

1 AMENDMENT TO SENATE BILL 774

2 AMENDMENT NO. _____. Amend Senate Bill 774 by replacing
3 the title with the following:

4 "AN ACT concerning taxation."; and

5 by replacing everything after the enacting clause with the
6 following:

7 "Section 3. The State Finance Act is amended by changing
8 Section 8.20 as follows:

9 (30 ILCS 105/8.20) (from Ch. 127, par. 144.20)

10 Sec. 8.20. Appropriations for the ordinary and
11 contingent expenses of the Illinois Liquor Control Commission
12 shall be paid from the Dram Shop Fund. Beginning June 30,
13 1990 and on June 30 of each subsequent year through June 29,
14 2003, any balance over \$5,000,000 remaining in the Dram Shop
15 Fund shall be credited to State liquor licensees and applied
16 against their fees for State liquor licenses for the
17 following year. The amount credited to each licensee shall
18 be a proportion of the balance in the Dram Shop Fund that is
19 the same as the proportion of the license fee paid by the
20 licensee under Section 5-3 of the Liquor Control Act of 1934,
21 as now or hereafter amended, for the period in which the

1 balance was accumulated to the aggregate fees paid by all
2 licensees during that period.

3 In addition to any other permitted use of moneys in the
4 Fund, and notwithstanding any restriction on the use of the
5 Fund, moneys in the Dram Shop Fund may be transferred to the
6 General Revenue Fund as authorized by Public Act 87-14. The
7 General Assembly finds that an excess of moneys existed in
8 the Fund on July 30, 1991, and the Governor's order of July
9 30, 1991, requesting the Comptroller and Treasurer to
10 transfer an amount from the Fund to the General Revenue Fund
11 is hereby validated.

12 (Source: P.A. 90-372, eff. 7-1-98; 91-25, eff. 6-9-99.)

13 Section 5. The Retailers' Occupation Tax Act is amended
14 by changing Section 3 as follows:

15 (35 ILCS 120/3) (from Ch. 120, par. 442)

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

21 1. The name of the seller;

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

27 3. Total amount of receipts received by him during
28 the preceding calendar month or quarter, as the case may
29 be, from sales of tangible personal property, and from
30 services furnished, by him during such preceding calendar
31 month or quarter;

32 4. Total amount received by him during the

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

5 5. Deductions allowed by law;

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

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

11 8. The amount of tax due;

12 9. The signature of the taxpayer; and

13 10. Such other reasonable information as the
14 Department may require.

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

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

22 A retailer may accept a Manufacturer's Purchase Credit
23 certification from a purchaser in satisfaction of Use Tax as
24 provided in Section 3-85 of the Use Tax Act if the purchaser
25 provides the appropriate documentation as required by Section
26 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit
27 certification, accepted by a retailer as provided in Section
28 3-85 of the Use Tax Act, may be used by that retailer to
29 satisfy Retailers' Occupation Tax liability in the amount
30 claimed in the certification, not to exceed 6.25% of the
31 receipts subject to tax from a qualifying purchase.

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

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

- 6 1. The name of the seller;
- 7 2. The address of the principal place of business
8 from which he engages in the business of selling tangible
9 personal property at retail in this State;
- 10 3. The total amount of taxable receipts received by
11 him during the preceding calendar month from sales of
12 tangible personal property by him during such preceding
13 calendar month, including receipts from charge and time
14 sales, but less all deductions allowed by law;
- 15 4. The amount of credit provided in Section 2d of
16 this Act;
- 17 5. The amount of tax due; and
- 18 6. Such other reasonable information as the
19 Department may require.

20 Beginning on July 1, 2003, any person engaged in the
21 business of selling alcoholic liquor at retail as the term
22 "alcoholic liquor" is defined in the Liquor Control Act of
23 1934, and who is not a licensed distributor, importing
24 distributor, or manufacturer, as defined in the Liquor
25 Control Act of 1934 shall file a statement with the
26 Department of Revenue, accompanying the return required by
27 this Section, by electronic means, showing the total amount
28 paid for alcoholic liquor purchased during the preceding
29 month, and such other information reasonably required by the
30 Department. Electronic means shall include TeleFile.
31 Taxpayers eligible to file by TeleFile are required to file
32 their returns in this manner. Taxpayers not eligible to file
33 by TeleFile shall file their returns by other electronic
34 means, as prescribed by the Department.

1 Beginning on July 1, 2003, every distributor, importing
2 distributor, and manufacturer of alcoholic liquor as defined
3 in the Liquor Control Act of 1934, shall file a statement
4 with the Department of Revenue, no later than the 10th day of
5 month for the preceding month during which transactions
6 occurred, by electronic means, showing the total amount of
7 gross receipts from the sale of alcoholic liquor sold or
8 distributed during the preceding month to purchasers;
9 identifying the purchaser to whom it was sold or distributed;
10 the purchaser's tax registration number; and such other
11 information reasonably required by the Department. A copy of
12 the monthly statement shall be sent to the retailer no later
13 than the 10th day of the month for the preceding month during
14 which transactions occurred.

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

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

1 Department, for the immediately preceding calendar year. The
2 term "average monthly tax liability" shall be 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
5 the Department, for the immediately preceding calendar year
6 divided by 12. Beginning on October 1, 2002, a taxpayer who
7 has a tax liability in the amount set forth in subsection (b)
8 of Section 2505-210 of the Department of Revenue Law shall
9 make all payments required by rules of the Department by
10 electronic funds transfer.

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

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

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

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

27 Any amount which is required to be shown or reported on
28 any return or other document under this Act shall, if such
29 amount is not a whole-dollar amount, be increased to the
30 nearest whole-dollar amount in any case where the fractional
31 part of a dollar is 50 cents or more, and decreased to the
32 nearest whole-dollar amount where the fractional part of a
33 dollar is less than 50 cents.

34 If the retailer is otherwise required to file a monthly

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

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

17 Such quarter annual and annual returns, as to form and
18 substance, shall be subject to the same requirements as
19 monthly returns.

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

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

33 In addition, with respect to motor vehicles, watercraft,
34 aircraft, and trailers that are required to be registered

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

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

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

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

18 The transaction reporting return in the case of
19 watercraft or aircraft must show the name and address of the
20 seller; the name and address of the purchaser; the amount of
21 the selling price including the amount allowed by the
22 retailer for traded-in property, if any; the amount allowed
23 by the retailer for the traded-in tangible personal property,
24 if any, to the extent to which Section 1 of this Act allows
25 an exemption for the value of traded-in property; the balance
26 payable after deducting such trade-in allowance from the
27 total selling price; the amount of tax due from the retailer
28 with respect to such transaction; the amount of tax collected
29 from the purchaser by the retailer on such transaction (or
30 satisfactory evidence that such tax is not due in that
31 particular instance, if that is claimed to be the fact); the
32 place and date of the sale, a sufficient identification of
33 the property sold, and such other information as the
34 Department may reasonably require.

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

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

26 No retailer's failure or refusal to remit tax under this
27 Act precludes a user, who has paid the proper tax to the
28 retailer, from obtaining his certificate of title or other
29 evidence of title or registration (if titling or registration
30 is required) upon satisfying the Department that such user
31 has paid the proper tax (if tax is due) to the retailer. The
32 Department shall adopt appropriate rules to carry out the
33 mandate of this paragraph.

34 If the user who would otherwise pay tax to the retailer

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

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

28 Where the seller is a corporation, the return filed on
29 behalf of such corporation shall be signed by the president,
30 vice-president, secretary or treasurer or by the properly
31 accredited agent of such corporation.

32 Where the seller is a limited liability company, the
33 return filed on behalf of the limited liability company shall
34 be signed by a manager, member, or properly accredited agent

1 of the limited liability company.

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

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

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

1 the preceding year or 100% of the taxpayer's actual liability
2 for the quarter monthly reporting period. The amount of such
3 quarter monthly payments shall be credited against the final
4 tax liability of the taxpayer's return for that month.
5 Before October 1, 2000, once applicable, the requirement of
6 the making of quarter monthly payments to the Department by
7 taxpayers having an average monthly tax liability of \$10,000
8 or more as determined in the manner provided above shall
9 continue until such taxpayer's average monthly liability to
10 the Department during the preceding 4 complete calendar
11 quarters (excluding the month of highest liability and the
12 month of lowest liability) is less than \$9,000, or until such
13 taxpayer's average monthly liability to the Department as
14 computed for each calendar quarter of the 4 preceding
15 complete calendar quarter period is less than \$10,000.
16 However, if a taxpayer can show the Department that a
17 substantial change in the taxpayer's business has occurred
18 which causes the taxpayer to anticipate that his average
19 monthly tax liability for the reasonably foreseeable future
20 will fall below the \$10,000 threshold stated above, then such
21 taxpayer may petition the Department for a change in such
22 taxpayer's reporting status. On and after October 1, 2000,
23 once applicable, the requirement of the making of quarter
24 monthly payments to the Department by taxpayers having an
25 average monthly tax liability of \$20,000 or more as
26 determined in the manner provided above shall continue until
27 such taxpayer's average monthly liability to the Department
28 during the preceding 4 complete calendar quarters (excluding
29 the month of highest liability and the month of lowest
30 liability) is less than \$19,000 or until such taxpayer's
31 average monthly liability to the Department as computed for
32 each calendar quarter of the 4 preceding complete calendar
33 quarter period is less than \$20,000. However, if a taxpayer
34 can show the Department that a substantial change in the

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

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

1 after January 1, 1986, each payment shall be in an amount
2 equal to 22.5% of the taxpayer's actual liability for the
3 month or 27.5% of the taxpayer's liability for the same
4 calendar month of the preceding calendar year. If the month
5 during which such tax liability is incurred begins on or
6 after January 1, 1987, each payment shall be in an amount
7 equal to 22.5% of the taxpayer's actual liability for the
8 month or 26.25% of the taxpayer's liability for the same
9 calendar month of the preceding year. The amount of such
10 quarter monthly payments shall be credited against the final
11 tax liability of the taxpayer's return for that month filed
12 under this Section or Section 2f, as the case may be. Once
13 applicable, the requirement of the making of quarter monthly
14 payments to the Department pursuant to this paragraph shall
15 continue until such taxpayer's average monthly prepaid tax
16 collections during the preceding 2 complete calendar quarters
17 is \$25,000 or less. If any such quarter monthly payment is
18 not paid at the time or in the amount required, the taxpayer
19 shall be liable for penalties and interest on such
20 difference, except insofar as the taxpayer has previously
21 made payments for that month in excess of the minimum
22 payments previously due.

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

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

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

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

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

14 Beginning January 1, 1990, each month the Department
15 shall pay into the Local Government Tax Fund, a special fund
16 in the State treasury which is hereby created, the net
17 revenue realized for the preceding month from the 1% tax on
18 sales of food for human consumption which is to be consumed
19 off the premises where it is sold (other than alcoholic
20 beverages, soft drinks and food which has been prepared for
21 immediate consumption) and prescription and nonprescription
22 medicines, drugs, medical appliances and insulin, urine
23 testing materials, syringes and needles used by diabetics.

24 Beginning January 1, 1990, each month the Department
25 shall pay into the County and Mass Transit District Fund, a
26 special fund in the State treasury which is hereby created,
27 4% of the net revenue realized for the preceding month from
28 the 6.25% general rate.

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

33 Beginning January 1, 1990, each month the Department
34 shall pay into the Local Government Tax Fund 16% of the net

1 revenue realized for the preceding month from the 6.25%
2 general rate on the selling price of tangible personal
3 property.

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

8 Of the remainder of the moneys received by the Department
9 pursuant to this Act, (a) 1.75% thereof shall be paid into
10 the Build Illinois Fund and (b) prior to July 1, 1989, 2.2%
11 and on and after July 1, 1989, 3.8% thereof shall be paid
12 into the Build Illinois Fund; provided, however, that if in
13 any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%,
14 as the case may be, of the moneys received by the Department
15 and required to be paid into the Build Illinois Fund pursuant
16 to this Act, Section 9 of the Use Tax Act, Section 9 of the
17 Service Use Tax Act, and Section 9 of the Service Occupation
18 Tax Act, such Acts being hereinafter called the "Tax Acts"
19 and such aggregate of 2.2% or 3.8%, as the case may be, of
20 moneys being hereinafter called the "Tax Act Amount", and (2)
21 the amount transferred to the Build Illinois Fund from the
22 State and Local Sales Tax Reform Fund shall be less than the
23 Annual Specified Amount (as hereinafter defined), an amount
24 equal to the difference shall be immediately paid into the
25 Build Illinois Fund from other moneys received by the
26 Department pursuant to the Tax Acts; the "Annual Specified
27 Amount" means the amounts specified below for fiscal years
28 1986 through 1993:

29	Fiscal Year	Annual Specified Amount
30	1986	\$54,800,000
31	1987	\$76,650,000
32	1988	\$80,480,000
33	1989	\$88,510,000
34	1990	\$115,330,000

1	1991	\$145,470,000
2	1992	\$182,730,000
3	1993	\$206,520,000;

4 and means the Certified Annual Debt Service Requirement (as
5 defined in Section 13 of the Build Illinois Bond Act) or the
6 Tax Act Amount, whichever is greater, for fiscal year 1994
7 and each fiscal year thereafter; and further provided, that
8 if on the last business day of any month the sum of (1) the
9 Tax Act Amount required to be deposited into the Build
10 Illinois Bond Account in the Build Illinois Fund during such
11 month and (2) the amount transferred to the Build Illinois
12 Fund from the State and Local Sales Tax Reform Fund shall
13 have been less than 1/12 of the Annual Specified Amount, an
14 amount equal to the difference shall be immediately paid into
15 the Build Illinois Fund from other moneys received by the
16 Department pursuant to the Tax Acts; and, further provided,
17 that in no event shall the payments required under the
18 preceding proviso result in aggregate payments into the Build
19 Illinois Fund pursuant to this clause (b) for any fiscal year
20 in excess of the greater of (i) the Tax Act Amount or (ii)
21 the Annual Specified Amount for such fiscal year. The
22 amounts payable into the Build Illinois Fund under clause (b)
23 of the first sentence in this paragraph shall be payable only
24 until such time as the aggregate amount on deposit under each
25 trust indenture securing Bonds issued and outstanding
26 pursuant to the Build Illinois Bond Act is sufficient, taking
27 into account any future investment income, to fully provide,
28 in accordance with such indenture, for the defeasance of or
29 the payment of the principal of, premium, if any, and
30 interest on the Bonds secured by such indenture and on any
31 Bonds expected to be issued thereafter and all fees and costs
32 payable with respect thereto, all as certified by the
33 Director of the Bureau of the Budget. If on the last
34 business day of any month in which Bonds are outstanding

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

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

33	Fiscal Year	Total Deposit
34	1993	\$0

1	1994	53,000,000
2	1995	58,000,000
3	1996	61,000,000
4	1997	64,000,000
5	1998	68,000,000
6	1999	71,000,000
7	2000	75,000,000
8	2001	80,000,000
9	2002	93,000,000
10	2003	99,000,000
11	2004	103,000,000
12	2005	108,000,000
13	2006	113,000,000
14	2007	119,000,000
15	2008	126,000,000
16	2009	132,000,000
17	2010	139,000,000
18	2011	146,000,000
19	2012	153,000,000
20	2013	161,000,000
21	2014	170,000,000
22	2015	179,000,000
23	2016	189,000,000
24	2017	199,000,000
25	2018	210,000,000
26	2019	221,000,000
27	2020	233,000,000
28	2021	246,000,000
29	2022	260,000,000
30	2023 and	275,000,000

31 each fiscal year
32 thereafter that bonds
33 are outstanding under
34 Section 13.2 of the

1 Metropolitan Pier and
2 Exposition Authority
3 Act, but not after fiscal year 2042.

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

17 Subject to payment of amounts into the Build Illinois
18 Fund and the McCormick Place Expansion Project Fund pursuant
19 to the preceding paragraphs or in any amendments thereto
20 hereafter enacted, beginning July 1, 1993, the Department
21 shall each month pay into the Illinois Tax Increment Fund
22 0.27% of 80% of the net revenue realized for the preceding
23 month from the 6.25% general rate on the selling price of
24 tangible personal property.

25 Subject to payment of amounts into the Build Illinois
26 Fund and the McCormick Place Expansion Project Fund pursuant
27 to the preceding paragraphs or in any amendments thereto
28 hereafter enacted, beginning with the receipt of the first
29 report of taxes paid by an eligible business and continuing
30 for a 25-year period, the Department shall each month pay
31 into the Energy Infrastructure Fund 80% of the net revenue
32 realized from the 6.25% general rate on the selling price of
33 Illinois-mined coal that was sold to an eligible business.
34 For purposes of this paragraph, the term "eligible business"

1 means a new electric generating facility certified pursuant
2 to Section 605-332 of the Department of Commerce and
3 Community Affairs Law of the Civil Administrative Code of
4 Illinois.

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

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

34 If the annual information return required by this Section

1 is not filed when and as required, the taxpayer shall be
2 liable as follows:

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

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

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

21 The provisions of this Section concerning the filing of
22 an annual information return do not apply to a retailer who
23 is not required to file an income tax return with the United
24 States Government.

25 As soon as possible after the first day of each month,
26 upon certification of the Department of Revenue, the
27 Comptroller shall order transferred and the Treasurer shall
28 transfer from the General Revenue Fund to the Motor Fuel Tax
29 Fund an amount equal to 1.7% of 80% of the net revenue
30 realized under this Act for the second preceding month.
31 Beginning April 1, 2000, this transfer is no longer required
32 and shall not be made.

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

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

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

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

27 Any person engaged in the business of selling tangible
28 personal property at retail as a concessionaire or other type
29 of seller at the Illinois State Fair, county fairs, art
30 shows, flea markets and similar exhibitions or events, or any
31 transient merchants, as defined by Section 2 of the Transient
32 Merchant Act of 1987, may be required to make a daily report
33 of the amount of such sales to the Department and to make a
34 daily payment of the full amount of tax due. The Department

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

14 (Source: P.A. 91-37, eff. 7-1-99; 91-51, eff. 6-30-99;
15 91-101, eff. 7-12-99; 91-541, eff. 8-13-99; 91-872, eff.
16 7-1-00; 91-901, eff. 1-1-01; 92-12, eff. 7-1-01; 92-16, eff.
17 6-28-01; 92-208, eff. 8-2-01; 92-484, eff. 8-23-01; 92-492,
18 eff. 1-1-02; 92-600, eff. 6-28-02; 92-651, eff. 7-11-02.)

19 Section 10. The Cigarette Tax Act is amended by changing
20 Section 3 as follows:

21 (35 ILCS 130/3) (from Ch. 120, par. 453.3)

22 Sec. 3. Affixing tax stamp; remitting tax to the
23 Department. Payment of the taxes imposed by Section 2 of
24 this Act shall (except as hereinafter provided) be evidenced
25 by revenue tax stamps affixed to each original package of
26 cigarettes. Each distributor of cigarettes, before delivering
27 or causing to be delivered any original package of cigarettes
28 in this State to a purchaser, shall firmly affix a proper
29 stamp or stamps to each such package, or (in case of
30 manufacturers of cigarettes in original packages which are
31 contained inside a sealed transparent wrapper) shall imprint
32 the required language on the original package of cigarettes

1 beneath such outside wrapper, as hereinafter provided.

2 No stamp or imprint may be affixed to, or made upon, any
3 package of cigarettes unless that package complies with all
4 requirements of the federal Cigarette Labeling and
5 Advertising Act, 15 U.S.C. 1331 and following, for the
6 placement of labels, warnings, or any other information upon
7 a package of cigarettes that is sold within the United
8 States. Under the authority of Section 6, the Department
9 shall revoke the license of any distributor that is
10 determined to have violated this paragraph. A person may not
11 affix a stamp on a package of cigarettes, cigarette papers,
12 wrappers, or tubes if that individual package has been marked
13 for export outside the United States with a label or notice
14 in compliance with Section 290.185 of Title 27 of the Code of
15 Federal Regulations. It is not a defense to a proceeding for
16 violation of this paragraph that the label or notice has been
17 removed, mutilated, obliterated, or altered in any manner.

18 The Department, or any person authorized by the
19 Department, shall sell such stamps only to persons holding
20 valid licenses as distributors under this Act. On and after
21 July 1, 2003, payment for such stamps must be made by means
22 of electronic funds transfer. The Department may refuse to
23 sell stamps to any person who does not comply with the
24 provisions of this Act. Beginning on the effective date of
25 this amendatory Act of the 92nd General Assembly and through
26 June 30, 2002, persons holding valid licenses as distributors
27 may purchase cigarette tax stamps up to an amount equal to
28 115% of the distributor's average monthly cigarette tax stamp
29 purchases over the 12 calendar months prior to the effective
30 date of this amendatory Act of the 92nd General Assembly.

31 Prior to December 1, 1985, the Department shall allow a
32 distributor 21 days in which to make final payment of the
33 amount to be paid for such stamps, by allowing the
34 distributor to make payment for the stamps at the time of

1 purchasing them with a draft which shall be in such form as
2 the Department prescribes, and which shall be payable within
3 21 days thereafter: Provided that such distributor has filed
4 with the Department, and has received the Department's
5 approval of, a bond, which is in addition to the bond
6 required under Section 4 of this Act, payable to the
7 Department in an amount equal to 80% of such distributor's
8 average monthly tax liability to the Department under this
9 Act during the preceding calendar year or \$500,000, whichever
10 is less. The Bond shall be joint and several and shall be in
11 the form of a surety company bond in such form as the
12 Department prescribes, or it may be in the form of a bank
13 certificate of deposit or bank letter of credit. The bond
14 shall be conditioned upon the distributor's payment of amount
15 of any 21-day draft which the Department accepts from that
16 distributor for the delivery of stamps to that distributor
17 under this Act. The distributor's failure to pay any such
18 draft, when due, shall also make such distributor
19 automatically liable to the Department for a penalty equal to
20 25% of the amount of such draft.

21 On and after December 1, 1985 and until July 1, 2003, the
22 Department shall allow a distributor 30 days in which to make
23 final payment of the amount to be paid for such stamps, by
24 allowing the distributor to make payment for the stamps at
25 the time of purchasing them with a draft which shall be in
26 such form as the Department prescribes, and which shall be
27 payable within 30 days thereafter, and beginning on January
28 1, 2003 and thereafter, the draft shall be payable by means
29 of electronic funds transfer: Provided that such distributor
30 has filed with the Department, and has received the
31 Department's approval of, a bond, which is in addition to the
32 bond required under Section 4 of this Act, payable to the
33 Department in an amount equal to 150% of such distributor's
34 average monthly tax liability to the Department under this

1 Act during the preceding calendar year or \$750,000, whichever
2 is less, except that as to bonds filed on or after January 1,
3 1987, such additional bond shall be in an amount equal to
4 100% of such distributor's average monthly tax liability
5 under this Act during the preceding calendar year or
6 \$750,000, whichever is less. The bond shall be joint and
7 several and shall be in the form of a surety company bond in
8 such form as the Department prescribes, or it may be in the
9 form of a bank certificate of deposit or bank letter of
10 credit. The bond shall be conditioned upon the distributor's
11 payment of the amount of any 30-day draft which the
12 Department accepts from that distributor for the delivery of
13 stamps to that distributor under this Act. The distributor's
14 failure to pay any such draft, when due, shall also make such
15 distributor automatically liable to the Department for a
16 penalty equal to 25% of the amount of such draft.

17 Every prior continuous compliance taxpayer shall be
18 exempt from all requirements under this Section concerning
19 the furnishing of such bond, as defined in this Section, as a
20 condition precedent to his being authorized to engage in the
21 business licensed under this Act. This exemption shall
22 continue for each such taxpayer until such time as he may be
23 determined by the Department to be delinquent in the filing
24 of any returns, or is determined by the Department (either
25 through the Department's issuance of a final assessment which
26 has become final under the Act, or by the taxpayer's filing
27 of a return which admits tax to be due that is not paid) to
28 be delinquent or deficient in the paying of any tax under
29 this Act, at which time that taxpayer shall become subject to
30 the bond requirements of this Section and, as a condition of
31 being allowed to continue to engage in the business licensed
32 under this Act, shall be required to furnish bond to the
33 Department in such form as provided in this Section. Such
34 taxpayer shall furnish such bond for a period of 2 years,

1 after which, if the taxpayer has not been delinquent in the
2 filing of any returns, or delinquent or deficient in the
3 paying of any tax under this Act, the Department may
4 reinstate such person as a prior continuance compliance
5 taxpayer. Any taxpayer who fails to pay an admitted or
6 established liability under this Act may also be required to
7 post bond or other acceptable security with the Department
8 guaranteeing the payment of such admitted or established
9 liability.

10 Any person aggrieved by any decision of the Department
11 under this Section may, within the time allowed by law,
12 protest and request a hearing, whereupon the Department shall
13 give notice and shall hold a hearing in conformity with the
14 provisions of this Act and then issue its final
15 administrative decision in the matter to such person. In the
16 absence of such a protest filed within the time allowed by
17 law, the Department's decision shall become final without any
18 further determination being made or notice given.

19 The Department shall discharge any surety and shall
20 release and return any bond or security deposited, assigned,
21 pledged, or otherwise provided to it by a taxpayer under this
22 Section within 30 days after:

23 (1) Such taxpayer becomes a prior continuous compliance
24 taxpayer; or

25 (2) Such taxpayer has ceased to collect receipts on
26 which he is required to remit tax to the Department, has
27 filed a final tax return, and has paid to the Department an
28 amount sufficient to discharge his remaining tax liability as
29 determined by the Department under this Act. The Department
30 shall make a final determination of the taxpayer's
31 outstanding tax liability as expeditiously as possible after
32 his final tax return has been filed. If the Department
33 cannot make such final determination within 45 days after
34 receiving the final tax return, within such period it shall

1 so notify the taxpayer, stating its reasons therefor.

2 The Department may authorize distributors to affix
3 revenue tax stamps by imprinting tax meter stamps upon
4 original packages of cigarettes. The Department shall adopt
5 rules and regulations relating to the imprinting of such tax
6 meter stamps as will result in payment of the proper taxes as
7 herein imposed. No distributor may affix revenue tax stamps
8 to original packages of cigarettes by imprinting tax meter
9 stamps thereon unless such distributor has first obtained
10 permission from the Department to employ this method of
11 affixation. The Department shall regulate the use of tax
12 meters and may, to assure the proper collection of the taxes
13 imposed by this Act, revoke or suspend the privilege,
14 theretofore granted by the Department to any distributor, to
15 imprint tax meter stamps upon original packages of
16 cigarettes.

17 Illinois cigarette manufacturers who place their
18 cigarettes in original packages which are contained inside a
19 sealed transparent wrapper, and similar out-of-State
20 cigarette manufacturers who elect to qualify and are accepted
21 by the Department as distributors under Section 4b of this
22 Act, shall pay the taxes imposed by this Act by remitting the
23 amount thereof to the Department by the 5th day of each month
24 covering cigarettes shipped or otherwise delivered in
25 Illinois to purchasers during the preceding calendar month.
26 Such manufacturers of cigarettes in original packages which
27 are contained inside a sealed transparent wrapper, before
28 delivering such cigarettes or causing such cigarettes to be
29 delivered in this State to purchasers, shall evidence their
30 obligation to remit the taxes due with respect to such
31 cigarettes by imprinting language to be prescribed by the
32 Department on each original package of such cigarettes
33 underneath the sealed transparent outside wrapper of such
34 original package, in such place thereon and in such manner as

1 the Department may designate. Such imprinted language shall
2 acknowledge the manufacturer's payment of or liability for
3 the tax imposed by this Act with respect to the distribution
4 of such cigarettes.

5 A distributor shall not affix, or cause to be affixed,
6 any stamp or imprint to a package of cigarettes, as provided
7 for in this Section, if the tobacco product manufacturer, as
8 defined in Section 10 of the Tobacco Product Manufacturers'
9 Escrow Act, that made or sold the cigarettes has failed to
10 become a participating manufacturer, as defined in
11 subdivision (a)(1) of Section 15 of the Tobacco Product
12 Manufacturers' Escrow Act, or has failed to create a
13 qualified escrow fund for any cigarettes manufactured by the
14 tobacco product manufacturer and sold in this State or
15 otherwise failed to bring itself into compliance with
16 subdivision (a)(2) of Section 15 of the Tobacco Product
17 Manufacturers' Escrow Act.

18 (Source: P.A. 91-246, eff. 7-22-99; 92-322, eff. 1-1-02;
19 92-536, eff. 6-6-02; 92-737, eff. 7-25-02; revised 9-10-02.)

20 Section 15. The Cigarette Use Tax Act is amended by
21 changing Section 3 as follows:

22 (35 ILCS 135/3) (from Ch. 120, par. 453.33)

23 Sec. 3. Stamp payment. The tax hereby imposed shall be
24 collected by a distributor maintaining a place of business in
25 this State or a distributor authorized by the Department
26 pursuant to Section 7 hereof to collect the tax, and the
27 amount of the tax shall be added to the price of the
28 cigarettes sold by such distributor. Collection of the tax
29 shall be evidenced by a stamp or stamps affixed to each
30 original package of cigarettes or by an authorized substitute
31 for such stamp imprinted on each original package of such
32 cigarettes underneath the sealed transparent outside wrapper

1 of such original package, except as hereinafter provided.
2 Each distributor who is required or authorized to collect the
3 tax herein imposed, before delivering or causing to be
4 delivered any original packages of cigarettes in this State
5 to any purchaser, shall firmly affix a proper stamp or stamps
6 to each such package, or (in the case of manufacturers of
7 cigarettes in original packages which are contained inside a
8 sealed transparent wrapper) shall imprint the required
9 language on the original package of cigarettes beneath such
10 outside wrapper as hereinafter provided. Such stamp or stamps
11 need not be affixed to the original package of any cigarettes
12 with respect to which the distributor is required to affix a
13 like stamp or stamps by virtue of the Cigarette Tax Act,
14 however, and no tax imprint need be placed underneath the
15 sealed transparent wrapper of an original package of
16 cigarettes with respect to which the distributor is required
17 or authorized to employ a like tax imprint by virtue of the
18 Cigarette Tax Act.

19 No stamp or imprint may be affixed to, or made upon, any
20 package of cigarettes unless that package complies with all
21 requirements of the federal Cigarette Labeling and
22 Advertising Act, 15 U.S.C. 1331 and following, for the
23 placement of labels, warnings, or any other information upon
24 a package of cigarettes that is sold within the United
25 States. Under the authority of Section 6, the Department
26 shall revoke the license of any distributor that is
27 determined to have violated this paragraph. A person may not
28 affix a stamp on a package of cigarettes, cigarette papers,
29 wrappers, or tubes if that individual package has been marked
30 for export outside the United States with a label or notice
31 in compliance with Section 290.185 of Title 27 of the Code of
32 Federal Regulations. It is not a defense to a proceeding for
33 violation of this paragraph that the label or notice has been
34 removed, mutilated, obliterated, or altered in any manner.

1 Stamps, when required hereunder, shall be purchased from
2 the Department, or any person authorized by the Department,
3 by distributors. On and after July 1, 2003, payment for such
4 stamps must be made by means of electronic funds transfer.

5 The Department may refuse to sell stamps to any person who
6 does not comply with the provisions of this Act. Beginning
7 on June 6, 2002 ~~the effective date of this amendatory Act of~~
8 ~~the 92nd General Assembly~~ and through June 30, 2002, persons
9 holding valid licenses as distributors may purchase cigarette
10 tax stamps up to an amount equal to 115% of the distributor's
11 average monthly cigarette tax stamp purchases over the 12
12 calendar months prior to June 6, 2002 ~~the effective date of~~
13 ~~this amendatory Act of the 92nd General Assembly.~~

14 Prior to December 1, 1985, the Department shall allow a
15 distributor 21 days in which to make final payment of the
16 amount to be paid for such stamps, by allowing the
17 distributor to make payment for the stamps at the time of
18 purchasing them with a draft which shall be in such form as
19 the Department prescribes, and which shall be payable within
20 21 days thereafter: Provided that such distributor has filed
21 with the Department, and has received the Department's
22 approval of, a bond, which is in addition to the bond
23 required under Section 4 of this Act, payable to the
24 Department in an amount equal to 80% of such distributor's
25 average monthly tax liability to the Department under this
26 Act during the preceding calendar year or \$500,000, whichever
27 is less. The bond shall be joint and several and shall be in
28 the form of a surety company bond in such form as the
29 Department prescribes, or it may be in the form of a bank
30 certificate of deposit or bank letter of credit. The bond
31 shall be conditioned upon the distributor's payment of the
32 amount of any 21-day draft which the Department accepts from
33 that distributor for the delivery of stamps to that
34 distributor under this Act. The distributor's failure to pay

1 any such draft, when due, shall also make such distributor
2 automatically liable to the Department for a penalty equal to
3 25% of the amount of such draft.

4 On and after December 1, 1985 and until July 1, 2003, the
5 Department shall allow a distributor 30 days in which to make
6 final payment of the amount to be paid for such stamps, by
7 allowing the distributor to make payment for the stamps at
8 the time of purchasing them with a draft which shall be in
9 such form as the Department prescribes, and which shall be
10 payable within 30 days thereafter, and beginning on January
11 1, 2003 and thereafter, the draft shall be payable by means
12 of electronic funds transfer: Provided that such distributor
13 has filed with the Department, and has received the
14 Department's approval of, a bond, which is in addition to the
15 bond required under Section 4 of this Act, payable to the
16 Department in an amount equal to 150% of such distributor's
17 average monthly tax liability to the Department under this
18 Act during the preceding calendar year or \$750,000, whichever
19 is less, except that as to bonds filed on or after January 1,
20 1987, such additional bond shall be in an amount equal to
21 100% of such distributor's average monthly tax liability
22 under this Act during the preceding calendar year or
23 \$750,000, whichever is less. The bond shall be joint and
24 several and shall be in the form of a surety company bond in
25 such form as the Department prescribes, or it may be in the
26 form of a bank certificate of deposit or bank letter of
27 credit. The bond shall be conditioned upon the distributor's
28 payment of the amount of any 30-day draft which the
29 Department accepts from that distributor for the delivery of
30 stamps to that distributor under this Act. The distributor's
31 failure to pay any such draft, when due, shall also make such
32 distributor automatically liable to the Department for a
33 penalty equal to 25% of the amount of such draft.

34 Every prior continuous compliance taxpayer shall be

1 exempt from all requirements under this Section concerning
2 the furnishing of such bond, as defined in this Section, as a
3 condition precedent to his being authorized to engage in the
4 business licensed under this Act. This exemption shall
5 continue for each such taxpayer until such time as he may be
6 determined by the Department to be delinquent in the filing
7 of any returns, or is determined by the Department (either
8 through the Department's issuance of a final assessment which
9 has become final under the Act, or by the taxpayer's filing
10 of a return which admits tax to be due that is not paid) to
11 be delinquent or deficient in the paying of any tax under
12 this Act, at which time that taxpayer shall become subject to
13 the bond requirements of this Section and, as a condition of
14 being allowed to continue to engage in the business licensed
15 under this Act, shall be required to furnish bond to the
16 Department in such form as provided in this Section. Such
17 taxpayer shall furnish such bond for a period of 2 years,
18 after which, if the taxpayer has not been delinquent in the
19 filing of any returns, or delinquent or deficient in the
20 paying of any tax under this Act, the Department may
21 reinstate such person as a prior continuance compliance
22 taxpayer. Any taxpayer who fails to pay an admitted or
23 established liability under this Act may also be required to
24 post bond or other acceptable security with the Department
25 guaranteeing the payment of such admitted or established
26 liability.

27 Any person aggrieved by any decision of the Department
28 under this Section may, within the time allowed by law,
29 protest and request a hearing, whereupon the Department shall
30 give notice and shall hold a hearing in conformity with the
31 provisions of this Act and then issue its final
32 administrative decision in the matter to such person. In the
33 absence of such a protest filed within the time allowed by
34 law, the Department's decision shall become final without any

1 further determination being made or notice given.

2 The Department shall discharge any surety and shall
3 release and return any bond or security deposited, assigned,
4 pledged, or otherwise provided to it by a taxpayer under this
5 Section within 30 days after:

6 (1) such Taxpayer becomes a prior continuous
7 compliance taxpayer; or

8 (2) such taxpayer has ceased to collect receipts on
9 which he is required to remit tax to the Department, has
10 filed a final tax return, and has paid to the Department
11 an amount sufficient to discharge his remaining tax
12 liability as determined by the Department under this Act.
13 The Department shall make a final determination of the
14 taxpayer's outstanding tax liability as expeditiously as
15 possible after his final tax return has been filed. If
16 the Department cannot make such final determination
17 within 45 days after receiving the final tax return,
18 within such period it shall so notify the taxpayer,
19 stating its reasons therefor.

20 At the time of purchasing such stamps from the Department
21 when purchase is required by this Act, or at the time when
22 the tax which he has collected is remitted by a distributor
23 to the Department without the purchase of stamps from the
24 Department when that method of remitting the tax that has
25 been collected is required or authorized by this Act, the
26 distributor shall be allowed a discount during any year
27 commencing July 1 and ending the following June 30 in
28 accordance with the schedule set out hereinbelow, from the
29 amount to be paid by him to the Department for such stamps,
30 or to be paid by him to the Department on the basis of
31 monthly remittances (as the case may be), to cover the cost,
32 to such distributor, of collecting the tax herein imposed by
33 affixing such stamps to the original packages of cigarettes
34 sold by such distributor or by placing tax imprints

1 underneath the sealed transparent wrapper of original
2 packages of cigarettes sold by such distributor (as the case
3 may be): (1) Prior to December 1, 1985, a discount equal to
4 1-2/3% of the amount of the tax up to and including the first
5 \$700,000 paid hereunder by such distributor to the Department
6 during any such year; 1-1/3% of the next \$700,000 of tax or
7 any part thereof, paid hereunder by such distributor to the
8 Department during any such year; 1% of the next \$700,000 of
9 tax, or any part thereof, paid hereunder by such distributor
10 to the Department during any such year; and 2/3 of 1% of the
11 amount of any additional tax paid hereunder by such
12 distributor to the Department during any such year or (2) On
13 and after December 1, 1985, a discount equal to 1.75% of the
14 amount of the tax payable under this Act up to and including
15 the first \$3,000,000 paid hereunder by such distributor to
16 the Department during any such year and 1.5% of the amount of
17 any additional tax paid hereunder by such distributor to the
18 Department during any such year.

19 Two or more distributors that use a common means of
20 affixing revenue tax stamps or that are owned or controlled
21 by the same interests shall be treated as a single
22 distributor for the purpose of computing the discount.

23 Cigarette manufacturers who are distributors under this
24 Act, and who place their cigarettes in original packages
25 which are contained inside a sealed transparent wrapper,
26 shall be required to remit the tax which they are required to
27 collect under this Act to the Department by remitting the
28 amount thereof to the Department by the 5th day of each
29 month, covering cigarettes shipped or otherwise delivered to
30 points in Illinois to purchasers during the preceding
31 calendar month, but a distributor need not remit to the
32 Department the tax so collected by him from purchasers under
33 this Act to the extent to which such distributor is required
34 to remit the tax imposed by the Cigarette Tax Act to the

1 Department with respect to the same cigarettes. All taxes
2 upon cigarettes under this Act are a direct tax upon the
3 retail consumer and shall conclusively be presumed to be
4 precollected for the purpose of convenience and facility
5 only. Distributors who are manufacturers of cigarettes in
6 original packages which are contained inside a sealed
7 transparent wrapper, before delivering such cigarettes or
8 causing such cigarettes to be delivered in this State to
9 purchasers, shall evidence their obligation to collect and
10 remit the tax due with respect to such cigarettes by
11 imprinting language to be prescribed by the Department on
12 each original package of such cigarettes underneath the
13 sealed transparent outside wrapper of such original package,
14 in such place thereon and in such manner as the Department
15 may prescribe; provided (as stated hereinbefore) that this
16 requirement does not apply when such distributor is required
17 or authorized by the Cigarette Tax Act to place the tax
18 imprint provided for in the last paragraph of Section 3 of
19 that Act underneath the sealed transparent wrapper of such
20 original package of cigarettes. Such imprinted language shall
21 acknowledge the manufacturer's collection and payment of or
22 liability for the tax imposed by this Act with respect to
23 such cigarettes.

24 The Department shall adopt the design or designs of the
25 tax stamps and shall procure the printing of such stamps in
26 such amounts and denominations as it deems necessary to
27 provide for the affixation of the proper amount of tax stamps
28 to each original package of cigarettes.

29 Where tax stamps are required, the Department may
30 authorize distributors to affix revenue tax stamps by
31 imprinting tax meter stamps upon original packages of
32 cigarettes. The Department shall adopt rules and regulations
33 relating to the imprinting of such tax meter stamps as will
34 result in payment of the proper taxes as herein imposed. No

1 distributor may affix revenue tax stamps to original packages
2 of cigarettes by imprinting meter stamps thereon unless such
3 distributor has first obtained permission from the Department
4 to employ this method of affixation. The Department shall
5 regulate the use of tax meters and may, to assure the proper
6 collection of the taxes imposed by this Act, revoke or
7 suspend the privilege, theretofore granted by the Department
8 to any distributor, to imprint tax meter stamps upon original
9 packages of cigarettes.

10 The tax hereby imposed and not paid pursuant to this
11 Section shall be paid to the Department directly by any
12 person using such cigarettes within this State, pursuant to
13 Section 12 hereof.

14 A distributor shall not affix, or cause to be affixed,
15 any stamp or imprint to a package of cigarettes, as provided
16 for in this Section, if the tobacco product manufacturer, as
17 defined in Section 10 of the Tobacco Product Manufacturers'
18 Escrow Act, that made or sold the cigarettes has failed to
19 become a participating manufacturer, as defined in
20 subdivision (a)(1) of Section 15 of the Tobacco Product
21 Manufacturers' Escrow Act, or has failed to create a
22 qualified escrow fund for any cigarettes manufactured by the
23 tobacco product manufacturer and sold in this State or
24 otherwise failed to bring itself into compliance with
25 subdivision (a)(2) of Section 15 of the Tobacco Product
26 Manufacturers' Escrow Act.

27 (Source: P.A. 91-246, eff. 7-22-99; 92-322, eff. 1-1-02;
28 92-536, eff. 6-6-02; 92-737, eff. 7-25-02; revised 9-10-02.)

29 Section 20. The Liquor Control Act of 1934 is amended by
30 changing Sections 5-3, 7-5, 7-6, and 8-2 as follows:

31 (235 ILCS 5/5-3) (from Ch. 43, par. 118)

32 Sec. 5-3. License fees. Except as otherwise provided

1 herein, at the time application is made to the State
 2 Commission for a license of any class, the applicant shall
 3 pay to the State Commission the fee hereinafter provided for
 4 the kind of license applied for.

5 The fee for licenses issued by the State Commission shall
 6 be as follows:

7 For a manufacturer's license:

8	Class 1. Distiller	\$3,600
9	Class 2. Rectifier	3,600
10	Class 3. Brewer	900
11	Class 4. First-class Wine Manufacturer	600
12	Class 5. Second-class	
13	Wine Manufacturer	1,200
14	Class 6. First-class wine-maker	600
15	Class 7. Second-class wine-maker	1200
16	Class 8. Limited Wine Manufacturer.....	120
17	For a Brew Pub License	1,050
18	For a caterer retailer's license.....	200
19	For a foreign importer's license	25
20	For an importing distributor's license	25
21	For a distributor's license	270
22	For a non-resident dealer's license	
23	(500,000 gallons or over)	270
24	For a non-resident dealer's license	
25	(under 500,000 gallons)	90
26	For a wine-maker's premises license	100
27	For a wine-maker's premises license,	
28	second location	350
29	For a wine-maker's premises license,	
30	third location	350
31	For a retailer's license	<u>500</u> ±75
32	For a special event retailer's license,	
33	(not-for-profit)	25
34	For a special use permit license,	

1	one day only	50
2	2 days or more	100
3	For a railroad license	60
4	For a boat license	180
5	For an airplane license, times the	
6	licensee's maximum number of aircraft	
7	in flight, serving liquor over the	
8	State at any given time, which either	
9	originate, terminate, or make	
10	an intermediate stop in the State	60
11	For a non-beverage user's license:	
12	Class 1	24
13	Class 2	60
14	Class 3	120
15	Class 4	240
16	Class 5	600
17	For a broker's license	600
18	For an auction liquor license	50

19 Fees collected under this Section shall be paid into the
20 Dram Shop Fund. On and after July 1, 2003, of the funds
21 received for a retailer's license, in addition to the first
22 \$175, an additional \$75 shall be paid into the Dram Shop
23 Fund, and \$250 shall be paid into the General Revenue Fund.
24 Beginning June 30, 1990 and on June 30 of each subsequent
25 year through June 29, 2003, any balance over \$5,000,000
26 remaining in the Dram Shop Fund shall be credited to State
27 liquor licensees and applied against their fees for State
28 liquor licenses for the following year. The amount credited
29 to each licensee shall be a proportion of the balance in the
30 Dram Fund that is the same as the proportion of the license
31 fee paid by the licensee under this Section for the period in
32 which the balance was accumulated to the aggregate fees paid
33 by all licensees during that period.

34 No fee shall be paid for licenses issued by the State

1 Commission to the following non-beverage users:

2 (a) Hospitals, sanitariums, or clinics when their
3 use of alcoholic liquor is exclusively medicinal,
4 mechanical or scientific.

5 (b) Universities, colleges of learning or schools
6 when their use of alcoholic liquor is exclusively
7 medicinal, mechanical or scientific.

8 (c) Laboratories when their use is exclusively for
9 the purpose of scientific research.

10 (Source: P.A. 91-25, eff. 6-9-99; 91-357, eff. 7-29-99;
11 92-378, eff. 8-16-01.)

12 (235 ILCS 5/7-5) (from Ch. 43, par. 149)

13 Sec. 7-5. The local liquor control commissioner may
14 revoke or suspend any license issued by him if he determines
15 that the licensee has violated any of the provisions of this
16 Act or of any valid ordinance or resolution enacted by the
17 particular city council, president, or board of trustees or
18 county board (as the case may be) or any applicable rule or
19 regulations established by the local liquor control
20 commissioner or the State commission which is not
21 inconsistent with law. Upon notification by the Illinois
22 Department of Revenue, the State Commission shall revoke any
23 license issued by it if the licensee has violated the
24 provisions of Section 3 of the Retailers' Occupation Tax Act.

25 In addition to the suspension, the local liquor control
26 commissioner in any county or municipality may levy a fine on
27 the licensee for such violations. The fine imposed shall not
28 exceed \$1000 for a first violation within a 12-month period,
29 \$1,500 for a second violation within a 12-month period, and
30 \$2,500 for a third or subsequent violation within a 12-month
31 period. Each day on which a violation continues shall
32 constitute a separate violation. Not more than \$15,000 in
33 fines under this Section may be imposed against any licensee

1 during the period of his license. Proceeds from such fines
2 shall be paid into the general corporate fund of the county
3 or municipal treasury, as the case may be.

4 However, no such license shall be so revoked or suspended
5 and no licensee shall be fined except after a public hearing
6 by the local liquor control commissioner with a 3 day written
7 notice to the licensee affording the licensee an opportunity
8 to appear and defend. All such hearings shall be open to the
9 public and the local liquor control commissioner shall reduce
10 all evidence to writing and shall maintain an official record
11 of the proceedings. If the local liquor control commissioner
12 has reason to believe that any continued operation of a
13 particular licensed premises will immediately threaten the
14 welfare of the community he may, upon the issuance of a
15 written order stating the reason for such conclusion and
16 without notice or hearing order the licensed premises closed
17 for not more than 7 days, giving the licensee an opportunity
18 to be heard during that period, except that if such licensee
19 shall also be engaged in the conduct of another business or
20 businesses on the licensed premises such order shall not be
21 applicable to such other business or businesses.

22 The local liquor control commissioner shall within 5 days
23 after such hearing, if he determines after such hearing that
24 the license should be revoked or suspended or that the
25 licensee should be fined, state the reason or reasons for
26 such determination in a written order, and either the amount
27 of the fine, the period of suspension, or that the license
28 has been revoked, and shall serve a copy of such order within
29 the 5 days upon the licensee.

30 If the premises for which the license was issued are
31 located outside of a city, village or incorporated town
32 having a population of 500,000 or more inhabitants, the
33 licensee after the receipt of such order of suspension or
34 revocation shall have the privilege within a period of 20

1 days after the receipt of such order of suspension or
2 revocation of appealing the order to the State commission for
3 a decision sustaining, reversing or modifying the order of
4 the local liquor control commissioner. If the State
5 commission affirms the local commissioner's order to suspend
6 or revoke the license at the first hearing, the appellant
7 shall cease to engage in the business for which the license
8 was issued, until the local commissioner's order is
9 terminated by its own provisions or reversed upon rehearing
10 or by the courts.

11 If the premises for which the license was issued are
12 located within a city, village or incorporated town having a
13 population of 500,000 or more inhabitants, the licensee shall
14 have the privilege, within a period of 20 days after the
15 receipt of such order of fine, suspension or revocation, of
16 appealing the order to the local license appeal commission
17 and upon the filing of such an appeal by the licensee the
18 license appeal commission shall determine the appeal upon
19 certified record of proceedings of the local liquor
20 commissioner in accordance with the provisions of Section
21 7-9. Within 30 days after such appeal was heard the license
22 appeal commission shall render a decision sustaining or
23 reversing the order of the local liquor control commissioner.
24 (Source: P.A. 91-854, eff. 1-1-01.)

25 (235 ILCS 5/7-6) (from Ch. 43, par. 150)

26 Sec. 7-6. All proceedings for the revocation or
27 suspension of licenses of manufacturers, distributors,
28 importing distributors, non-resident dealers, foreign
29 importers, non-beverage users, railroads, airplanes and boats
30 shall be before the State Commission. All such proceedings
31 and all proceedings for the revocation or suspension of a
32 retailer's license before the State commission shall be in
33 accordance with rules and regulations established by it not

1 inconsistent with law. However, no such license shall be so
2 revoked or suspended except after a hearing by the State
3 commission with reasonable notice to the licensee served by
4 registered or certified mail with return receipt requested at
5 least 10 days prior to the hearings at the last known place
6 of business of the licensee and after an opportunity to
7 appear and defend. Such notice shall specify the time and
8 place of the hearing, the nature of the charges, the specific
9 provisions of the Act and rules violated, and the specific
10 facts supporting the charges or violation. The findings of
11 the Commission shall be predicated upon competent evidence.
12 The revocation of a local license shall automatically result
13 in the revocation of a State license. Upon notification by
14 the Illinois Department of Revenue, the State Commission
15 shall revoke any license issued by it if the licensee has
16 violated the provisions of Section 3 of the Retailers'
17 Occupation Tax Act. All procedures for the suspension or
18 revocation of a license, as enumerated above, are applicable
19 to the levying of fines for violations of this Act or any
20 rule or regulation issued pursuant thereto.

21 (Source: P.A. 91-553, eff. 8-14-99.)

22 (235 ILCS 5/8-2) (from Ch. 43, par. 159)

23 Sec. 8-2. It is the duty of each manufacturer with
24 respect to alcoholic liquor produced or imported by such
25 manufacturer, or purchased tax-free by such manufacturer from
26 another manufacturer or importing distributor, and of each
27 importing distributor as to alcoholic liquor purchased by
28 such importing distributor from foreign importers or from
29 anyone from any point in the United States outside of this
30 State or purchased tax-free from another manufacturer or
31 importing distributor, to pay the tax imposed by Section 8-1
32 to the Department of Revenue on or before the 15th day of the
33 calendar month following the calendar month in which such

1 alcoholic liquor is sold or used by such manufacturer or by
2 such importing distributor other than in an authorized
3 tax-free manner or to pay that tax electronically as provided
4 in this Section.

5 Each manufacturer and each importing distributor shall
6 make payment under one of the following methods: (1) on or
7 before the 15th day of each calendar month, file in person or
8 by United States first-class mail, postage pre-paid, with the
9 Department of Revenue, on forms prescribed and furnished by
10 the Department, a report in writing in such form as may be
11 required by the Department in order to compute, and assure
12 the accuracy of, the tax due on all taxable sales and uses of
13 alcoholic liquor occurring during the preceding month.
14 Payment of the tax in the amount disclosed by the report
15 shall accompany the report or, (2) on or before the 15th day
16 of each calendar month, electronically file with the
17 Department of Revenue, on forms prescribed and furnished by
18 the Department, an electronic report in such form as may be
19 required by the Department in order to compute, and assure
20 the accuracy of, the tax due on all taxable sales and uses of
21 alcoholic liquor occurring during the preceding month. An
22 electronic payment of the tax in the amount disclosed by the
23 report shall accompany the report. A manufacturer or
24 distributor who files an electronic report and electronically
25 pays the tax imposed pursuant to Section 8-1 to the
26 Department of Revenue on or before the 15th day of the
27 calendar month following the calendar month in which such
28 alcoholic liquor is sold or used by that manufacturer or
29 importing distributor other than in an authorized tax-free
30 manner shall pay to the Department the amount of the tax
31 imposed pursuant to Section 8-1, less a discount of ~~1.75%~~
32 ~~\$1,250-per-return, whichever is less,~~ which is allowed to
33 reimburse the manufacturer or importing distributor for the
34 expenses incurred in keeping and maintaining records,

1 preparing and filing the electronic returns, remitting the
2 tax, and supplying data to the Department upon request.

3 The discount shall be in an amount as follows:

4 (1) For original returns due on or after January 1,
5 2003 through September 30, 2003, the discount shall be
6 1.75% or \$1,250 per return, whichever is less;

7 (2) For original returns due on or after October 1,
8 2003 through September 30, 2004, the discount shall be 2%
9 or \$3,000 per return, whichever is less; and

10 (3) For original returns due on or after October 1,
11 2004, the discount shall be 2% or \$2,000 per return,
12 whichever is less.

13 The Department may, if it deems it necessary in order to
14 insure the payment of the tax imposed by this Article,
15 require returns to be made more frequently than and covering
16 periods of less than a month. Such return shall contain such
17 further information as the Department may reasonably require.

18 It shall be presumed that all alcoholic liquors acquired
19 or made by any importing distributor or manufacturer have
20 been sold or used by him in this State and are the basis for
21 the tax imposed by this Article unless proven, to the
22 satisfaction of the Department, that such alcoholic liquors
23 are (1) still in the possession of such importing distributor
24 or manufacturer, or (2) prior to the termination of
25 possession have been lost by theft or through unintentional
26 destruction, or (3) that such alcoholic liquors are otherwise
27 exempt from taxation under this Act.

28 The Department may require any foreign importer to file
29 monthly information returns, by the 15th day of the month
30 following the month which any such return covers, if the
31 Department determines this to be necessary to the proper
32 performance of the Department's functions and duties under
33 this Act. Such return shall contain such information as the
34 Department may reasonably require.

1 Every manufacturer and importing distributor shall also
2 file, with the Department, a bond in an amount not less than
3 \$1,000 and not to exceed \$100,000 on a form to be approved
4 by, and with a surety or sureties satisfactory to, the
5 Department. Such bond shall be conditioned upon the
6 manufacturer or importing distributor paying to the
7 Department all monies becoming due from such manufacturer or
8 importing distributor under this Article. The Department
9 shall fix the penalty of such bond in each case, taking into
10 consideration the amount of alcoholic liquor expected to be
11 sold and used by such manufacturer or importing distributor,
12 and the penalty fixed by the Department shall be sufficient,
13 in the Department's opinion, to protect the State of Illinois
14 against failure to pay any amount due under this Article, but
15 the amount of the penalty fixed by the Department shall not
16 exceed twice the amount of tax liability of a monthly return,
17 nor shall the amount of such penalty be less than \$1,000. The
18 Department shall notify the Commission of the Department's
19 approval or disapproval of any such manufacturer's or
20 importing distributor's bond, or of the termination or
21 cancellation of any such bond, or of the Department's
22 direction to a manufacturer or importing distributor that he
23 must file additional bond in order to comply with this
24 Section. The Commission shall not issue a license to any
25 applicant for a manufacturer's or importing distributor's
26 license unless the Commission has received a notification
27 from the Department showing that such applicant has filed a
28 satisfactory bond with the Department hereunder and that such
29 bond has been approved by the Department. Failure by any
30 licensed manufacturer or importing distributor to keep a
31 satisfactory bond in effect with the Department or to furnish
32 additional bond to the Department, when required hereunder by
33 the Department to do so, shall be grounds for the revocation
34 or suspension of such manufacturer's or importing

1 distributor's license by the Commission. If a manufacturer or
2 importing distributor fails to pay any amount due under this
3 Article, his bond with the Department shall be deemed
4 forfeited, and the Department may institute a suit in its own
5 name on such bond.

6 After notice and opportunity for a hearing the State
7 Commission may revoke or suspend the license of any
8 manufacturer or importing distributor who fails to comply
9 with the provisions of this Section. Notice of such hearing
10 and the time and place thereof shall be in writing and shall
11 contain a statement of the charges against the licensee. Such
12 notice may be given by United States registered or certified
13 mail with return receipt requested, addressed to the person
14 concerned at his last known address and shall be given not
15 less than 7 days prior to the date fixed for the hearing. An
16 order revoking or suspending a license under the provisions
17 of this Section may be reviewed in the manner provided in
18 Section 7-10 of this Act. No new license shall be granted to
19 a person whose license has been revoked for a violation of
20 this Section or, in case of suspension, shall such suspension
21 be terminated until he has paid to the Department all taxes
22 and penalties which he owes the State under the provisions of
23 this Act.

24 Every manufacturer or importing distributor who has, as
25 verified by the Department, continuously complied with the
26 conditions of the bond under this Act for a period of 2 years
27 shall be considered to be a prior continuous compliance
28 taxpayer. In determining the consecutive period of time for
29 qualification as a prior continuous compliance taxpayer, any
30 consecutive period of time of qualifying compliance
31 immediately prior to the effective date of this amendatory
32 Act of 1987 shall be credited to any manufacturer or
33 importing distributor.

34 Every prior continuous compliance taxpayer shall be

1 exempt from the bond requirements of this Act until the
2 Department has determined the taxpayer to be delinquent in
3 the filing of any return or deficient in the payment of any
4 tax under this Act. Any taxpayer who fails to pay an
5 admitted or established liability under this Act may also be
6 required to post bond or other acceptable security with the
7 Department guaranteeing the payment of such admitted or
8 established liability.

9 The Department shall discharge any surety and shall
10 release and return any bond or security deposit assigned,
11 pledged or otherwise provided to it by a taxpayer under this
12 Section within 30 days after: (1) such taxpayer becomes a
13 prior continuous compliance taxpayer; or (2) such taxpayer
14 has ceased to collect receipts on which he is required to
15 remit tax to the Department, has filed a final tax return,
16 and has paid to the Department an amount sufficient to
17 discharge his remaining tax liability as determined by the
18 Department under this Act.

19 (Source: P.A. 92-393, eff. 1-1-03.)

20 Section 99. Effective date. This Act takes effect upon
21 becoming law."