

1 AN ACT concerning revenue.

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

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

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

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

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

1 A portion of the money paid into the Local Government Tax
2 Fund from the 6.25% general rate (and, beginning July 1, 2000
3 and through December 31, 2000, the 1.25% rate on motor fuel and
4 gasohol and, beginning February 1, 2006 and through April 30,
5 2006, the 1.25% rate on propane and home heating oil) on sales
6 subject to taxation under the Retailers' Occupation Tax Act and
7 the Service Occupation Tax Act, which occurred in
8 municipalities, shall be distributed to each municipality,
9 based upon the sales which occurred in that municipality. The
10 remainder shall be distributed to each county, based upon the
11 sales which occurred in the unincorporated area of such county.

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

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

29 On or before the 25th day of each calendar month, the
30 Department shall prepare and certify to the Comptroller the
31 disbursement of stated sums of money to named municipalities
32 and counties, the municipalities and counties to be those
33 entitled to distribution of taxes or penalties paid to the
34 Department during the second preceding calendar month. The
35 amount to be paid to each municipality or county shall be the
36 amount (not including credit memoranda) collected during the

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

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

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

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

36 (Source: P.A. 90-491, eff. 1-1-98; 91-51, eff. 6-30-99; 91-872,

1 eff. 7-1-00.)

2 (30 ILCS 105/6z-20) (from Ch. 127, par. 142z-20)

3 Sec. 6z-20. Of the money received from the 6.25% general
4 rate (and, beginning July 1, 2000 and through December 31,
5 2000, the 1.25% rate on motor fuel and gasohol and, beginning
6 February 1, 2006 and through April 30, 2006, the 1.25% rate on
7 propane and home heating oil) on sales subject to taxation
8 under the Retailers' Occupation Tax Act and Service Occupation
9 Tax Act and paid into the County and Mass Transit District
10 Fund, distribution to the Regional Transportation Authority
11 tax fund, created pursuant to Section 4.03 of the Regional
12 Transportation Authority Act, for deposit therein shall be made
13 based upon the retail sales occurring in a county having more
14 than 3,000,000 inhabitants. The remainder shall be distributed
15 to each county having 3,000,000 or fewer inhabitants based upon
16 the retail sales occurring in each such county.

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

26 Of the money received from the 6.25% general use tax rate
27 on tangible personal property which is purchased outside
28 Illinois at retail from a retailer and which is titled or
29 registered by any agency of this State's government and paid
30 into the County and Mass Transit District Fund, the amount for
31 which Illinois addresses for titling or registration purposes
32 are given as being in each county having more than 3,000,000
33 inhabitants shall be distributed into the Regional
34 Transportation Authority tax fund, created pursuant to Section
35 4.03 of the Regional Transportation Authority Act. The

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

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

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

1 county. Within 10 days after receipt, by the Comptroller, of
2 the disbursement certification to the Regional Transportation
3 Authority and counties, provided for in this Section to be
4 given to the Comptroller by the Department, the Comptroller
5 shall cause the orders to be drawn for the respective amounts
6 in accordance with the directions contained in such
7 certification.

8 When certifying the amount of a monthly disbursement to the
9 Regional Transportation Authority or to a county under this
10 Section, the Department shall increase or decrease that amount
11 by an amount necessary to offset any misallocation of previous
12 disbursements. The offset amount shall be the amount
13 erroneously disbursed within the 6 months preceding the time a
14 misallocation is discovered.

15 The provisions directing the distributions from the
16 special fund in the State Treasury provided for in this Section
17 and from the Regional Transportation Authority tax fund created
18 by Section 4.03 of the Regional Transportation Authority Act
19 shall constitute an irrevocable and continuing appropriation
20 of all amounts as provided herein. The State Treasurer and
21 State Comptroller are hereby authorized to make distributions
22 as provided in this Section.

23 In construing any development, redevelopment, annexation,
24 preannexation or other lawful agreement in effect prior to
25 September 1, 1990, which describes or refers to receipts from a
26 county or municipal retailers' occupation tax, use tax or
27 service occupation tax which now cannot be imposed, such
28 description or reference shall be deemed to include the
29 replacement revenue for such abolished taxes, distributed from
30 the County and Mass Transit District Fund or Local Government
31 Distributive Fund, as the case may be.

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

33 Section 10. The Use Tax Act is amended by changing Sections
34 3-10 and 9 as follows:

1 (35 ILCS 105/3-10) (from Ch. 120, par. 439.3-10)

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

23 Beginning February 1, 2006 and through April 30, 2006, with
24 respect to propane and home heating oil sold to residential
25 consumers, as defined in Section 2 of the Gas Revenue Tax Act,
26 the tax is imposed at the rate of 1.25%.

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

31 With respect to gasohol, the tax imposed by this Act
32 applies to (i) 70% of the proceeds of sales made on or after
33 January 1, 1990, and before July 1, 2003, (ii) 80% of the
34 proceeds of sales made on or after July 1, 2003 and on or
35 before December 31, 2013, and (iii) 100% of the proceeds of
36 sales made thereafter. If, at any time, however, the tax under

1 this Act on sales of gasohol is imposed at the rate of 1.25%,
2 then the tax imposed by this Act applies to 100% of the
3 proceeds of sales of gasohol made during that time.

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

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

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

24 With respect to food for human consumption that is to be
25 consumed off the premises where it is sold (other than
26 alcoholic beverages, soft drinks, and food that has been
27 prepared for immediate consumption) and prescription and
28 nonprescription medicines, drugs, medical appliances,
29 modifications to a motor vehicle for the purpose of rendering
30 it usable by a disabled person, and insulin, urine testing
31 materials, syringes, and needles used by diabetics, for human
32 use, the tax is imposed at the rate of 1%. For the purposes of
33 this Section, the term "soft drinks" means any complete,
34 finished, ready-to-use, non-alcoholic drink, whether
35 carbonated or not, including but not limited to soda water,
36 cola, fruit juice, vegetable juice, carbonated water, and all

1 other preparations commonly known as soft drinks of whatever
2 kind or description that are contained in any closed or sealed
3 bottle, can, carton, or container, regardless of size. "Soft
4 drinks" does not include coffee, tea, non-carbonated water,
5 infant formula, milk or milk products as defined in the Grade A
6 Pasteurized Milk and Milk Products Act, or drinks containing
7 50% or more natural fruit or vegetable juice.

8 Notwithstanding any other provisions of this Act, "food for
9 human consumption that is to be consumed off the premises where
10 it is sold" includes all food sold through a vending machine,
11 except soft drinks and food products that are dispensed hot
12 from a vending machine, regardless of the location of the
13 vending machine.

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

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

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

23 Sec. 9. Except as to motor vehicles, watercraft, aircraft,
24 and trailers that are required to be registered with an agency
25 of this State, each retailer required or authorized to collect
26 the tax imposed by this Act shall pay to the Department the
27 amount of such tax (except as otherwise provided) at the time
28 when he is required to file his return for the period during
29 which such tax was collected, less a discount of 2.1% prior to
30 January 1, 1990, and 1.75% on and after January 1, 1990, or \$5
31 per calendar year, whichever is greater, which is allowed to
32 reimburse the retailer for expenses incurred in collecting the
33 tax, keeping records, preparing and filing returns, remitting
34 the tax and supplying data to the Department on request. In the
35 case of retailers who report and pay the tax on a transaction

1 by transaction basis, as provided in this Section, such
2 discount shall be taken with each such tax remittance instead
3 of when such retailer files his periodic return. A retailer
4 need not remit that part of any tax collected by him to the
5 extent that he is required to remit and does remit the tax
6 imposed by the Retailers' Occupation Tax Act, with respect to
7 the sale of the same property.

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

18 Except as provided in this Section, on or before the
19 twentieth day of each calendar month, such retailer shall file
20 a return for the preceding calendar month. Such return shall be
21 filed on forms prescribed by the Department and shall furnish
22 such information as the Department may reasonably require.

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

30 1. The name of the seller;

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

34 3. The total amount of taxable receipts received by him
35 during the preceding calendar month from sales of tangible
36 personal property by him during such preceding calendar

1 month, including receipts from charge and time sales, but
2 less all deductions allowed by law;

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

5 5. The amount of tax due;

6 5-5. The signature of the taxpayer; and

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

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

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

1 funds transfer.

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

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

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

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

17 Before October 1, 2000, if the taxpayer's average monthly
18 tax liability to the Department under this Act, the Retailers'
19 Occupation Tax Act, the Service Occupation Tax Act, the Service
20 Use Tax Act was \$10,000 or more during the preceding 4 complete
21 calendar quarters, he shall file a return with the Department
22 each month by the 20th day of the month next following the
23 month during which such tax liability is incurred and shall
24 make payments to the Department on or before the 7th, 15th,
25 22nd and last day of the month during which such liability is
26 incurred. On and after October 1, 2000, if the taxpayer's
27 average monthly tax liability to the Department under this Act,
28 the Retailers' Occupation Tax Act, the Service Occupation Tax
29 Act, and the Service Use Tax Act was \$20,000 or more during the
30 preceding 4 complete calendar quarters, he shall file a return
31 with the Department each month by the 20th day of the month
32 next following the month during which such tax liability is
33 incurred and shall make payment to the Department on or before
34 the 7th, 15th, 22nd and last day of the month during which such
35 liability is incurred. If the month during which such tax
36 liability is incurred began prior to January 1, 1985, each

1 payment shall be in an amount equal to 1/4 of the taxpayer's
2 actual liability for the month or an amount set by the
3 Department not to exceed 1/4 of the average monthly liability
4 of the taxpayer to the Department for the preceding 4 complete
5 calendar quarters (excluding the month of highest liability and
6 the month of lowest liability in such 4 quarter period). If the
7 month during which such tax liability is incurred begins on or
8 after January 1, 1985, and prior to January 1, 1987, each
9 payment shall be in an amount equal to 22.5% of the taxpayer's
10 actual liability for the month or 27.5% of the taxpayer's
11 liability for the same calendar month of the preceding year. If
12 the month during which such tax liability is incurred begins on
13 or after January 1, 1987, and prior to January 1, 1988, each
14 payment shall be in an amount equal to 22.5% of the taxpayer's
15 actual liability for the month or 26.25% of the taxpayer's
16 liability for the same calendar month of the preceding year. If
17 the month during which such tax liability is incurred begins on
18 or after January 1, 1988, and prior to January 1, 1989, or
19 begins on or after January 1, 1996, each payment shall be in an
20 amount equal to 22.5% of the taxpayer's actual liability for
21 the month or 25% of the taxpayer's liability for the same
22 calendar month of the preceding year. If the month during which
23 such tax liability is incurred begins on or after January 1,
24 1989, and prior to January 1, 1996, each payment shall be in an
25 amount equal to 22.5% of the taxpayer's actual liability for
26 the month or 25% of the taxpayer's liability for the same
27 calendar month of the preceding year or 100% of the taxpayer's
28 actual liability for the quarter monthly reporting period. The
29 amount of such quarter monthly payments shall be credited
30 against the final tax liability of the taxpayer's return for
31 that month. Before October 1, 2000, once applicable, the
32 requirement of the making of quarter monthly payments to the
33 Department shall continue until such taxpayer's average
34 monthly liability to the Department during the preceding 4
35 complete calendar quarters (excluding the month of highest
36 liability and the month of lowest liability) is less than

1 \$9,000, or until such taxpayer's average monthly liability to
2 the Department as computed for each calendar quarter of the 4
3 preceding complete calendar quarter period is less than
4 \$10,000. However, if a taxpayer can show the Department that a
5 substantial change in the taxpayer's business has occurred
6 which causes the taxpayer to anticipate that his average
7 monthly tax liability for the reasonably foreseeable future
8 will fall below the \$10,000 threshold stated above, then such
9 taxpayer may petition the Department for change in such
10 taxpayer's reporting status. On and after October 1, 2000, once
11 applicable, the requirement of the making of quarter monthly
12 payments to the Department shall continue until such taxpayer's
13 average monthly liability to the Department during the
14 preceding 4 complete calendar quarters (excluding the month of
15 highest liability and the month of lowest liability) is less
16 than \$19,000 or until such taxpayer's average monthly liability
17 to the Department as computed for each calendar quarter of the
18 4 preceding complete calendar quarter period is less than
19 \$20,000. However, if a taxpayer can show the Department that a
20 substantial change in the taxpayer's business has occurred
21 which causes the taxpayer to anticipate that his average
22 monthly tax liability for the reasonably foreseeable future
23 will fall below the \$20,000 threshold stated above, then such
24 taxpayer may petition the Department for a change in such
25 taxpayer's reporting status. The Department shall change such
26 taxpayer's reporting status unless it finds that such change is
27 seasonal in nature and not likely to be long term. If any such
28 quarter monthly payment is not paid at the time or in the
29 amount required by this Section, then the taxpayer shall be
30 liable for penalties and interest on the difference between the
31 minimum amount due and the amount of such quarter monthly
32 payment actually and timely paid, except insofar as the
33 taxpayer has previously made payments for that month to the
34 Department in excess of the minimum payments previously due as
35 provided in this Section. The Department shall make reasonable
36 rules and regulations to govern the quarter monthly payment

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

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

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

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

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

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

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

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

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

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

29 The transaction reporting return in the case of watercraft
30 and aircraft must show the name and address of the seller; the
31 name and address of the purchaser; the amount of the selling
32 price including the amount allowed by the retailer for
33 traded-in property, if any; the amount allowed by the retailer
34 for the traded-in tangible personal property, if any, to the
35 extent to which Section 2 of this Act allows an exemption for
36 the value of traded-in property; the balance payable after

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

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

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

34 No retailer's failure or refusal to remit tax under this
35 Act precludes a user, who has paid the proper tax to the
36 retailer, from obtaining his certificate of title or other

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

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

24 Where a retailer collects the tax with respect to the
25 selling price of tangible personal property which he sells and
26 the purchaser thereafter returns such tangible personal
27 property and the retailer refunds the selling price thereof to
28 the purchaser, such retailer shall also refund, to the
29 purchaser, the tax so collected from the purchaser. When filing
30 his return for the period in which he refunds such tax to the
31 purchaser, the retailer may deduct the amount of the tax so
32 refunded by him to the purchaser from any other use tax which
33 such retailer may be required to pay or remit to the
34 Department, as shown by such return, if the amount of the tax
35 to be deducted was previously remitted to the Department by
36 such retailer. If the retailer has not previously remitted the

1 amount of such tax to the Department, he is entitled to no
2 deduction under this Act upon refunding such tax to the
3 purchaser.

4 Any retailer filing a return under this Section shall also
5 include (for the purpose of paying tax thereon) the total tax
6 covered by such return upon the selling price of tangible
7 personal property purchased by him at retail from a retailer,
8 but as to which the tax imposed by this Act was not collected
9 from the retailer filing such return, and such retailer shall
10 remit the amount of such tax to the Department when filing such
11 return.

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

18 Where the retailer has more than one business registered
19 with the Department under separate registration under this Act,
20 such retailer may not file each return that is due as a single
21 return covering all such registered businesses, but shall file
22 separate returns for each such registered business.

23 Beginning January 1, 1990, each month the Department shall
24 pay into the State and Local Sales Tax Reform Fund, a special
25 fund in the State Treasury which is hereby created, the net
26 revenue realized for the preceding month from the 1% tax on
27 sales of food for human consumption which is to be consumed off
28 the premises where it is sold (other than alcoholic beverages,
29 soft drinks and food which has been prepared for immediate
30 consumption) and prescription and nonprescription medicines,
31 drugs, medical appliances and insulin, urine testing
32 materials, syringes and needles used by diabetics.

33 Beginning January 1, 1990, each month the Department shall
34 pay into the County and Mass Transit District Fund 4% of the
35 net revenue realized for the preceding month from the 6.25%
36 general rate on the selling price of tangible personal property

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

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

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

16 Beginning February 1, 2006, each month the Department must
17 pay into the State and Local Sales Tax Reform Fund 100% of the
18 net revenue realized for the preceding month from the 1.25%
19 rate on the selling price of propane and home heating oil sold
20 to residential consumers during the period beginning February
21 1, 2006 and continuing through April 30, 2006.

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

29 Of the remainder of the moneys received by the Department
30 pursuant to this Act, (a) 1.75% thereof shall be paid into the
31 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
32 and after July 1, 1989, 3.8% thereof shall be paid into the
33 Build Illinois Fund; provided, however, that if in any fiscal
34 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
35 may be, of the moneys received by the Department and required
36 to be paid into the Build Illinois Fund pursuant to Section 3

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

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

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

34		Total
	Fiscal Year	Deposit
35	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
35 Metropolitan Pier and
36 Exposition Authority Act,

1 but not after fiscal year 2042.

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

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

23 Subject to payment of amounts into the Build Illinois Fund
24 and the McCormick Place Expansion Project Fund pursuant to the
25 preceding paragraphs or in any amendments thereto hereafter
26 enacted, beginning with the receipt of the first report of
27 taxes paid by an eligible business and continuing for a 25-year
28 period, the Department shall each month pay into the Energy
29 Infrastructure Fund 80% of the net revenue realized from the
30 6.25% general rate on the selling price of Illinois-mined coal
31 that was sold to an eligible business. For purposes of this
32 paragraph, the term "eligible business" means a new electric
33 generating facility certified pursuant to Section 605-332 of
34 the Department of Commerce and Economic Opportunity ~~Community~~
35 ~~Affairs~~ Law of the Civil Administrative Code of Illinois.

36 Of the remainder of the moneys received by the Department

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

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

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

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

24 (Source: P.A. 91-37, eff. 7-1-99; 91-51, eff. 6-30-99; 91-101,
25 eff. 7-12-99; 91-541, eff. 8-13-99; 91-872, eff. 7-1-00;
26 91-901, eff. 1-1-01; 92-12, eff. 7-1-01; 92-16, eff. 6-28-01;
27 92-208, eff. 8-2-01; 92-492, eff. 1-1-02; 92-600, eff. 6-28-02;
28 92-651, eff. 7-11-02; revised 10-15-03.)

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

31 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

32 Sec. 3-10. Rate of tax. Unless otherwise provided in this
33 Section, the tax imposed by this Act is at the rate of 6.25% of
34 the selling price of tangible personal property transferred as

1 an incident to the sale of service, but, for the purpose of
2 computing this tax, in no event shall the selling price be less
3 than the cost price of the property to the serviceman.

4 Beginning February 1, 2006 and through April 30, 2006, with
5 respect to propane and home heating oil sold to residential
6 consumers, as defined in Section 2 of the Gas Revenue Act, the
7 tax is imposed at the rate of 1.25%.

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

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

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

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

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

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

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

22 The tax shall be imposed at the rate of 1% on food prepared
23 for immediate consumption and transferred incident to a sale of
24 service subject to this Act or the Service Occupation Tax Act
25 by an entity licensed under the Hospital Licensing Act, the
26 Nursing Home Care Act, or the Child Care Act of 1969. The tax
27 shall also be imposed at the rate of 1% on food for human
28 consumption that is to be consumed off the premises where it is
29 sold (other than alcoholic beverages, soft drinks, and food
30 that has been prepared for immediate consumption and is not
31 otherwise included in this paragraph) and prescription and
32 nonprescription medicines, drugs, medical appliances,
33 modifications to a motor vehicle for the purpose of rendering
34 it usable by a disabled person, and insulin, urine testing
35 materials, syringes, and needles used by diabetics, for human
36 use. For the purposes of this Section, the term "soft drinks"

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

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

18 If the property that is acquired from a serviceman is
19 acquired outside Illinois and used outside Illinois before
20 being brought to Illinois for use here and is taxable under
21 this Act, the "selling price" on which the tax is computed
22 shall be reduced by an amount that represents a reasonable
23 allowance for depreciation for the period of prior out-of-state
24 use.

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

26 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

27 Sec. 9. Each serviceman required or authorized to collect
28 the tax herein imposed shall pay to the Department the amount
29 of such tax (except as otherwise provided) at the time when he
30 is required to file his return for the period during which such
31 tax was collected, less a discount of 2.1% prior to January 1,
32 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar
33 year, whichever is greater, which is allowed to reimburse the
34 serviceman for expenses incurred in collecting the tax, keeping
35 records, preparing and filing returns, remitting the tax and

1 supplying data to the Department on request. A serviceman need
2 not remit that part of any tax collected by him to the extent
3 that he is required to pay and does pay the tax imposed by the
4 Service Occupation Tax Act with respect to his sale of service
5 involving the incidental transfer by him of the same property.

6 Except as provided hereinafter in this Section, on or
7 before the twentieth day of each calendar month, such
8 serviceman shall file a return for the preceding calendar month
9 in accordance with reasonable Rules and Regulations to be
10 promulgated by the Department. Such return shall be filed on a
11 form prescribed by the Department and shall contain such
12 information as the Department may reasonably require.

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

20 1. The name of the seller;

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

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

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

29 5. The amount of tax due;

30 5-5. The signature of the taxpayer; and

31 6. Such other reasonable information as the Department
32 may require.

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

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

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

31 Any taxpayer not required to make payments by electronic
32 funds transfer may make payments by electronic funds transfer
33 with the permission of the Department.

34 All taxpayers required to make payment by electronic funds
35 transfer and any taxpayers authorized to voluntarily make
36 payments by electronic funds transfer shall make those payments

1 in the manner authorized by the Department.

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

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

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

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

25 Notwithstanding any other provision in this Act concerning
26 the time within which a serviceman may file his return, in the
27 case of any serviceman who ceases to engage in a kind of
28 business which makes him responsible for filing returns under
29 this Act, such serviceman shall file a final return under this
30 Act with the Department not more than 1 month after
31 discontinuing such business.

32 Where a serviceman collects the tax with respect to the
33 selling price of property which he sells and the purchaser
34 thereafter returns such property and the serviceman refunds the
35 selling price thereof to the purchaser, such serviceman shall
36 also refund, to the purchaser, the tax so collected from the

1 purchaser. When filing his return for the period in which he
2 refunds such tax to the purchaser, the serviceman may deduct
3 the amount of the tax so refunded by him to the purchaser from
4 any other Service Use Tax, Service Occupation Tax, retailers'
5 occupation tax or use tax which such serviceman may be required
6 to pay or remit to the Department, as shown by such return,
7 provided that the amount of the tax to be deducted shall
8 previously have been remitted to the Department by such
9 serviceman. If the serviceman shall not previously have
10 remitted the amount of such tax to the Department, he shall be
11 entitled to no deduction hereunder upon refunding such tax to
12 the purchaser.

13 Any serviceman filing a return hereunder shall also include
14 the total tax upon the selling price of tangible personal
15 property purchased for use by him as an incident to a sale of
16 service, and such serviceman shall remit the amount of such tax
17 to the Department when filing such return.

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

24 Where the serviceman has more than one business registered
25 with the Department under separate registration hereunder,
26 such serviceman shall not file each return that is due as a
27 single return covering all such registered businesses, but
28 shall file separate returns for each such registered business.

29 Beginning January 1, 1990, each month the Department shall
30 pay into the State and Local Tax Reform Fund, a special fund in
31 the State Treasury, the net revenue realized for the preceding
32 month from the 1% tax on sales of food for human consumption
33 which is to be consumed off the premises where it is sold
34 (other than alcoholic beverages, soft drinks and food which has
35 been prepared for immediate consumption) and prescription and
36 nonprescription medicines, drugs, medical appliances and

1 insulin, urine testing materials, syringes and needles used by
2 diabetics.

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

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

14 Beginning February 1, 2006, each month the Department must
15 pay into the State and Local Sales Tax Reform Fund 100% of the
16 net revenue realized for the preceding month from the 1.25%
17 rate on the selling price of propane and home heating oil sold
18 to residential consumers during the period beginning February
19 1, 2006 and continuing through April 30, 2006.

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

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

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

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

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

1	2003	99,000,000
2	2004	103,000,000
3	2005	108,000,000
4	2006	113,000,000
5	2007	119,000,000
6	2008	126,000,000
7	2009	132,000,000
8	2010	139,000,000
9	2011	146,000,000
10	2012	153,000,000
11	2013	161,000,000
12	2014	170,000,000
13	2015	179,000,000
14	2016	189,000,000
15	2017	199,000,000
16	2018	210,000,000
17	2019	221,000,000
18	2020	233,000,000
19	2021	246,000,000
20	2022	260,000,000
21	2023 and	275,000,000

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

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

1 required under this Section for previous months and years,
2 shall be deposited into the McCormick Place Expansion Project
3 Fund, until the full amount requested for the fiscal year, but
4 not in excess of the amount specified above as "Total Deposit",
5 has been deposited.

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

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

27 All remaining moneys received by the Department pursuant to
28 this Act shall be paid into the General Revenue Fund of the
29 State Treasury.

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

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

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

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

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

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

29 Beginning February 1, 2006 and through April 30, 2006, with
30 respect to propane and home heating oil sold to residential
31 consumers, as defined in Section 2 of the Gas Revenue Tax Act,
32 the tax is imposed at the rate of 1.25%.

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

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

3 With respect to gasohol, as defined in the Use Tax Act, the
4 tax imposed by this Act shall apply to (i) 70% of the cost
5 price of property transferred as an incident to the sale of
6 service on or after January 1, 1990, and before July 1, 2003,
7 (ii) 80% of the selling price of property transferred as an
8 incident to the sale of service on or after July 1, 2003 and on
9 or before December 31, 2013, and (iii) 100% of the cost price
10 thereafter. If, at any time, however, the tax under this Act on
11 sales of gasohol, as defined in the Use Tax Act, is imposed at
12 the rate of 1.25%, then the tax imposed by this Act applies to
13 100% of the proceeds of sales of gasohol made during that time.

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

20 With respect to biodiesel blends, as defined in the Use Tax
21 Act, with no less than 1% and no more than 10% biodiesel, the
22 tax imposed by this Act applies to (i) 80% of the selling price
23 of property transferred as an incident to the sale of service
24 on or after July 1, 2003 and on or before December 31, 2013 and
25 (ii) 100% of the proceeds of the selling price thereafter. If,
26 at any time, however, the tax under this Act on sales of
27 biodiesel blends, as defined in the Use Tax Act, with no less
28 than 1% and no more than 10% biodiesel is imposed at the rate
29 of 1.25%, then the tax imposed by this Act applies to 100% of
30 the proceeds of sales of biodiesel blends with no less than 1%
31 and no more than 10% biodiesel made during that time.

32 With respect to 100% biodiesel, as defined in the Use Tax
33 Act, and biodiesel blends, as defined in the Use Tax Act, with
34 more than 10% but no more than 99% biodiesel material, the tax
35 imposed by this Act does not apply to the proceeds of the
36 selling price of property transferred as an incident to the

1 sale of service on or after July 1, 2003 and on or before
2 December 31, 2013 but applies to 100% of the selling price
3 thereafter.

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

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

1 Grade A Pasteurized Milk and Milk Products Act, or drinks
2 containing 50% or more natural fruit or vegetable juice.

3 Notwithstanding any other provisions of this Act, "food for
4 human consumption that is to be consumed off the premises where
5 it is sold" includes all food sold through a vending machine,
6 except soft drinks and food products that are dispensed hot
7 from a vending machine, regardless of the location of the
8 vending machine.

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

10 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

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

21 Where such tangible personal property is sold under a
22 conditional sales contract, or under any other form of sale
23 wherein the payment of the principal sum, or a part thereof, is
24 extended beyond the close of the period for which the return is
25 filed, the serviceman, in collecting the tax may collect, for
26 each tax return period, only the tax applicable to the part of
27 the selling price actually received during such tax return
28 period.

29 Except as provided hereinafter in this Section, on or
30 before the twentieth day of each calendar month, such
31 serviceman shall file a return for the preceding calendar month
32 in accordance with reasonable rules and regulations to be
33 promulgated by the Department of Revenue. Such return shall be
34 filed on a form prescribed by the Department and shall contain
35 such information as the Department may reasonably require.

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

8 1. The name of the seller;

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

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

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

17 5. The amount of tax due;

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

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

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

25 Prior to October 1, 2003, and on and after September 1,
26 2004 a serviceman may accept a Manufacturer's Purchase Credit
27 certification from a purchaser in satisfaction of Service Use
28 Tax as provided in Section 3-70 of the Service Use Tax Act if
29 the purchaser provides the appropriate documentation as
30 required by Section 3-70 of the Service Use Tax Act. A
31 Manufacturer's Purchase Credit certification, accepted prior
32 to October 1, 2003 or on or after September 1, 2004 by a
33 serviceman as provided in Section 3-70 of the Service Use Tax
34 Act, may be used by that serviceman to satisfy Service
35 Occupation Tax liability in the amount claimed in the
36 certification, not to exceed 6.25% of the receipts subject to

1 tax from a qualifying purchase. A Manufacturer's Purchase
2 Credit reported on any original or amended return filed under
3 this Act after October 20, 2003 for reporting periods prior to
4 September 1, 2004 shall be disallowed. Manufacturer's Purchase
5 Credit reported on annual returns due on or after January 1,
6 2005 will be disallowed for periods prior to September 1, 2004.
7 No Manufacturer's Purchase Credit may be used after September
8 30, 2003 through August 31, 2004 to satisfy any tax liability
9 imposed under this Act, including any audit liability.

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

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

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

27 Notwithstanding any other provision in this Act concerning
28 the time within which a serviceman may file his return, in the
29 case of any serviceman who ceases to engage in a kind of
30 business which makes him responsible for filing returns under
31 this Act, such serviceman shall file a final return under this
32 Act with the Department not more than 1 month after
33 discontinuing such business.

34 Beginning October 1, 1993, a taxpayer who has an average
35 monthly tax liability of \$150,000 or more shall make all
36 payments required by rules of the Department by electronic

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

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

28 Any taxpayer not required to make payments by electronic
29 funds transfer may make payments by electronic funds transfer
30 with the permission of the Department.

31 All taxpayers required to make payment by electronic funds
32 transfer and any taxpayers authorized to voluntarily make
33 payments by electronic funds transfer shall make those payments
34 in the manner authorized by the Department.

35 The Department shall adopt such rules as are necessary to
36 effectuate a program of electronic funds transfer and the

1 requirements of this Section.

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

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

26 Where the serviceman has more than one business registered
27 with the Department under separate registrations hereunder,
28 such serviceman shall file separate returns for each registered
29 business.

30 Beginning January 1, 1990, each month the Department shall
31 pay into the Local Government Tax Fund the revenue realized for
32 the preceding month from the 1% tax on sales of food for human
33 consumption which is to be consumed off the premises where it
34 is sold (other than alcoholic beverages, soft drinks and food
35 which has been prepared for immediate consumption) and
36 prescription and nonprescription medicines, drugs, medical

1 appliances and insulin, urine testing materials, syringes and
2 needles used by diabetics.

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

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

11 Beginning January 1, 1990, each month the Department shall
12 pay into the Local Government Tax Fund 16% of the revenue
13 realized for the preceding month from the 6.25% general rate on
14 transfers of tangible personal property.

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

19 Beginning February 1, 2006, each month the Department shall
20 pay into the Local Government Tax Fund 80% of the net revenue
21 realized for the preceding month from the 1.25% rate on the
22 selling price of propane and home heating oil sold to
23 residential consumers during the period beginning February 1,
24 2006 and continuing through April 30, 2006.

25 Beginning February 1, 2006, each month the Department shall
26 pay into the County and Mass Transit District Fund 20% of the
27 net revenue realized for the preceding month from the 1.25%
28 rate on the selling price of propane and home heating oil sold
29 to residential consumers during the period beginning February
30 1, 2006 and continuing through April 30, 2006.

31 Of the remainder of the moneys received by the Department
32 pursuant to this Act, (a) 1.75% thereof shall be paid into the
33 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
34 and after July 1, 1989, 3.8% thereof shall be paid into the
35 Build Illinois Fund; provided, however, that if in any fiscal
36 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case

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

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

24 Subject to payment of amounts into the Build Illinois Fund
25 as provided in the preceding paragraph or in any amendment
26 thereto hereafter enacted, the following specified monthly
27 installment of the amount requested in the certificate of the
28 Chairman of the Metropolitan Pier and Exposition Authority
29 provided under Section 8.25f of the State Finance Act, but not
30 in excess of the sums designated as "Total Deposit", shall be
31 deposited in the aggregate from collections under Section 9 of
32 the Use Tax Act, Section 9 of the Service Use Tax Act, Section
33 9 of the Service Occupation Tax Act, and Section 3 of the
34 Retailers' Occupation Tax Act into the McCormick Place
35 Expansion Project Fund in the specified fiscal years.

1		Total
	Fiscal Year	Deposit
2	1993	\$0
3	1994	53,000,000
4	1995	58,000,000
5	1996	61,000,000
6	1997	64,000,000
7	1998	68,000,000
8	1999	71,000,000
9	2000	75,000,000
10	2001	80,000,000
11	2002	93,000,000
12	2003	99,000,000
13	2004	103,000,000
14	2005	108,000,000
15	2006	113,000,000
16	2007	119,000,000
17	2008	126,000,000
18	2009	132,000,000
19	2010	139,000,000
20	2011	146,000,000
21	2012	153,000,000
22	2013	161,000,000
23	2014	170,000,000
24	2015	179,000,000
25	2016	189,000,000
26	2017	199,000,000
27	2018	210,000,000
28	2019	221,000,000
29	2020	233,000,000
30	2021	246,000,000
31	2022	260,000,000
32	2023 and	275,000,000
33	each fiscal year	
34	thereafter that bonds	
35	are outstanding under	

1 Section 13.2 of the
2 Metropolitan Pier and
3 Exposition Authority Act,
4 but not after fiscal year 2042.

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

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

26 Subject to payment of amounts into the Build Illinois Fund
27 and the McCormick Place Expansion Project Fund pursuant to the
28 preceding paragraphs or in any amendments thereto hereafter
29 enacted, beginning with the receipt of the first report of
30 taxes paid by an eligible business and continuing for a 25-year
31 period, the Department shall each month pay into the Energy
32 Infrastructure Fund 80% of the net revenue realized from the
33 6.25% general rate on the selling price of Illinois-mined coal
34 that was sold to an eligible business. For purposes of this
35 paragraph, the term "eligible business" means a new electric
36 generating facility certified pursuant to Section 605-332 of

1 the Department of Commerce and Economic Opportunity Law of the
2 Civil Administrative Code of Illinois.

3 Remaining moneys received by the Department pursuant to
4 this Act shall be paid into the General Revenue Fund of the
5 State Treasury.

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

29 If the annual information return required by this Section
30 is not filed when and as required, the taxpayer shall be liable
31 as follows:

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

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

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

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

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

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

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

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

1 (Source: P.A. 92-12, eff. 7-1-01; 92-208, eff. 8-2-01; 92-492,
2 eff. 1-1-02; 92-600, eff. 6-28-02; 92-651, eff. 7-11-02; 93-24,
3 eff. 6-20-03; 93-840, eff. 7-30-04.)

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

6 (35 ILCS 120/2-10) (from Ch. 120, par. 441-10)

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

11 Beginning February 1, 2006 and through April 30, 2006, with
12 respect to propane and home heating oil sold to residential
13 consumers, as defined in Section 2 of the Gas Revenue Tax Act,
14 the tax is imposed at the rate of 1.25%.

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

19 Within 14 days after the effective date of this amendatory
20 Act of the 91st General Assembly, each retailer of motor fuel
21 and gasohol shall cause the following notice to be posted in a
22 prominently visible place on each retail dispensing device that
23 is used to dispense motor fuel or gasohol in the State of
24 Illinois: "As of July 1, 2000, the State of Illinois has
25 eliminated the State's share of sales tax on motor fuel and
26 gasohol through December 31, 2000. The price on this pump
27 should reflect the elimination of the tax." The notice shall be
28 printed in bold print on a sign that is no smaller than 4
29 inches by 8 inches. The sign shall be clearly visible to
30 customers. Any retailer who fails to post or maintain a
31 required sign through December 31, 2000 is guilty of a petty
32 offense for which the fine shall be \$500 per day per each
33 retail premises where a violation occurs.

34 With respect to gasohol, as defined in the Use Tax Act, the

1 tax imposed by this Act applies to (i) 70% of the proceeds of
2 sales made on or after January 1, 1990, and before July 1,
3 2003, (ii) 80% of the proceeds of sales made on or after July
4 1, 2003 and on or before December 31, 2013, and (iii) 100% of
5 the proceeds of sales made thereafter. If, at any time,
6 however, the tax under this Act on sales of gasohol, as defined
7 in the Use Tax Act, is imposed at the rate of 1.25%, then the
8 tax imposed by this Act applies to 100% of the proceeds of
9 sales of gasohol made during that time.

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

15 With respect to biodiesel blends, as defined in the Use Tax
16 Act, with no less than 1% and no more than 10% biodiesel, the
17 tax imposed by this Act applies to (i) 80% of the proceeds of
18 sales made on or after July 1, 2003 and on or before December
19 31, 2013 and (ii) 100% of the proceeds of sales made
20 thereafter. If, at any time, however, the tax under this Act on
21 sales of biodiesel blends, as defined in the Use Tax Act, with
22 no less than 1% and no more than 10% biodiesel is imposed at
23 the rate of 1.25%, then the tax imposed by this Act applies to
24 100% of the proceeds of sales of biodiesel blends with no less
25 than 1% and no more than 10% biodiesel made during that time.

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

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

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

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

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

23 (35 ILCS 120/3) (from Ch. 120, par. 442)

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

29 1. The name of the seller;

30 2. His residence address and the address of his
31 principal place of business and the address of the
32 principal place of business (if that is a different
33 address) from which he engages in the business of selling
34 tangible personal property at retail in this State;

35 3. Total amount of receipts received by him during the

1 preceding calendar month or quarter, as the case may be,
2 from sales of tangible personal property, and from services
3 furnished, by him during such preceding calendar month or
4 quarter;

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

10 5. Deductions allowed by law;

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

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

16 8. The amount of tax due;

17 9. The signature of the taxpayer; and

18 10. Such other reasonable information as the
19 Department may require.

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

24 Each return shall be accompanied by the statement of
25 prepaid tax issued pursuant to Section 2e for which credit is
26 claimed.

27 Prior to October 1, 2003, and on and after September 1,
28 2004 a retailer may accept a Manufacturer's Purchase Credit
29 certification from a purchaser in satisfaction of Use Tax as
30 provided in Section 3-85 of the Use Tax Act if the purchaser
31 provides the appropriate documentation as required by Section
32 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit
33 certification, accepted by a retailer prior to October 1, 2003
34 and on and after September 1, 2004 as provided in Section 3-85
35 of the Use Tax Act, may be used by that retailer to satisfy
36 Retailers' Occupation Tax liability in the amount claimed in

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

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

19 1. The name of the seller;

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

23 3. The total amount of taxable receipts received by him
24 during the preceding calendar month from sales of tangible
25 personal property by him during such preceding calendar
26 month, including receipts from charge and time sales, but
27 less all deductions allowed by law;

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

30 5. The amount of tax due; and

31 6. Such other reasonable information as the Department
32 may require.

33 Beginning on October 1, 2003, any person who is not a
34 licensed distributor, importing distributor, or manufacturer,
35 as defined in the Liquor Control Act of 1934, but is engaged in
36 the business of selling, at retail, alcoholic liquor shall file

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

11 Beginning on October 1, 2003, every distributor, importing
12 distributor, and manufacturer of alcoholic liquor as defined in
13 the Liquor Control Act of 1934, shall file a statement with the
14 Department of Revenue, no later than the 10th day of the month
15 for the preceding month during which transactions occurred, by
16 electronic means, showing the total amount of gross receipts
17 from the sale of alcoholic liquor sold or distributed during
18 the preceding month to purchasers; identifying the purchaser to
19 whom it was sold or distributed; the purchaser's tax
20 registration number; and such other information reasonably
21 required by the Department. A distributor, importing
22 distributor, or manufacturer of alcoholic liquor must
23 personally deliver, mail, or provide by electronic means to
24 each retailer listed on the monthly statement a report
25 containing a cumulative total of that distributor's, importing
26 distributor's, or manufacturer's total sales of alcoholic
27 liquor to that retailer no later than the 10th day of the month
28 for the preceding month during which the transaction occurred.
29 The distributor, importing distributor, or manufacturer shall
30 notify the retailer as to the method by which the distributor,
31 importing distributor, or manufacturer will provide the sales
32 information. If the retailer is unable to receive the sales
33 information by electronic means, the distributor, importing
34 distributor, or manufacturer shall furnish the sales
35 information by personal delivery or by mail. For purposes of
36 this paragraph, the term "electronic means" includes, but is

1 not limited to, the use of a secure Internet website, e-mail,
2 or facsimile.

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

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

31 Before August 1 of each year beginning in 1993, the
32 Department shall notify all taxpayers required to make payments
33 by electronic funds transfer. All taxpayers required to make
34 payments by electronic funds transfer shall make those payments
35 for a minimum of one year beginning on October 1.

36 Any taxpayer not required to make payments by electronic

1 funds transfer may make payments by electronic funds transfer
2 with the permission of the Department.

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

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

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

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

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

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

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

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

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

36 Any retailer who sells only motor vehicles, watercraft,

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

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

29 The transaction reporting return in the case of watercraft
30 or aircraft must show the name and address of the seller; the
31 name and address of the purchaser; the amount of the selling
32 price including the amount allowed by the retailer for
33 traded-in property, if any; the amount allowed by the retailer
34 for the traded-in tangible personal property, if any, to the
35 extent to which Section 1 of this Act allows an exemption for
36 the value of traded-in property; the balance payable after

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

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

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

34 No retailer's failure or refusal to remit tax under this
35 Act precludes a user, who has paid the proper tax to the
36 retailer, from obtaining his certificate of title or other

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

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

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

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

36 Where the seller is a limited liability company, the return

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

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

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

1 next following the month during which such tax liability is
2 incurred and shall make payment to the Department on or before
3 the 7th, 15th, 22nd and last day of the month during which such
4 liability is incurred. If the month during which such tax
5 liability is incurred began prior to January 1, 1985, each
6 payment shall be in an amount equal to 1/4 of the taxpayer's
7 actual liability for the month or an amount set by the
8 Department not to exceed 1/4 of the average monthly liability
9 of the taxpayer to the Department for the preceding 4 complete
10 calendar quarters (excluding the month of highest liability and
11 the month of lowest liability in such 4 quarter period). If the
12 month during which such tax liability is incurred begins on or
13 after January 1, 1985 and prior to January 1, 1987, each
14 payment shall be in an amount equal to 22.5% of the taxpayer's
15 actual liability for the month or 27.5% of the taxpayer's
16 liability for the same calendar month of the preceding year. If
17 the month during which such tax liability is incurred begins on
18 or after January 1, 1987 and prior to January 1, 1988, each
19 payment shall be in an amount equal to 22.5% of the taxpayer's
20 actual liability for the month or 26.25% of the taxpayer's
21 liability for the same calendar month of the preceding year. If
22 the month during which such tax liability is incurred begins on
23 or after January 1, 1988, and prior to January 1, 1989, or
24 begins on or after January 1, 1996, each payment shall be in an
25 amount equal to 22.5% of the taxpayer's actual liability for
26 the month or 25% of the taxpayer's liability for the same
27 calendar month of the preceding year. If the month during which
28 such tax liability is incurred begins on or after January 1,
29 1989, and prior to January 1, 1996, each payment shall be in an
30 amount equal to 22.5% of the taxpayer's actual liability for
31 the month or 25% of the taxpayer's liability for the same
32 calendar month of the preceding year or 100% of the taxpayer's
33 actual liability for the quarter monthly reporting period. The
34 amount of such quarter monthly payments shall be credited
35 against the final tax liability of the taxpayer's return for
36 that month. Before October 1, 2000, once applicable, the

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

1 the time or in the amount required by this Section, then the
2 taxpayer shall be liable for penalties and interest on the
3 difference between the minimum amount due as a payment and the
4 amount of such quarter monthly payment actually and timely
5 paid, except insofar as the taxpayer has previously made
6 payments for that month to the Department in excess of the
7 minimum payments previously due as provided in this Section.
8 The Department shall make reasonable rules and regulations to
9 govern the quarter monthly payment amount and quarter monthly
10 payment dates for taxpayers who file on other than a calendar
11 monthly basis.

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

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

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

1 payment is not paid at the time or in the amount required, the
2 taxpayer shall be liable for penalties and interest on such
3 difference, except insofar as the taxpayer has previously made
4 payments for that month in excess of the minimum payments
5 previously due.

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

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

33 Beginning January 1, 1990, each month the Department shall
34 pay into the Local Government Tax Fund, a special fund in the
35 State treasury which is hereby created, the net revenue
36 realized for the preceding month from the 1% tax on sales of

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

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

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

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

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

24 Beginning February 1, 2006, each month the Department shall
25 pay into the Local Government Tax Fund 80% of the net revenue
26 realized for the preceding month from the 1.25% rate on the
27 selling price of propane and home heating oil sold to
28 residential consumers during the period beginning February 1,
29 2006 and continuing through April 30, 2006.

30 Beginning February 1, 2006, each month the Department shall
31 pay into the County and Mass Transit District Fund 20% of the
32 net revenue realized for the preceding month from the 1.25%
33 rate on the selling price of propane and home heating oil sold
34 to residential consumers during the period beginning February
35 1, 2006 and continuing through April 30, 2006.

36 Of the remainder of the moneys received by the Department

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

20	Fiscal Year	Annual Specified Amount
21	1986	\$54,800,000
22	1987	\$76,650,000
23	1988	\$80,480,000
24	1989	\$88,510,000
25	1990	\$115,330,000
26	1991	\$145,470,000
27	1992	\$182,730,000
28	1993	\$206,520,000;

29 and means the Certified Annual Debt Service Requirement (as
 30 defined in Section 13 of the Build Illinois Bond Act) or the
 31 Tax Act Amount, whichever is greater, for fiscal year 1994 and
 32 each fiscal year thereafter; and further provided, that if on
 33 the last business day of any month the sum of (1) the Tax Act
 34 Amount required to be deposited into the Build Illinois Bond
 35 Account in the Build Illinois Fund during such month and (2)
 36 the amount transferred to the Build Illinois Fund from the

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

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

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

	Fiscal Year	Total Deposit
18		
19	1993	\$0
20	1994	53,000,000
21	1995	58,000,000
22	1996	61,000,000
23	1997	64,000,000
24	1998	68,000,000
25	1999	71,000,000
26	2000	75,000,000
27	2001	80,000,000
28	2002	93,000,000
29	2003	99,000,000
30	2004	103,000,000
31	2005	108,000,000
32	2006	113,000,000
33	2007	119,000,000
34	2008	126,000,000
35	2009	132,000,000

1	2010	139,000,000
2	2011	146,000,000
3	2012	153,000,000
4	2013	161,000,000
5	2014	170,000,000
6	2015	179,000,000
7	2016	189,000,000
8	2017	199,000,000
9	2018	210,000,000
10	2019	221,000,000
11	2020	233,000,000
12	2021	246,000,000
13	2022	260,000,000
14	2023 and	275,000,000

15 each fiscal year
 16 thereafter that bonds
 17 are outstanding under
 18 Section 13.2 of the
 19 Metropolitan Pier and
 20 Exposition Authority Act,
 21 but not after fiscal year 2042.

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

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

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

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

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

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

1 schedule showing a reconciliation of the 2 amounts and the
2 reasons for the difference. The retailer's annual return to the
3 Department shall also disclose the cost of goods sold by the
4 retailer during the year covered by such return, opening and
5 closing inventories of such goods for such year, costs of goods
6 used from stock or taken from stock and given away by the
7 retailer during such year, payroll information of the
8 retailer's business during such year and any additional
9 reasonable information which the Department deems would be
10 helpful in determining the accuracy of the monthly, quarterly
11 or annual returns filed by such retailer as provided for in
12 this Section.

13 If the annual information return required by this Section
14 is not filed when and as required, the taxpayer shall be liable
15 as follows:

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

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

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

34 The provisions of this Section concerning the filing of an
35 annual information return do not apply to a retailer who is not
36 required to file an income tax return with the United States

1 Government.

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

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

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

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

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

21 (Source: P.A. 92-12, eff. 7-1-01; 92-16, eff. 6-28-01; 92-208,
22 eff. 8-2-01; 92-484, eff. 8-23-01; 92-492, eff. 1-1-02; 92-600,
23 eff. 6-28-02; 92-651, eff. 7-11-02; 93-22, eff. 6-20-03; 93-24,
24 eff. 6-20-03; 93-840, eff. 7-30-04; 93-926, eff. 8-12-04;
25 93-1057, eff. 12-2-04; revised 12-6-04.)

26 Section 30. The Gas Revenue Tax Act is amended by changing
27 Section 2 as follows:

28 (35 ILCS 615/2) (from Ch. 120, par. 467.17)

29 Sec. 2. Tax imposed; rate.

30 (a) Except as provided in subsection (b), a tax is
31 imposed upon persons engaged in the business of distributing,
32 supplying, furnishing or selling gas to persons for use or
33 consumption and not for resale at the rate of 2.4 cents per
34 therm of all gas which is so distributed, supplied, furnished,

1 sold or transported to or for each customer in the course of
2 such business, or 5% of the gross receipts received from each
3 customer from such business, whichever is the lower rate as
4 applied to each customer for that customer's billing period,
5 provided that any change in rate imposed by this amendatory Act
6 of 1985 shall become effective only with bills having a meter
7 reading date on or after January 1, 1986. However, such taxes
8 are not imposed with respect to any business in interstate
9 commerce, or otherwise to the extent to which such business may
10 not, under the Constitution and statutes of the United States,
11 be made the subject of taxation by this State.

12 Nothing in this amendatory Act of 1985 shall impose a tax
13 with respect to any transaction with respect to which no tax
14 was imposed immediately preceding the effective date of this
15 amendatory Act of 1985.

16 Beginning with bills issued to customers on and after
17 October 1, 2003, no tax shall be imposed under this Act on
18 transactions with customers who incur a tax liability under the
19 Gas Use Tax Law.

20 (b) No tax is imposed under this Section for gas
21 distributed, supplied, furnished, sold, or transported to a
22 residential customer if the bill to the residential customer
23 for such gas is issued between February 1, 2006 and April 30,
24 2006. For purposes of this subsection, "residential customer"
25 means a customer who is receiving gas or gas service for
26 household purposes which is either (i) distributed to a
27 dwelling of 2 or fewer units and billed under a residential
28 rate or (ii) distributed to a dwelling unit or units, billed
29 under a residential rate, and registered by a separate meter
30 for each dwelling unit.

31 (Source: P.A. 93-31, eff. 10-1-03.)

32 Section 99. Effective date. This Act takes effect upon
33 becoming law.