

1 AMENDMENT TO SENATE BILL 774

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 774, AS AMENDED,  
3 by replacing 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 October 1, 2003, any person who is not a  
21 licensed distributor, importing distributor, or manufacturer,  
22 as defined in the Liquor Control Act of 1934, but is engaged  
23 in the business of selling, at retail, alcoholic liquor  
24 shall file a statement with the Department of Revenue, in a  
25 format and at a time prescribed by the Department, showing  
26 the total amount paid for alcoholic liquor purchased during  
27 the preceding month and such other information as is  
28 reasonably required by the Department. The Department may  
29 adopt rules to require that this statement be filed in an  
30 electronic or telephonic format. Such rules may provide for  
31 exceptions from the filing requirements of this paragraph.  
32 For the purposes of this paragraph, the term "alcoholic  
33 liquor" shall have the meaning prescribed in the Liquor  
34 Control Act of 1934.

1 Beginning on October 1, 2003, every distributor,  
2 importing distributor, and manufacturer of alcoholic liquor  
3 as defined in the Liquor Control Act of 1934, shall file a  
4 statement with the Department of Revenue, no later than the  
5 10th day of month for the preceding month during which  
6 transactions occurred, by electronic means, showing the total  
7 amount of gross receipts from the sale of alcoholic liquor  
8 sold or 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 Sections 3 and 29 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 (35 ILCS 130/29) (from Ch. 120, par. 453.29)

21 Sec. 29. All moneys received by the Department from the  
22 one-half mill tax imposed by the Sixty-fourth General  
23 Assembly and all interest and penalties, received in  
24 connection therewith under the provisions of this Act shall  
25 be paid into the Metropolitan Fair and Exposition Authority  
26 Reconstruction Fund. All other moneys received by the  
27 Department under this Act shall be paid into the General  
28 Revenue Fund in the State treasury. After there has been paid  
29 into the Metropolitan Fair and Exposition Authority  
30 Reconstruction Fund sufficient money to pay in full both  
31 principal and interest, all of the outstanding bonds issued  
32 pursuant to the "Fair and Exposition Authority Reconstruction  
33 Act", the State Treasurer and Comptroller shall transfer to

1 the General Revenue Fund the balance of moneys remaining in  
2 the Metropolitan Fair and Exposition Authority Reconstruction  
3 Fund except for \$2,500,000 which shall remain in the  
4 Metropolitan Fair and Exposition Authority Reconstruction  
5 Fund and which may be appropriated by the General Assembly  
6 for the corporate purposes of the Metropolitan Pier and  
7 Exposition Authority. All monies received by the Department  
8 in fiscal year 1978 and thereafter from the one-half mill tax  
9 imposed by the Sixty-fourth General Assembly, and all  
10 interest and penalties received in connection therewith under  
11 the provisions of this Act, shall be paid into the General  
12 Revenue Fund, except that the Department shall pay the first  
13 \$4,800,000 received in fiscal years 1979 through 2001 from  
14 that one-half mill tax into the Metropolitan Fair and  
15 Exposition Authority Reconstruction Fund which monies may be  
16 appropriated by the General Assembly for the corporate  
17 purposes of the Metropolitan Pier and Exposition Authority.

18 In fiscal year 2002 and each fiscal year 2003 thereafter,  
19 the first \$4,800,000 from the one-half mill tax shall be paid  
20 into the Statewide Economic Development Fund.

21 (Source: P.A. 92-208, eff. 8-2-01.)

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

24 (35 ILCS 135/3) (from Ch. 120, par. 453.33)

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

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

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

1 violation of this paragraph that the label or notice has been  
2 removed, mutilated, obliterated, or altered in any manner.

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

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

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

1 that distributor for the delivery of stamps to that  
2 distributor under this Act. The distributor's failure to pay  
3 any such draft, when due, shall also make such distributor  
4 automatically liable to the Department for a penalty equal to  
5 25% of the amount of such draft.

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

1 penalty equal to 25% of the amount of such draft.

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

29 Any person aggrieved by any decision of the Department  
30 under this Section may, within the time allowed by law,  
31 protest and request a hearing, whereupon the Department shall  
32 give notice and shall hold a hearing in conformity with the  
33 provisions of this Act and then issue its final  
34 administrative decision in the matter to such person. In the

1 absence of such a protest filed within the time allowed by  
2 law, the Department's decision shall become final without any  
3 further determination being made or notice given.

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

8 (1) such Taxpayer becomes a prior continuous  
9 compliance taxpayer; or

10 (2) such taxpayer has ceased to collect receipts on  
11 which he is required to remit tax to the Department, has  
12 filed a final tax return, and has paid to the Department  
13 an amount sufficient to discharge his remaining tax  
14 liability as determined by the Department under this Act.

15 The Department shall make a final determination of the  
16 taxpayer's outstanding tax liability as expeditiously as  
17 possible after his final tax return has been filed. If  
18 the Department cannot make such final determination  
19 within 45 days after receiving the final tax return,  
20 within such period it shall so notify the taxpayer,  
21 stating its reasons therefor.

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

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

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

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

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

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

31 Where tax stamps are required, the Department may  
32 authorize distributors to affix revenue tax stamps by  
33 imprinting tax meter stamps upon original packages of  
34 cigarettes. The Department shall adopt rules and regulations

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

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

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

29 (Source: P.A. 91-246, eff. 7-22-99; 92-322, eff. 1-1-02;  
30 92-536, eff. 6-6-02; 92-737, eff. 7-25-02; revised 9-10-02.)

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

1 (235 ILCS 5/5-3) (from Ch. 43, par. 118)

2 Sec. 5-3. License fees. Except as otherwise provided  
3 herein, at the time application is made to the State  
4 Commission for a license of any class, the applicant shall  
5 pay to the State Commission the fee hereinafter provided for  
6 the kind of license applied for.

7 The fee for licenses issued by the State Commission shall  
8 be as follows:

9 For a manufacturer's license:

10	Class 1. Distiller .....	\$3,600
11	Class 2. Rectifier .....	3,600
12	Class 3. Brewer .....	900
13	Class 4. First-class Wine Manufacturer .....	600
14	Class 5. Second-class	
15	Wine Manufacturer .....	1,200
16	Class 6. First-class wine-maker .....	600
17	Class 7. Second-class wine-maker .....	1200
18	Class 8. Limited Wine Manufacturer.....	120
19	For a Brew Pub License .....	1,050
20	For a caterer retailer's license.....	200
21	For a foreign importer's license .....	25
22	For an importing distributor's license .....	25
23	For a distributor's license .....	270
24	For a non-resident dealer's license	
25	(500,000 gallons or over) .....	270
26	For a non-resident dealer's license	
27	(under 500,000 gallons) .....	90
28	For a wine-maker's premises license .....	100
29	For a wine-maker's premises license,	
30	second location .....	350
31	For a wine-maker's premises license,	
32	third location .....	350
33	For a retailer's license .....	<u>500</u> ±75
34	For a special event retailer's license,	

1	(not-for-profit) .....	25
2	For a special use permit license,	
3	one day only .....	50
4	2 days or more .....	100
5	For a railroad license .....	60
6	For a boat license .....	180
7	For an airplane license, times the	
8	licensee's maximum number of aircraft	
9	in flight, serving liquor over the	
10	State at any given time, which either	
11	originate, terminate, or make	
12	an intermediate stop in the State .....	60
13	For a non-beverage user's license:	
14	Class 1 .....	24
15	Class 2 .....	60
16	Class 3 .....	120
17	Class 4 .....	240
18	Class 5 .....	600
19	For a broker's license .....	600
20	For an auction liquor license .....	50

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

1 by all licensees during that period.

2 No fee shall be paid for licenses issued by the State  
3 Commission to the following non-beverage users:

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

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

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

12 (Source: P.A. 91-25, eff. 6-9-99; 91-357, eff. 7-29-99;  
13 92-378, eff. 8-16-01.)

14 (235 ILCS 5/7-5) (from Ch. 43, par. 149)

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

27 In addition to the suspension, the local liquor control  
28 commissioner in any county or municipality may levy a fine on  
29 the licensee for such violations. The fine imposed shall not  
30 exceed \$1000 for a first violation within a 12-month period,  
31 \$1,500 for a second violation within a 12-month period, and  
32 \$2,500 for a third or subsequent violation within a 12-month  
33 period. Each day on which a violation continues shall

1 constitute a separate violation. Not more than \$15,000 in  
2 fines under this Section may be imposed against any licensee  
3 during the period of his license. Proceeds from such fines  
4 shall be paid into the general corporate fund of the county  
5 or municipal treasury, as the case may be.

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

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

32 If the premises for which the license was issued are  
33 located outside of a city, village or incorporated town  
34 having a population of 500,000 or more inhabitants, the

1 licensee after the receipt of such order of suspension or  
2 revocation shall have the privilege within a period of 20  
3 days after the receipt of such order of suspension or  
4 revocation of appealing the order to the State commission for  
5 a decision sustaining, reversing or modifying the order of  
6 the local liquor control commissioner. If the State  
7 commission affirms the local commissioner's order to suspend  
8 or revoke the license at the first hearing, the appellant  
9 shall cease to engage in the business for which the license  
10 was issued, until the local commissioner's order is  
11 terminated by its own provisions or reversed upon rehearing  
12 or by the courts.

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

27 (235 ILCS 5/7-6) (from Ch. 43, par. 150)

28 Sec. 7-6. All proceedings for the revocation or  
29 suspension of licenses of manufacturers, distributors,  
30 importing distributors, non-resident dealers, foreign  
31 importers, non-beverage users, railroads, airplanes and boats  
32 shall be before the State Commission. All such proceedings  
33 and all proceedings for the revocation or suspension of a

1 retailer's license before the State commission shall be in  
2 accordance with rules and regulations established by it not  
3 inconsistent with law. However, no such license shall be so  
4 revoked or suspended except after a hearing by the State  
5 commission with reasonable notice to the licensee served by  
6 registered or certified mail with return receipt requested at  
7 least 10 days prior to the hearings at the last known place  
8 of business of the licensee and after an opportunity to  
9 appear and defend. Such notice shall specify the time and  
10 place of the hearing, the nature of the charges, the specific  
11 provisions of the Act and rules violated, and the specific  
12 facts supporting the charges or violation. The findings of  
13 the Commission shall be predicated upon competent evidence.  
14 The revocation of a local license shall automatically result  
15 in the revocation of a State license. Upon notification by  
16 the Illinois Department of Revenue, the State Commission  
17 shall revoke any license issued by it if the licensee has  
18 violated the provisions of Section 3 of the Retailers'  
19 Occupation Tax Act. All procedures for the suspension or  
20 revocation of a license, as enumerated above, are applicable  
21 to the levying of fines for violations of this Act or any  
22 rule or regulation issued pursuant thereto.

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

24 (235 ILCS 5/8-2) (from Ch. 43, par. 159)

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

1 to the Department of Revenue on or before the 15th day of the  
2 calendar month following the calendar month in which such  
3 alcoholic liquor is sold or used by such manufacturer or by  
4 such importing distributor other than in an authorized  
5 tax-free manner or to pay that tax electronically as provided  
6 in this Section.

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

1 reimburse the manufacturer or importing distributor for the  
2 expenses incurred in keeping and maintaining records,  
3 preparing and filing the electronic returns, remitting the  
4 tax, and supplying data to the Department upon request.

5 The discount shall be in an amount as follows:

6 (1) For original returns due on or after January 1,  
7 2003 through September 30, 2003, the discount shall be  
8 1.75% or \$1,250 per return, whichever is less;

9 (2) For original returns due on or after October 1,  
10 2003 through September 30, 2004, the discount shall be 2%  
11 or \$3,000 per return, whichever is less; and

12 (3) For original returns due on or after October 1,  
13 2004, the discount shall be 2% or \$2,000 per return,  
14 whichever is less.

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

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

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

1 this Act. Such return shall contain such information as the  
2 Department may reasonably require.

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

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

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

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

1 importing distributor.

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

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

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

22 Section 99. Effective date. This Act takes effect upon  
23 becoming law."