient identification of the property sold, and such other
9 information as the Department may reasonably require.

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

22 With each such transaction reporting return, the retailer
23 shall remit the proper amount of tax due (or shall submit
24 satisfactory evidence that the sale is not taxable if that is
25 the case), to the Department or its agents, whereupon the
26 Department shall issue, in the purchaser's name, a use tax
27 receipt (or a certificate of exemption if the Department is
28 satisfied that the particular sale is tax exempt) which such
29 purchaser may submit to the agency with which, or State officer
30 with whom, he must title or register the tangible personal
31 property that is involved (if titling or registration is
32 required) in support of such purchaser's application for an
33 Illinois certificate or other evidence of title or registration
34 to such tangible personal property.

35 No retailer's failure or refusal to remit tax under this
36 Act precludes a user, who has paid the proper tax to the

1 retailer, from obtaining his certificate of title or other
2 evidence of title or registration (if titling or registration
3 is required) upon satisfying the Department that such user has
4 paid the proper tax (if tax is due) to the retailer. The
5 Department shall adopt appropriate rules to carry out the
6 mandate of this paragraph.

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

25 Refunds made by the seller during the preceding return
26 period to purchasers, on account of tangible personal property
27 returned to the seller, shall be allowed as a deduction under
28 subdivision 5 of his monthly or quarterly return, as the case
29 may be, in case the seller had theretofore included the
30 receipts from the sale of such tangible personal property in a
31 return filed by him and had paid the tax imposed by this Act
32 with respect to such receipts.

33 Where the seller is a corporation, the return filed on
34 behalf of such corporation shall be signed by the president,
35 vice-president, secretary or treasurer or by the properly
36 accredited agent of such corporation.

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

5 Except as provided in this Section, the retailer filing the
6 return under this Section shall, at the time of filing such
7 return, pay to the Department the amount of tax imposed by this
8 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%
9 on and after January 1, 1990, or \$5 per calendar year,
10 whichever is greater, which is allowed to reimburse the
11 retailer for the expenses incurred in keeping records,
12 preparing and filing returns, remitting the tax and supplying
13 data to the Department on request. Any prepayment made pursuant
14 to Section 2d of this Act shall be included in the amount on
15 which such 2.1% or 1.75% discount is computed. In the case of
16 retailers who report and pay the tax on a transaction by
17 transaction basis, as provided in this Section, such discount
18 shall be taken with each such tax remittance instead of when
19 such retailer files his periodic return.

20 Before October 1, 2000, if the taxpayer's average monthly
21 tax liability to the Department under this Act, the Use Tax
22 Act, the Service Occupation Tax Act, and the Service Use Tax
23 Act, excluding any liability for prepaid sales tax to be
24 remitted in accordance with Section 2d of this Act, was \$10,000
25 or more during the preceding 4 complete calendar quarters, he
26 shall file a return with the Department each month by the 20th
27 day of the month next following the month during which such tax
28 liability is incurred and shall make payments to the Department
29 on or before the 7th, 15th, 22nd and last day of the month
30 during which such liability is incurred. On and after October
31 1, 2000, if the taxpayer's average monthly tax liability to the
32 Department under this Act, the Use Tax Act, the Service
33 Occupation Tax Act, and the Service Use Tax Act, excluding any
34 liability for prepaid sales tax to be remitted in accordance
35 with Section 2d of this Act, was \$20,000 or more during the
36 preceding 4 complete calendar quarters, he shall file a return

1 with the Department each month by the 20th day of the month
2 next following the month during which such tax liability is
3 incurred and shall make payment to the Department on or before
4 the 7th, 15th, 22nd and last day of the month during which such
5 liability is incurred. If the month during which such tax
6 liability is incurred began prior to January 1, 1985, each
7 payment shall be in an amount equal to 1/4 of the taxpayer's
8 actual liability for the month or an amount set by the
9 Department not to exceed 1/4 of the average monthly liability
10 of the taxpayer to the Department for the preceding 4 complete
11 calendar quarters (excluding the month of highest liability and
12 the month of lowest liability in such 4 quarter period). If the
13 month during which such tax liability is incurred begins on or
14 after January 1, 1985 and prior to January 1, 1987, each
15 payment shall be in an amount equal to 22.5% of the taxpayer's
16 actual liability for the month or 27.5% of the taxpayer's
17 liability for the same calendar month of the preceding year. If
18 the month during which such tax liability is incurred begins on
19 or after January 1, 1987 and prior to January 1, 1988, each
20 payment shall be in an amount equal to 22.5% of the taxpayer's
21 actual liability for the month or 26.25% of the taxpayer's
22 liability for the same calendar month of the preceding year. If
23 the month during which such tax liability is incurred begins on
24 or after January 1, 1988, and prior to January 1, 1989, or
25 begins on or after January 1, 1996, each payment shall be in an
26 amount equal to 22.5% of the taxpayer's actual liability for
27 the month or 25% of the taxpayer's liability for the same
28 calendar month of the preceding year. If the month during which
29 such tax liability is incurred begins on or after January 1,
30 1989, and prior to January 1, 1996, each payment shall be in an
31 amount equal to 22.5% of the taxpayer's actual liability for
32 the month or 25% of the taxpayer's liability for the same
33 calendar month of the preceding year or 100% of the taxpayer's
34 actual liability for the quarter monthly reporting period. The
35 amount of such quarter monthly payments shall be credited
36 against the final tax liability of the taxpayer's return for

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

1 long term. If any such quarter monthly payment is not paid at
2 the time or in the amount required by this Section, then the
3 taxpayer shall be liable for penalties and interest on the
4 difference between the minimum amount due as a payment and the
5 amount of such quarter monthly payment actually and timely
6 paid, except insofar as the taxpayer has previously made
7 payments for that month to the Department in excess of the
8 minimum payments previously due as provided in this Section.
9 The Department shall make reasonable rules and regulations to
10 govern the quarter monthly payment amount and quarter monthly
11 payment dates for taxpayers who file on other than a calendar
12 monthly basis.

13 The provisions of this paragraph apply before October 1,
14 2001. Without regard to whether a taxpayer is required to make
15 quarter monthly payments as specified above, any taxpayer who
16 is required by Section 2d of this Act to collect and remit
17 prepaid taxes and has collected prepaid taxes which average in
18 excess of \$25,000 per month during the preceding 2 complete
19 calendar quarters, shall file a return with the Department as
20 required by Section 2f and shall make payments to the
21 Department on or before the 7th, 15th, 22nd and last day of the
22 month during which such liability is incurred. If the month
23 during which such tax liability is incurred began prior to the
24 effective date of this amendatory Act of 1985, each payment
25 shall be in an amount not less than 22.5% of the taxpayer's
26 actual liability under Section 2d. If the month during which
27 such tax liability is incurred begins on or after January 1,
28 1986, each payment shall be in an amount equal to 22.5% of the
29 taxpayer's actual liability for the month or 27.5% of the
30 taxpayer's liability for the same calendar month of the
31 preceding calendar year. If the month during which such tax
32 liability is incurred begins on or after January 1, 1987, each
33 payment shall be in an amount equal to 22.5% of the taxpayer's
34 actual liability for the month or 26.25% of the taxpayer's
35 liability for the same calendar month of the preceding year.
36 The amount of such quarter monthly payments shall be credited

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

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

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

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

29 If a retailer of motor fuel is entitled to a credit under
30 Section 2d of this Act which exceeds the taxpayer's liability
31 to the Department under this Act for the month which the
32 taxpayer is filing a return, the Department shall issue the
33 taxpayer a credit memorandum for the excess.

34 Beginning January 1, 1990, each month the Department shall
35 pay into the Local Government Tax Fund, a special fund in the
36 State treasury which is hereby created, the net revenue

1 realized for the preceding month from the 1% tax on sales of
2 food for human consumption which is to be consumed off the
3 premises where it is sold (other than alcoholic beverages, soft
4 drinks and food which has been prepared for immediate
5 consumption) and prescription and nonprescription medicines,
6 drugs, medical appliances and insulin, urine testing
7 materials, syringes and needles used by diabetics.

8 Beginning January 1, 1990, each month the Department shall
9 pay into the County and Mass Transit District Fund, a special
10 fund in the State treasury which is hereby created, 4% of the
11 net revenue realized for the preceding month from the 6.25%
12 general rate.

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.

17 Beginning August 1, 2004, each month the Department shall
18 pay into the County and Mass Transit District Fund 20% of the
19 net revenue realized for the preceding month from the 1.25%
20 rate on the selling price of textbooks required for use at
21 State universities and public community colleges or at
22 institutions of higher learning as defined in the Illinois
23 Financial Assistance Act for Nonpublic Institutions of Higher
24 Learning.

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

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

33 Beginning August 1, 2004, each month the Department shall
34 pay into the Local Government Tax Fund 80% of the net revenue
35 realized for the preceding month from the 1.25% rate on the
36 selling price of textbooks required for use at State

1 universities and public community colleges or at institutions
 2 of higher learning as defined in the Illinois Financial
 3 Assistance Act for Nonpublic Institutions of Higher Learning.

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

Fiscal Year	Annual Specified Amount
1986	\$54,800,000
1987	\$76,650,000
1988	\$80,480,000
1989	\$88,510,000
1990	\$115,330,000
1991	\$145,470,000
1992	\$182,730,000
1993	\$206,520,000;

33 and means the Certified Annual Debt Service Requirement (as
 34 defined in Section 13 of the Build Illinois Bond Act) or the
 35 Tax Act Amount, whichever is greater, for fiscal year 1994 and
 36 each fiscal year thereafter; and further provided, that if on

1 the last business day of any month the sum of (1) the Tax Act
2 Amount required to be deposited into the Build Illinois Bond
3 Account in the Build Illinois Fund during such month and (2)
4 the amount transferred to the Build Illinois Fund from the
5 State and Local Sales Tax Reform Fund shall have been less than
6 1/12 of the Annual Specified Amount, an amount equal to the
7 difference shall be immediately paid into the Build Illinois
8 Fund from other moneys received by the Department pursuant to
9 the Tax Acts; and, further provided, that in no event shall the
10 payments required under the preceding proviso result in
11 aggregate payments into the Build Illinois Fund pursuant to
12 this clause (b) for any fiscal year in excess of the greater of
13 (i) the Tax Act Amount or (ii) the Annual Specified Amount for
14 such fiscal year. The amounts payable into the Build Illinois
15 Fund under clause (b) of the first sentence in this paragraph
16 shall be payable only until such time as the aggregate amount
17 on deposit under each trust indenture securing Bonds issued and
18 outstanding pursuant to the Build Illinois Bond Act is
19 sufficient, taking into account any future investment income,
20 to fully provide, in accordance with such indenture, for the
21 defeasance of or the payment of the principal of, premium, if
22 any, and interest on the Bonds secured by such indenture and on
23 any Bonds expected to be issued thereafter and all fees and
24 costs payable with respect thereto, all as certified by the
25 Director of the Bureau of the Budget (now Governor's Office of
26 Management and Budget). If on the last business day of any
27 month in which Bonds are outstanding pursuant to the Build
28 Illinois Bond Act, the aggregate of moneys deposited in the
29 Build Illinois Bond Account in the Build Illinois Fund in such
30 month shall be less than the amount required to be transferred
31 in such month from the Build Illinois Bond Account to the Build
32 Illinois Bond Retirement and Interest Fund pursuant to Section
33 13 of the Build Illinois Bond Act, an amount equal to such
34 deficiency shall be immediately paid from other moneys received
35 by the Department pursuant to the Tax Acts to the Build
36 Illinois Fund; provided, however, that any amounts paid to the

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

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

	Fiscal Year	Total Deposit
23	1993	\$0
24	1994	53,000,000
25	1995	58,000,000
26	1996	61,000,000
27	1997	64,000,000
28	1998	68,000,000
29	1999	71,000,000
30	2000	75,000,000
31	2001	80,000,000
32	2002	93,000,000
33	2003	99,000,000
34	2004	103,000,000
35	2005	108,000,000

1	2006	113,000,000
2	2007	119,000,000
3	2008	126,000,000
4	2009	132,000,000
5	2010	139,000,000
6	2011	146,000,000
7	2012	153,000,000
8	2013	161,000,000
9	2014	170,000,000
10	2015	179,000,000
11	2016	189,000,000
12	2017	199,000,000
13	2018	210,000,000
14	2019	221,000,000
15	2020	233,000,000
16	2021	246,000,000
17	2022	260,000,000
18	2023 and	275,000,000

19 each fiscal year
20 thereafter that bonds
21 are outstanding under
22 Section 13.2 of the
23 Metropolitan Pier and
24 Exposition Authority Act,
25 but not after fiscal year 2042.

26 Beginning July 20, 1993 and in each month of each fiscal
27 year thereafter, one-eighth of the amount requested in the
28 certificate of the Chairman of the Metropolitan Pier and
29 Exposition Authority for that fiscal year, less the amount
30 deposited into the McCormick Place Expansion Project Fund by
31 the State Treasurer in the respective month under subsection
32 (g) of Section 13 of the Metropolitan Pier and Exposition
33 Authority Act, plus cumulative deficiencies in the deposits
34 required under this Section for previous months and years,
35 shall be deposited into the McCormick Place Expansion Project
36 Fund, until the full amount requested for the fiscal year, but

1 not in excess of the amount specified above as "Total Deposit",
2 has been deposited.

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

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

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

30 The Department may, upon separate written notice to a
31 taxpayer, require the taxpayer to prepare and file with the
32 Department on a form prescribed by the Department within not
33 less than 60 days after receipt of the notice an annual
34 information return for the tax year specified in the notice.
35 Such annual return to the Department shall include a statement
36 of gross receipts as shown by the retailer's last Federal

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

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

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

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

30 The chief executive officer, proprietor, owner or highest
31 ranking manager shall sign the annual return to certify the
32 accuracy of the information contained therein. Any person who
33 willfully signs the annual return containing false or
34 inaccurate information shall be guilty of perjury and punished
35 accordingly. The annual return form prescribed by the
36 Department shall include a warning that the person signing the

1 return may be liable for perjury.

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

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

24 Any person who promotes, organizes, provides retail
25 selling space for concessionaires or other types of sellers at
26 the Illinois State Fair, DuQuoin State Fair, county fairs,
27 local fairs, art shows, flea markets and similar exhibitions or
28 events, including any transient merchant as defined by Section
29 2 of the Transient Merchant Act of 1987, is required to file a
30 report with the Department providing the name of the merchant's
31 business, the name of the person or persons engaged in
32 merchant's business, the permanent address and Illinois
33 Retailers Occupation Tax Registration Number of the merchant,
34 the dates and location of the event and other reasonable
35 information that the Department may require. The report must be
36 filed not later than the 20th day of the month next following

1 the month during which the event with retail sales was held.
2 Any person who fails to file a report required by this Section
3 commits a business offense and is subject to a fine not to
4 exceed \$250.

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

25 (Source: P.A. 92-12, eff. 7-1-01; 92-16, eff. 6-28-01; 92-208,
26 eff. 8-2-01; 92-484, eff. 8-23-01; 92-492, eff. 1-1-02; 92-600,
27 eff. 6-28-02; 92-651, eff. 7-11-02; 93-22, eff. 6-20-03; 93-24,
28 eff. 6-20-03; revised 10-15-03.)

29 Section 99. Effective date. This Act takes effect upon
30 becoming law.