



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB4942

Introduced 1/19/2006, by Rep. Gary Hannig

SYNOPSIS AS INTRODUCED:

See Index

Amends numerous Acts that have provisions relating to revenue, including the Illinois Income Tax Act, the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, the Retailers' Occupation Tax Act, the Cigarette Tax Act, the Cigarette Use Tax Act, the Property Tax Code, the Longtime Owner-Occupant Property Tax Relief Act, the Motor Fuel Tax Law, the Messages Tax Act, the Gas Revenue Tax Act, the Public Utilities Revenue Tax Act, the Telecommunications Excise Tax Act, the Downstate Forest Preserve District Act, the Liquor Control Act of 1934, and the Illinois Vehicle Code. Re-enacts provisions of those Acts that were affected by Public Act 88-669, which has been held to be unconstitutional as a violation of the single subject clause of the Illinois Constitution. Includes validation provisions. Also makes revisory changes. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB094 17382 EFG 52677 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

1 AN ACT in relation to revenue.

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

4 Section 1. Findings; purpose; validation.

5 (a) The General Assembly finds and declares that:

6 (1) Public Act 88-669, effective November 29, 1994,
7 amended provisions relating to revenue in the following
8 Acts: the Illinois Income Tax Act, the Use Tax Act, the
9 Service Use Tax Act, the Service Occupation Tax Act, the
10 Retailers' Occupation Tax Act, the Cigarette Tax Act, the
11 Cigarette Use Tax Act, the Property Tax Code, the Longtime
12 Owner-Occupant Property Tax Relief Act, the Motor Fuel Tax
13 Law, the Messages Tax Act, the Gas Revenue Tax Act, the
14 Public Utilities Revenue Tax Act, the Telecommunications
15 Excise Tax Act, the Downstate Forest Preserve District Act,
16 the Liquor Control Act of 1934, and the Illinois Vehicle
17 Code. Public Act 88-669 also contained other provisions.

18 (2) The Illinois Supreme Court declared Public Act
19 88-669 to be unconstitutional as a violation of the single
20 subject clause of the Illinois Constitution in *People v.*
21 *Olender*, Docket No. 98932, opinion filed December 15, 2005.

22 (b) The purpose of this Act is to re-enact the provisions
23 relating to revenue that were affected by Public Act 88-669 and
24 to minimize or prevent any problems concerning those provisions
25 that may arise from the unconstitutionality of Public Act
26 88-669. This re-enactment is intended to remove any question as
27 to the validity and content of those provisions; it is not
28 intended to supersede any other Public Act that amends the
29 provisions re-enacted in this Act. The re-enacted material is
30 shown in this Act as existing text (i.e., without underscoring)
31 and may include changes made by subsequent amendments. The
32 re-enacted material may also include revisory changes; the
33 revisory changes are shown by striking and underscoring.

1 (c) The re-enactment of provisions by this Act is not
2 intended, and shall not be construed, to impair any legal
3 argument concerning whether those provisions were
4 substantially re-enacted by any other Public Act.

5 (d) All otherwise lawful actions taken before the effective
6 date of this Act in reliance on or pursuant to the provisions
7 re-enacted by this Act, as those provisions were set forth in
8 Public Act 88-669 or as subsequently amended, by any officer,
9 employee, or agency of State government or by any other person
10 or entity, are hereby validated, except to the extent
11 prohibited under the Illinois or United States Constitution.

12 (e) This Act applies, without limitation, to actions
13 pending on or after the effective date of this Act, except to
14 the extent prohibited under the Illinois or United States
15 Constitution.

16 Section 5. The Illinois Income Tax Act is amended by
17 re-enacting Sections 203, 502, 506.5, and 1301 and re-enacting
18 and changing Section 917 as follows:

19 (35 ILCS 5/203) (from Ch. 120, par. 2-203)

20 Sec. 203. Base income defined.

21 (a) Individuals.

22 (1) In general. In the case of an individual, base
23 income means an amount equal to the taxpayer's adjusted
24 gross income for the taxable year as modified by paragraph
25 (2).

26 (2) Modifications. The adjusted gross income referred
27 to in paragraph (1) shall be modified by adding thereto the
28 sum of the following amounts:

29 (A) An amount equal to all amounts paid or accrued
30 to the taxpayer as interest or dividends during the
31 taxable year to the extent excluded from gross income
32 in the computation of adjusted gross income, except
33 stock dividends of qualified public utilities
34 described in Section 305(e) of the Internal Revenue

1 Code;

2 (B) An amount equal to the amount of tax imposed by
3 this Act to the extent deducted from gross income in
4 the computation of adjusted gross income for the
5 taxable year;

6 (C) An amount equal to the amount received during
7 the taxable year as a recovery or refund of real
8 property taxes paid with respect to the taxpayer's
9 principal residence under the Revenue Act of 1939 and
10 for which a deduction was previously taken under
11 subparagraph (L) of this paragraph (2) prior to July 1,
12 1991, the retrospective application date of Article 4
13 of Public Act 87-17. In the case of multi-unit or
14 multi-use structures and farm dwellings, the taxes on
15 the taxpayer's principal residence shall be that
16 portion of the total taxes for the entire property
17 which is attributable to such principal residence;

18 (D) An amount equal to the amount of the capital
19 gain deduction allowable under the Internal Revenue
20 Code, to the extent deducted from gross income in the
21 computation of adjusted gross income;

22 (D-5) An amount, to the extent not included in
23 adjusted gross income, equal to the amount of money
24 withdrawn by the taxpayer in the taxable year from a
25 medical care savings account and the interest earned on
26 the account in the taxable year of a withdrawal
27 pursuant to subsection (b) of Section 20 of the Medical
28 Care Savings Account Act or subsection (b) of Section
29 20 of the Medical Care Savings Account Act of 2000;

30 (D-10) For taxable years ending after December 31,
31 1997, an amount equal to any eligible remediation costs
32 that the individual deducted in computing adjusted
33 gross income and for which the individual claims a
34 credit under subsection (1) of Section 201;

35 (D-15) For taxable years 2001 and thereafter, an
36 amount equal to the bonus depreciation deduction (30%

1 of the adjusted basis of the qualified property) taken
2 on the taxpayer's federal income tax return for the
3 taxable year under subsection (k) of Section 168 of the
4 Internal Revenue Code;

5 (D-16) If the taxpayer reports a capital gain or
6 loss on the taxpayer's federal income tax return for
7 the taxable year based on a sale or transfer of
8 property for which the taxpayer was required in any
9 taxable year to make an addition modification under
10 subparagraph (D-15), then an amount equal to the
11 aggregate amount of the deductions taken in all taxable
12 years under subparagraph (Z) with respect to that
13 property.

14 The taxpayer is required to make the addition
15 modification under this subparagraph only once with
16 respect to any one piece of property;

17 (D-17) For taxable years ending on or after
18 December 31, 2004, an amount equal to the amount
19 otherwise allowed as a deduction in computing base
20 income for interest paid, accrued, or incurred,
21 directly or indirectly, to a foreign person who would
22 be a member of the same unitary business group but for
23 the fact that foreign person's business activity
24 outside the United States is 80% or more of the foreign
25 person's total business activity. The addition
26 modification required by this subparagraph shall be
27 reduced to the extent that dividends were included in
28 base income of the unitary group for the same taxable
29 year and received by the taxpayer or by a member of the
30 taxpayer's unitary business group (including amounts
31 included in gross income under Sections 951 through 964
32 of the Internal Revenue Code and amounts included in
33 gross income under Section 78 of the Internal Revenue
34 Code) with respect to the stock of the same person to
35 whom the interest was paid, accrued, or incurred.

36 This paragraph shall not apply to the following:

1 (i) an item of interest paid, accrued, or
2 incurred, directly or indirectly, to a foreign
3 person who is subject in a foreign country or
4 state, other than a state which requires mandatory
5 unitary reporting, to a tax on or measured by net
6 income with respect to such interest; or

7 (ii) an item of interest paid, accrued, or
8 incurred, directly or indirectly, to a foreign
9 person if the taxpayer can establish, based on a
10 preponderance of the evidence, both of the
11 following:

12 (a) the foreign person, during the same
13 taxable year, paid, accrued, or incurred, the
14 interest to a person that is not a related
15 member, and

16 (b) the transaction giving rise to the
17 interest expense between the taxpayer and the
18 foreign person did not have as a principal
19 purpose the avoidance of Illinois income tax,
20 and is paid pursuant to a contract or agreement
21 that reflects an arm's-length interest rate
22 and terms; or

23 (iii) the taxpayer can establish, based on
24 clear and convincing evidence, that the interest
25 paid, accrued, or incurred relates to a contract or
26 agreement entered into at arm's-length rates and
27 terms and the principal purpose for the payment is
28 not federal or Illinois tax avoidance; or

29 (iv) an item of interest paid, accrued, or
30 incurred, directly or indirectly, to a foreign
31 person if the taxpayer establishes by clear and
32 convincing evidence that the adjustments are
33 unreasonable; or if the taxpayer and the Director
34 agree in writing to the application or use of an
35 alternative method of apportionment under Section
36 304(f).

1 Nothing in this subsection shall preclude the
2 Director from making any other adjustment
3 otherwise allowed under Section 404 of this Act for
4 any tax year beginning after the effective date of
5 this amendment provided such adjustment is made
6 pursuant to regulation adopted by the Department
7 and such regulations provide methods and standards
8 by which the Department will utilize its authority
9 under Section 404 of this Act;

10 (D-18) For taxable years ending on or after
11 December 31, 2004, an amount equal to the amount of
12 intangible expenses and costs otherwise allowed as a
13 deduction in computing base income, and that were paid,
14 accrued, or incurred, directly or indirectly, to a
15 foreign person who would be a member of the same
16 unitary business group but for the fact that the
17 foreign person's business activity outside the United
18 States is 80% or more of that person's total business
19 activity. The addition modification required by this
20 subparagraph shall be reduced to the extent that
21 dividends were included in base income of the unitary
22 group for the same taxable year and received by the
23 taxpayer or by a member of the taxpayer's unitary
24 business group (including amounts included in gross
25 income under Sections 951 through 964 of the Internal
26 Revenue Code and amounts included in gross income under
27 Section 78 of the Internal Revenue Code) with respect
28 to the stock of the same person to whom the intangible
29 expenses and costs were directly or indirectly paid,
30 incurred, or accrued. The preceding sentence does not
31 apply to the extent that the same dividends caused a
32 reduction to the addition modification required under
33 Section 203(a)(2)(D-17) of this Act. As used in this
34 subparagraph, the term "intangible expenses and costs"
35 includes (1) expenses, losses, and costs for, or
36 related to, the direct or indirect acquisition, use,

1 maintenance or management, ownership, sale, exchange,
2 or any other disposition of intangible property; (2)
3 losses incurred, directly or indirectly, from
4 factoring transactions or discounting transactions;
5 (3) royalty, patent, technical, and copyright fees;
6 (4) licensing fees; and (5) other similar expenses and
7 costs. For purposes of this subparagraph, "intangible
8 property" includes patents, patent applications, trade
9 names, trademarks, service marks, copyrights, mask
10 works, trade secrets, and similar types of intangible
11 assets.

12 This paragraph shall not apply to the following:

13 (i) any item of intangible expenses or costs
14 paid, accrued, or incurred, directly or
15 indirectly, from a transaction with a foreign
16 person who is subject in a foreign country or
17 state, other than a state which requires mandatory
18 unitary reporting, to a tax on or measured by net
19 income with respect to such item; or

20 (ii) any item of intangible expense or cost
21 paid, accrued, or incurred, directly or
22 indirectly, if the taxpayer can establish, based
23 on a preponderance of the evidence, both of the
24 following:

25 (a) the foreign person during the same
26 taxable year paid, accrued, or incurred, the
27 intangible expense or cost to a person that is
28 not a related member, and

29 (b) the transaction giving rise to the
30 intangible expense or cost between the
31 taxpayer and the foreign person did not have as
32 a principal purpose the avoidance of Illinois
33 income tax, and is paid pursuant to a contract
34 or agreement that reflects arm's-length terms;
35 or

36 (iii) any item of intangible expense or cost

1 paid, accrued, or incurred, directly or
2 indirectly, from a transaction with a foreign
3 person if the taxpayer establishes by clear and
4 convincing evidence, that the adjustments are
5 unreasonable; or if the taxpayer and the Director
6 agree in writing to the application or use of an
7 alternative method of apportionment under Section
8 304(f);

9 Nothing in this subsection shall preclude the
10 Director from making any other adjustment
11 otherwise allowed under Section 404 of this Act for
12 any tax year beginning after the effective date of
13 this amendment provided such adjustment is made
14 pursuant to regulation adopted by the Department
15 and such regulations provide methods and standards
16 by which the Department will utilize its authority
17 under Section 404 of this Act;

18 (D-20) For taxable years beginning on or after
19 January 1, 2002, in the case of a distribution from a
20 qualified tuition program under Section 529 of the
21 Internal Revenue Code, other than (i) a distribution
22 from a College Savings Pool created under Section 16.5
23 of the State Treasurer Act or (ii) a distribution from
24 the Illinois Prepaid Tuition Trust Fund, an amount
25 equal to the amount excluded from gross income under
26 Section 529(c)(3)(B);

27 and by deducting from the total so obtained the sum of the
28 following amounts:

29 (E) For taxable years ending before December 31,
30 2001, any amount included in such total in respect of
31 any compensation (including but not limited to any
32 compensation paid or accrued to a serviceman while a
33 prisoner of war or missing in action) paid to a
34 resident by reason of being on active duty in the Armed
35 Forces of the United States and in respect of any
36 compensation paid or accrued to a resident who as a

1 governmental employee was a prisoner of war or missing
2 in action, and in respect of any compensation paid to a
3 resident in 1971 or thereafter for annual training
4 performed pursuant to Sections 502 and 503, Title 32,
5 United States Code as a member of the Illinois National
6 Guard. For taxable years ending on or after December
7 31, 2001, any amount included in such total in respect
8 of any compensation (including but not limited to any
9 compensation paid or accrued to a serviceman while a
10 prisoner of war or missing in action) paid to a
11 resident by reason of being a member of any component
12 of the Armed Forces of the United States and in respect
13 of any compensation paid or accrued to a resident who
14 as a governmental employee was a prisoner of war or
15 missing in action, and in respect of any compensation
16 paid to a resident in 2001 or thereafter by reason of
17 being a member of the Illinois National Guard. The
18 provisions of this amendatory Act of the 92nd General
19 Assembly are exempt from the provisions of Section 250;

20 (F) An amount equal to all amounts included in such
21 total pursuant to the provisions of Sections 402(a),
22 402(c), 403(a), 403(b), 406(a), 407(a), and 408 of the
23 Internal Revenue Code, or included in such total as
24 distributions under the provisions of any retirement
25 or disability plan for employees of any governmental
26 agency or unit, or retirement payments to retired
27 partners, which payments are excluded in computing net
28 earnings from self employment by Section 1402 of the
29 Internal Revenue Code and regulations adopted pursuant
30 thereto;

31 (G) The valuation limitation amount;

32 (H) An amount equal to the amount of any tax
33 imposed by this Act which was refunded to the taxpayer
34 and included in such total for the taxable year;

35 (I) An amount equal to all amounts included in such
36 total pursuant to the provisions of Section 111 of the

1 Internal Revenue Code as a recovery of items previously
2 deducted from adjusted gross income in the computation
3 of taxable income;

4 (J) An amount equal to those dividends included in
5 such total which were paid by a corporation which
6 conducts business operations in an Enterprise Zone or
7 zones created under the Illinois Enterprise Zone Act,
8 and conducts substantially all of its operations in an
9 Enterprise Zone or zones;

10 (K) An amount equal to those dividends included in
11 such total that were paid by a corporation that
12 conducts business operations in a federally designated
13 Foreign Trade Zone or Sub-Zone and that is designated a
14 High Impact Business located in Illinois; provided
15 that dividends eligible for the deduction provided in
16 subparagraph (J) of paragraph (2) of this subsection
17 shall not be eligible for the deduction provided under
18 this subparagraph (K);

19 (L) For taxable years ending after December 31,
20 1983, an amount equal to all social security benefits
21 and railroad retirement benefits included in such
22 total pursuant to Sections 72(r) and 86 of the Internal
23 Revenue Code;

24 (M) With the exception of any amounts subtracted
25 under subparagraph (N), an amount equal to the sum of
26 all amounts disallowed as deductions by (i) Sections
27 171(a) (2), and 265(2) of the Internal Revenue Code of
28 1954, as now or hereafter amended, and all amounts of
29 expenses allocable to interest and disallowed as
30 deductions by Section 265(1) of the Internal Revenue
31 Code of 1954, as now or hereafter amended; and (ii) for
32 taxable years ending on or after August 13, 1999,
33 Sections 171(a) (2), 265, 280C, and 832(b) (5) (B) (i) of
34 the Internal Revenue Code; the provisions of this
35 subparagraph are exempt from the provisions of Section
36 250;

1 (N) An amount equal to all amounts included in such
2 total which are exempt from taxation by this State
3 either by reason of its statutes or Constitution or by
4 reason of the Constitution, treaties or statutes of the
5 United States; provided that, in the case of any
6 statute of this State that exempts income derived from
7 bonds or other obligations from the tax imposed under
8 this Act, the amount exempted shall be the interest net
9 of bond premium amortization;

10 (O) An amount equal to any contribution made to a
11 job training project established pursuant to the Tax
12 Increment Allocation Redevelopment Act;

13 (P) An amount equal to the amount of the deduction
14 used to compute the federal income tax credit for
15 restoration of substantial amounts held under claim of
16 right for the taxable year pursuant to Section 1341 of
17 the Internal Revenue Code of 1986;

18 (Q) An amount equal to any amounts included in such
19 total, received by the taxpayer as an acceleration in
20 the payment of life, endowment or annuity benefits in
21 advance of the time they would otherwise be payable as
22 an indemnity for a terminal illness;

23 (R) An amount equal to the amount of any federal or
24 State bonus paid to veterans of the Persian Gulf War;

25 (S) An amount, to the extent included in adjusted
26 gross income, equal to the amount of a contribution
27 made in the taxable year on behalf of the taxpayer to a
28 medical care savings account established under the
29 Medical Care Savings Account Act or the Medical Care
30 Savings Account Act of 2000 to the extent the
31 contribution is accepted by the account administrator
32 as provided in that Act;

33 (T) An amount, to the extent included in adjusted
34 gross income, equal to the amount of interest earned in
35 the taxable year on a medical care savings account
36 established under the Medical Care Savings Account Act

1 or the Medical Care Savings Account Act of 2000 on
2 behalf of the taxpayer, other than interest added
3 pursuant to item (D-5) of this paragraph (2);

4 (U) For one taxable year beginning on or after
5 January 1, 1994, an amount equal to the total amount of
6 tax imposed and paid under subsections (a) and (b) of
7 Section 201 of this Act on grant amounts received by
8 the taxpayer under the Nursing Home Grant Assistance
9 Act during the taxpayer's taxable years 1992 and 1993;

10 (V) Beginning with tax years ending on or after
11 December 31, 1995 and ending with tax years ending on
12 or before December 31, 2004, an amount equal to the
13 amount paid by a taxpayer who is a self-employed
14 taxpayer, a partner of a partnership, or a shareholder
15 in a Subchapter S corporation for health insurance or
16 long-term care insurance for that taxpayer or that
17 taxpayer's spouse or dependents, to the extent that the
18 amount paid for that health insurance or long-term care
19 insurance may be deducted under Section 213 of the
20 Internal Revenue Code of 1986, has not been deducted on
21 the federal income tax return of the taxpayer, and does
22 not exceed the taxable income attributable to that
23 taxpayer's income, self-employment income, or
24 Subchapter S corporation income; except that no
25 deduction shall be allowed under this item (V) if the
26 taxpayer is eligible to participate in any health
27 insurance or long-term care insurance plan of an
28 employer of the taxpayer or the taxpayer's spouse. The
29 amount of the health insurance and long-term care
30 insurance subtracted under this item (V) shall be
31 determined by multiplying total health insurance and
32 long-term care insurance premiums paid by the taxpayer
33 times a number that represents the fractional
34 percentage of eligible medical expenses under Section
35 213 of the Internal Revenue Code of 1986 not actually
36 deducted on the taxpayer's federal income tax return;

1 (W) For taxable years beginning on or after January
2 1, 1998, all amounts included in the taxpayer's federal
3 gross income in the taxable year from amounts converted
4 from a regular IRA to a Roth IRA. This paragraph is
5 exempt from the provisions of Section 250;

6 (X) For taxable year 1999 and thereafter, an amount
7 equal to the amount of any (i) distributions, to the
8 extent includible in gross income for federal income
9 tax purposes, made to the taxpayer because of his or
10 her status as a victim of persecution for racial or
11 religious reasons by Nazi Germany or any other Axis
12 regime or as an heir of the victim and (ii) items of
13 income, to the extent includible in gross income for
14 federal income tax purposes, attributable to, derived
15 from or in any way related to assets stolen from,
16 hidden from, or otherwise lost to a victim of
17 persecution for racial or religious reasons by Nazi
18 Germany or any other Axis regime immediately prior to,
19 during, and immediately after World War II, including,
20 but not limited to, interest on the proceeds receivable
21 as insurance under policies issued to a victim of
22 persecution for racial or religious reasons by Nazi
23 Germany or any other Axis regime by European insurance
24 companies immediately prior to and during World War II;
25 provided, however, this subtraction from federal
26 adjusted gross income does not apply to assets acquired
27 with such assets or with the proceeds from the sale of
28 such assets; provided, further, this paragraph shall
29 only apply to a taxpayer who was the first recipient of
30 such assets after their recovery and who is a victim of
31 persecution for racial or religious reasons by Nazi
32 Germany or any other Axis regime or as an heir of the
33 victim. The amount of and the eligibility for any
34 public assistance, benefit, or similar entitlement is
35 not affected by the inclusion of items (i) and (ii) of
36 this paragraph in gross income for federal income tax

1 purposes. This paragraph is exempt from the provisions
2 of Section 250;

3 (Y) For taxable years beginning on or after January
4 1, 2002 and ending on or before December 31, 2004,
5 moneys contributed in the taxable year to a College
6 Savings Pool account under Section 16.5 of the State
7 Treasurer Act, except that amounts excluded from gross
8 income under Section 529(c)(3)(C)(i) of the Internal
9 Revenue Code shall not be considered moneys
10 contributed under this subparagraph (Y). For taxable
11 years beginning on or after January 1, 2005, a maximum
12 of \$10,000 contributed in the taxable year to (i) a
13 College Savings Pool account under Section 16.5 of the
14 State Treasurer Act or (ii) the Illinois Prepaid
15 Tuition Trust Fund, except that amounts excluded from
16 gross income under Section 529(c)(3)(C)(i) of the
17 Internal Revenue Code shall not be considered moneys
18 contributed under this subparagraph (Y). This
19 subparagraph (Y) is exempt from the provisions of
20 Section 250;

21 (Z) For taxable years 2001 and thereafter, for the
22 taxable year in which the bonus depreciation deduction
23 (30% of the adjusted basis of the qualified property)
24 is taken on the taxpayer's federal income tax return
25 under subsection (k) of Section 168 of the Internal
26 Revenue Code and for each applicable taxable year
27 thereafter, an amount equal to "x", where:

28 (1) "y" equals the amount of the depreciation
29 deduction taken for the taxable year on the
30 taxpayer's federal income tax return on property
31 for which the bonus depreciation deduction (30% of
32 the adjusted basis of the qualified property) was
33 taken in any year under subsection (k) of Section
34 168 of the Internal Revenue Code, but not including
35 the bonus depreciation deduction; and

36 (2) "x" equals "y" multiplied by 30 and then

1 divided by 70 (or "y" multiplied by 0.429).

2 The aggregate amount deducted under this
3 subparagraph in all taxable years for any one piece of
4 property may not exceed the amount of the bonus
5 depreciation deduction (30% of the adjusted basis of
6 the qualified property) taken on that property on the
7 taxpayer's federal income tax return under subsection
8 (k) of Section 168 of the Internal Revenue Code;

9 (AA) If the taxpayer reports a capital gain or loss
10 on the taxpayer's federal income tax return for the
11 taxable year based on a sale or transfer of property
12 for which the taxpayer was required in any taxable year
13 to make an addition modification under subparagraph
14 (D-15), then an amount equal to that addition
15 modification.

16 The taxpayer is allowed to take the deduction under
17 this subparagraph only once with respect to any one
18 piece of property;

19 (BB) Any amount included in adjusted gross income,
20 other than salary, received by a driver in a
21 ridesharing arrangement using a motor vehicle;

22 (CC) The amount of (i) any interest income (net of
23 the deductions allocable thereto) taken into account
24 for the taxable year with respect to a transaction with
25 a taxpayer that is required to make an addition
26 modification with respect to such transaction under
27 Section 203(a)(2)(D-17), 203(b)(2)(E-13),
28 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed
29 the amount of that addition modification, and (ii) any
30 income from intangible property (net of the deductions
31 allocable thereto) taken into account for the taxable
32 year with respect to a transaction with a taxpayer that
33 is required to make an addition modification with
34 respect to such transaction under Section
35 203(a)(2)(D-18), 203(b)(2)(E-14), 203(c)(2)(G-13), or
36 203(d)(2)(D-8), but not to exceed the amount of that

1 addition modification;

2 (DD) An amount equal to the interest income taken
3 into account for the taxable year (net of the
4 deductions allocable thereto) with respect to
5 transactions with a foreign person who would be a
6 member of the taxpayer's unitary business group but for
7 the fact that the foreign person's business activity
8 outside the United States is 80% or more of that
9 person's total business activity, but not to exceed the
10 addition modification required to be made for the same
11 taxable year under Section 203(a)(2)(D-17) for
12 interest paid, accrued, or incurred, directly or
13 indirectly, to the same foreign person; and

14 (EE) An amount equal to the income from intangible
15 property taken into account for the taxable year (net
16 of the deductions allocable thereto) with respect to
17 transactions with a foreign person who would be a
18 member of the taxpayer's unitary business group but for
19 the fact that the foreign person's business activity
20 outside the United States is 80% or more of that
21 person's total business activity, but not to exceed the
22 addition modification required to be made for the same
23 taxable year under Section 203(a)(2)(D-18) for
24 intangible expenses and costs paid, accrued, or
25 incurred, directly or indirectly, to the same foreign
26 person.

27 (b) Corporations.

28 (1) In general. In the case of a corporation, base
29 income means an amount equal to the taxpayer's taxable
30 income for the taxable year as modified by paragraph (2).

31 (2) Modifications. The taxable income referred to in
32 paragraph (1) shall be modified by adding thereto the sum
33 of the following amounts:

34 (A) An amount equal to all amounts paid or accrued
35 to the taxpayer as interest and all distributions

1 received from regulated investment companies during
2 the taxable year to the extent excluded from gross
3 income in the computation of taxable income;

4 (B) An amount equal to the amount of tax imposed by
5 this Act to the extent deducted from gross income in
6 the computation of taxable income for the taxable year;

7 (C) In the case of a regulated investment company,
8 an amount equal to the excess of (i) the net long-term
9 capital gain for the taxable year, over (ii) the amount
10 of the capital gain dividends designated as such in
11 accordance with Section 852(b)(3)(C) of the Internal
12 Revenue Code and any amount designated under Section
13 852(b)(3)(D) of the Internal Revenue Code,
14 attributable to the taxable year (this amendatory Act
15 of 1995 (Public Act 89-89) is declarative of existing
16 law and is not a new enactment);

17 (D) The amount of any net operating loss deduction
18 taken in arriving at taxable income, other than a net
19 operating loss carried forward from a taxable year
20 ending prior to December 31, 1986;

21 (E) For taxable years in which a net operating loss
22 carryback or carryforward from a taxable year ending
23 prior to December 31, 1986 is an element of taxable
24 income under paragraph (1) of subsection (e) or
25 subparagraph (E) of paragraph (2) of subsection (e),
26 the amount by which addition modifications other than
27 those provided by this subparagraph (E) exceeded
28 subtraction modifications in such earlier taxable
29 year, with the following limitations applied in the
30 order that they are listed:

31 (i) the addition modification relating to the
32 net operating loss carried back or forward to the
33 taxable year from any taxable year ending prior to
34 December 31, 1986 shall be reduced by the amount of
35 addition modification under this subparagraph (E)
36 which related to that net operating loss and which

1 was taken into account in calculating the base
2 income of an earlier taxable year, and

3 (ii) the addition modification relating to the
4 net operating loss carried back or forward to the
5 taxable year from any taxable year ending prior to
6 December 31, 1986 shall not exceed the amount of
7 such carryback or carryforward;

8 For taxable years in which there is a net operating
9 loss carryback or carryforward from more than one other
10 taxable year ending prior to December 31, 1986, the
11 addition modification provided in this subparagraph
12 (E) shall be the sum of the amounts computed
13 independently under the preceding provisions of this
14 subparagraph (E) for each such taxable year;

15 (E-5) For taxable years ending after December 31,
16 1997, an amount equal to any eligible remediation costs
17 that the corporation deducted in computing adjusted
18 gross income and for which the corporation claims a
19 credit under subsection (l) of Section 201;

20 (E-10) For taxable years 2001 and thereafter, an
21 amount equal to the bonus depreciation deduction (30%
22 of the adjusted basis of the qualified property) taken
23 on the taxpayer's federal income tax return for the
24 taxable year under subsection (k) of Section 168 of the
25 Internal Revenue Code; and

26 (E-11) If the taxpayer reports a capital gain or
27 loss on the taxpayer's federal income tax return for
28 the taxable year based on a sale or transfer of
29 property for which the taxpayer was required in any
30 taxable year to make an addition modification under
31 subparagraph (E-10), then an amount equal to the
32 aggregate amount of the deductions taken in all taxable
33 years under subparagraph (T) with respect to that
34 property.

35 The taxpayer is required to make the addition
36 modification under this subparagraph only once with

1 respect to any one piece of property;

2 (E-12) For taxable years ending on or after
3 December 31, 2004, an amount equal to the amount
4 otherwise allowed as a deduction in computing base
5 income for interest paid, accrued, or incurred,
6 directly or indirectly, to a foreign person who would
7 be a member of the same unitary business group but for
8 the fact the foreign person's business activity
9 outside the United States is 80% or more of the foreign
10 person's total business activity. The addition
11 modification required by this subparagraph shall be
12 reduced to the extent that dividends were included in
13 base income of the unitary group for the same taxable
14 year and received by the taxpayer or by a member of the
15 taxpayer's unitary business group (including amounts
16 included in gross income pursuant to Sections 951
17 through 964 of the Internal Revenue Code and amounts
18 included in gross income under Section 78 of the
19 Internal Revenue Code) with respect to the stock of the
20 same person to whom the interest was paid, accrued, or
21 incurred.

22 This paragraph shall not apply to the following:

23 (i) an item of interest paid, accrued, or
24 incurred, directly or indirectly, to a foreign
25 person who is subject in a foreign country or
26 state, other than a state which requires mandatory
27 unitary reporting, to a tax on or measured by net
28 income with respect to such interest; or

29 (ii) an item of interest paid, accrued, or
30 incurred, directly or indirectly, to a foreign
31 person if the taxpayer can establish, based on a
32 preponderance of the evidence, both of the
33 following:

34 (a) the foreign person, during the same
35 taxable year, paid, accrued, or incurred, the
36 interest to a person that is not a related

1 member, and

2 (b) the transaction giving rise to the
3 interest expense between the taxpayer and the
4 foreign person did not have as a principal
5 purpose the avoidance of Illinois income tax,
6 and is paid pursuant to a contract or agreement
7 that reflects an arm's-length interest rate
8 and terms; or

9 (iii) the taxpayer can establish, based on
10 clear and convincing evidence, that the interest
11 paid, accrued, or incurred relates to a contract or
12 agreement entered into at arm's-length rates and
13 terms and the principal purpose for the payment is
14 not federal or Illinois tax avoidance; or

15 (iv) an item of interest paid, accrued, or
16 incurred, directly or indirectly, to a foreign
17 person if the taxpayer establishes by clear and
18 convincing evidence that the adjustments are
19 unreasonable; or if the taxpayer and the Director
20 agree in writing to the application or use of an
21 alternative method of apportionment under Section
22 304(f).

23 Nothing in this subsection shall preclude the
24 Director from making any other adjustment
25 otherwise allowed under Section 404 of this Act for
26 any tax year beginning after the effective date of
27 this amendment provided such adjustment is made
28 pursuant to regulation adopted by the Department
29 and such regulations provide methods and standards
30 by which the Department will utilize its authority
31 under Section 404 of this Act;

32 (E-13) For taxable years ending on or after
33 December 31, 2004, an amount equal to the amount of
34 intangible expenses and costs otherwise allowed as a
35 deduction in computing base income, and that were paid,
36 accrued, or incurred, directly or indirectly, to a

1 foreign person who would be a member of the same
2 unitary business group but for the fact that the
3 foreign person's business activity outside the United
4 States is 80% or more of that person's total business
5 activity. The addition modification required by this
6 subparagraph shall be reduced to the extent that
7 dividends were included in base income of the unitary
8 group for the same taxable year and received by the
9 taxpayer or by a member of the taxpayer's unitary
10 business group (including amounts included in gross
11 income pursuant to Sections 951 through 964 of the
12 Internal Revenue Code and amounts included in gross
13 income under Section 78 of the Internal Revenue Code)
14 with respect to the stock of the same person to whom
15 the intangible expenses and costs were directly or
16 indirectly paid, incurred, or accrued. The preceding
17 sentence shall not apply to the extent that the same
18 dividends caused a reduction to the addition
19 modification required under Section 203(b)(2)(E-12) of
20 this Act. As used in this subparagraph, the term
21 "intangible expenses and costs" includes (1) expenses,
22 losses, and costs for, or related to, the direct or
23 indirect acquisition, use, maintenance or management,
24 ownership, sale, exchange, or any other disposition of
25 intangible property; (2) losses incurred, directly or
26 indirectly, from factoring transactions or discounting
27 transactions; (3) royalty, patent, technical, and
28 copyright fees; (4) licensing fees; and (5) other
29 similar expenses and costs. For purposes of this
30 subparagraph, "intangible property" includes patents,
31 patent applications, trade names, trademarks, service
32 marks, copyrights, mask works, trade secrets, and
33 similar types of intangible assets.

34 This paragraph shall not apply to the following:

35 (i) any item of intangible expenses or costs
36 paid, accrued, or incurred, directly or

1 indirectly, from a transaction with a foreign
2 person who is subject in a foreign country or
3 state, other than a state which requires mandatory
4 unitary reporting, to a tax on or measured by net
5 income with respect to such item; or

6 (ii) any item of intangible expense or cost
7 paid, accrued, or incurred, directly or
8 indirectly, if the taxpayer can establish, based
9 on a preponderance of the evidence, both of the
10 following:

11 (a) the foreign person during the same
12 taxable year paid, accrued, or incurred, the
13 intangible expense or cost to a person that is
14 not a related member, and

15 (b) the transaction giving rise to the
16 intangible expense or cost between the
17 taxpayer and the foreign person did not have as
18 a principal purpose the avoidance of Illinois
19 income tax, and is paid pursuant to a contract
20 or agreement that reflects arm's-length terms;
21 or

22 (iii) any item of intangible expense or cost
23 paid, accrued, or incurred, directly or
24 indirectly, from a transaction with a foreign
25 person if the taxpayer establishes by clear and
26 convincing evidence, that the adjustments are
27 unreasonable; or if the taxpayer and the Director
28 agree in writing to the application or use of an
29 alternative method of apportionment under Section
30 304(f);

31 Nothing in this subsection shall preclude the
32 Director from making any other adjustment
33 otherwise allowed under Section 404 of this Act for
34 any tax year beginning after the effective date of
35 this amendment provided such adjustment is made
36 pursuant to regulation adopted by the Department

1 and such regulations provide methods and standards
2 by which the Department will utilize its authority
3 under Section 404 of this Act;

4 and by deducting from the total so obtained the sum of the
5 following amounts:

6 (F) An amount equal to the amount of any tax
7 imposed by this Act which was refunded to the taxpayer
8 and included in such total for the taxable year;

9 (G) An amount equal to any amount included in such
10 total under Section 78 of the Internal Revenue Code;

11 (H) In the case of a regulated investment company,
12 an amount equal to the amount of exempt interest
13 dividends as defined in subsection (b) (5) of Section
14 852 of the Internal Revenue Code, paid to shareholders
15 for the taxable year;

16 (I) With the exception of any amounts subtracted
17 under subparagraph (J), an amount equal to the sum of
18 all amounts disallowed as deductions by (i) Sections
19 171(a) (2), and 265(a) (2) and amounts disallowed as
20 interest expense by Section 291(a) (3) of the Internal
21 Revenue Code, as now or hereafter amended, and all
22 amounts of expenses allocable to interest and
23 disallowed as deductions by Section 265(a) (1) of the
24 Internal Revenue Code, as now or hereafter amended; and
25 (ii) for taxable years ending on or after August 13,
26 1999, Sections 171(a) (2), 265, 280C, 291(a) (3), and
27 832(b) (5) (B) (i) of the Internal Revenue Code; the
28 provisions of this subparagraph are exempt from the
29 provisions of Section 250;

30 (J) An amount equal to all amounts included in such
31 total which are exempt from taxation by this State
32 either by reason of its statutes or Constitution or by
33 reason of the Constitution, treaties or statutes of the
34 United States; provided that, in the case of any
35 statute of this State that exempts income derived from
36 bonds or other obligations from the tax imposed under

1 this Act, the amount exempted shall be the interest net
2 of bond premium amortization;

3 (K) An amount equal to those dividends included in
4 such total which were paid by a corporation which
5 conducts business operations in an Enterprise Zone or
6 zones created under the Illinois Enterprise Zone Act
7 and conducts substantially all of its operations in an
8 Enterprise Zone or zones;

9 (L) An amount equal to those dividends included in
10 such total that were paid by a corporation that
11 conducts business operations in a federally designated
12 Foreign Trade Zone or Sub-Zone and that is designated a
13 High Impact Business located in Illinois; provided
14 that dividends eligible for the deduction provided in
15 subparagraph (K) of paragraph 2 of this subsection
16 shall not be eligible for the deduction provided under
17 this subparagraph (L);

18 (M) For any taxpayer that is a financial
19 organization within the meaning of Section 304(c) of
20 this Act, an amount included in such total as interest
21 income from a loan or loans made by such taxpayer to a
22 borrower, to the extent that such a loan is secured by
23 property which is eligible for the Enterprise Zone
24 Investment Credit. To determine the portion of a loan
25 or loans that is secured by property eligible for a
26 Section 201(f) investment credit to the borrower, the
27 entire principal amount of the loan or loans between
28 the taxpayer and the borrower should be divided into
29 the basis of the Section 201(f) investment credit
30 property which secures the loan or loans, using for
31 this purpose the original basis of such property on the
32 date that it was placed in service in the Enterprise
33 Zone. The subtraction modification available to
34 taxpayer in any year under this subsection shall be
35 that portion of the total interest paid by the borrower
36 with respect to such loan attributable to the eligible

1 property as calculated under the previous sentence;

2 (M-1) For any taxpayer that is a financial
3 organization within the meaning of Section 304(c) of
4 this Act, an amount included in such total as interest
5 income from a loan or loans made by such taxpayer to a
6 borrower, to the extent that such a loan is secured by
7 property which is eligible for the High Impact Business
8 Investment Credit. To determine the portion of a loan
9 or loans that is secured by property eligible for a
10 Section 201(h) investment credit to the borrower, the
11 entire principal amount of the loan or loans between
12 the taxpayer and the borrower should be divided into
13 the basis of the Section 201(h) investment credit
14 property which secures the loan or loans, using for
15 this purpose the original basis of such property on the
16 date that it was placed in service in a federally
17 designated Foreign Trade Zone or Sub-Zone located in
18 Illinois. No taxpayer that is eligible for the
19 deduction provided in subparagraph (M) of paragraph
20 (2) of this subsection shall be eligible for the
21 deduction provided under this subparagraph (M-1). The
22 subtraction modification available to taxpayers in any
23 year under this subsection shall be that portion of the
24 total interest paid by the borrower with respect to
25 such loan attributable to the eligible property as
26 calculated under the previous sentence;

27 (N) Two times any contribution made during the
28 taxable year to a designated zone organization to the
29 extent that the contribution (i) qualifies as a
30 charitable contribution under subsection (c) of
31 Section 170 of the Internal Revenue Code and (ii) must,
32 by its terms, be used for a project approved by the
33 Department of Commerce and Economic Opportunity under
34 Section 11 of the Illinois Enterprise Zone Act;

35 (O) An amount equal to: (i) 85% for taxable years
36 ending on or before December 31, 1992, or, a percentage

1 equal to the percentage allowable under Section
2 243(a)(1) of the Internal Revenue Code of 1986 for
3 taxable years ending after December 31, 1992, of the
4 amount by which dividends included in taxable income
5 and received from a corporation that is not created or
6 organized under the laws of the United States or any
7 state or political subdivision thereof, including, for
8 taxable years ending on or after December 31, 1988,
9 dividends received or deemed received or paid or deemed
10 paid under Sections 951 through 964 of the Internal
11 Revenue Code, exceed the amount of the modification
12 provided under subparagraph (G) of paragraph (2) of
13 this subsection (b) which is related to such dividends;
14 plus (ii) 100% of the amount by which dividends,
15 included in taxable income and received, including,
16 for taxable years ending on or after December 31, 1988,
17 dividends received or deemed received or paid or deemed
18 paid under Sections 951 through 964 of the Internal
19 Revenue Code, from any such corporation specified in
20 clause (i) that would but for the provisions of Section
21 1504 (b) (3) of the Internal Revenue Code be treated as
22 a member of the affiliated group which includes the
23 dividend recipient, exceed the amount of the
24 modification provided under subparagraph (G) of
25 paragraph (2) of this subsection (b) which is related
26 to such dividends;

27 (P) An amount equal to any contribution made to a
28 job training project established pursuant to the Tax
29 Increment Allocation Redevelopment Act;

30 (Q) An amount equal to the amount of the deduction
31 used to compute the federal income tax credit for
32 restoration of substantial amounts held under claim of
33 right for the taxable year pursuant to Section 1341 of
34 the Internal Revenue Code of 1986;

35 (R) In the case of an attorney-in-fact with respect
36 to whom an interinsurer or a reciprocal insurer has

1 made the election under Section 835 of the Internal
2 Revenue Code, 26 U.S.C. 835, an amount equal to the
3 excess, if any, of the amounts paid or incurred by that
4 interinsurer or reciprocal insurer in the taxable year
5 to the attorney-in-fact over the deduction allowed to
6 that interinsurer or reciprocal insurer with respect
7 to the attorney-in-fact under Section 835(b) of the
8 Internal Revenue Code for the taxable year;

9 (S) For taxable years ending on or after December
10 31, 1997, in the case of a Subchapter S corporation, an
11 amount equal to all amounts of income allocable to a
12 shareholder subject to the Personal Property Tax
13 Replacement Income Tax imposed by subsections (c) and
14 (d) of Section 201 of this Act, including amounts
15 allocable to organizations exempt from federal income
16 tax by reason of Section 501(a) of the Internal Revenue
17 Code. This subparagraph (S) is exempt from the
18 provisions of Section 250;

19 (T) For taxable years 2001 and thereafter, for the
20 taxable year in which the bonus depreciation deduction
21 (30% of the adjusted basis of the qualified property)
22 is taken on the taxpayer's federal income tax return
23 under subsection (k) of Section 168 of the Internal
24 Revenue Code and for each applicable taxable year
25 thereafter, an amount equal to "x", where:

26 (1) "y" equals the amount of the depreciation
27 deduction taken for the taxable year on the
28 taxpayer's federal income tax return on property
29 for which the bonus depreciation deduction (30% of
30 the adjusted basis of the qualified property) was
31 taken in any year under subsection (k) of Section
32 168 of the Internal Revenue Code, but not including
33 the bonus depreciation deduction; and

34 (2) "x" equals "y" multiplied by 30 and then
35 divided by 70 (or "y" multiplied by 0.429).

36 The aggregate amount deducted under this

1 subparagraph in all taxable years for any one piece of
2 property may not exceed the amount of the bonus
3 depreciation deduction (30% of the adjusted basis of
4 the qualified property) taken on that property on the
5 taxpayer's federal income tax return under subsection
6 (k) of Section 168 of the Internal Revenue Code;

7 (U) If the taxpayer reports a capital gain or loss
8 on the taxpayer's federal income tax return for the
9 taxable year based on a sale or transfer of property
10 for which the taxpayer was required in any taxable year
11 to make an addition modification under subparagraph
12 (E-10), then an amount equal to that addition
13 modification.

14 The taxpayer is allowed to take the deduction under
15 this subparagraph only once with respect to any one
16 piece of property;

17 (V) The amount of: (i) any interest income (net of
18 the deductions allocable thereto) taken into account
19 for the taxable year with respect to a transaction with
20 a taxpayer that is required to make an addition
21 modification with respect to such transaction under
22 Section 203(a)(2)(D-17), 203(b)(2)(E-12),
23 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed
24 the amount of such addition modification and (ii) any
25 income from intangible property (net of the deductions
26 allocable thereto) taken into account for the taxable
27 year with respect to a transaction with a taxpayer that
28 is required to make an addition modification with
29 respect to such transaction under Section
30 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or
31 203(d)(2)(D-8), but not to exceed the amount of such
32 addition modification;

33 (W) An amount equal to the interest income taken
34 into account for the taxable year (net of the
35 deductions allocable thereto) with respect to
36 transactions with a foreign person who would be a

1 member of the taxpayer's unitary business group but for
2 the fact that the foreign person's business activity
3 outside the United States is 80% or more of that
4 person's total business activity, but not to exceed the
5 addition modification required to be made for the same
6 taxable year under Section 203(b)(2)(E-12) for
7 interest paid, accrued, or incurred, directly or
8 indirectly, to the same foreign person; and

9 (X) An amount equal to the income from intangible
10 property taken into account for the taxable year (net
11 of the deductions allocable thereto) with respect to
12 transactions with a foreign person who would be a
13 member of the taxpayer's unitary business group but for
14 the fact that the foreign person's business activity
15 outside the United States is 80% or more of that
16 person's total business activity, but not to exceed the
17 addition modification required to be made for the same
18 taxable year under Section 203(b)(2)(E-13) for
19 intangible expenses and costs paid, accrued, or
20 incurred, directly or indirectly, to the same foreign
21 person.

22 (3) Special rule. For purposes of paragraph (2) (A),
23 "gross income" in the case of a life insurance company, for
24 tax years ending on and after December 31, 1994, shall mean
25 the gross investment income for the taxable year.

26 (c) Trusts and estates.

27 (1) In general. In the case of a trust or estate, base
28 income means an amount equal to the taxpayer's taxable
29 income for the taxable year as modified by paragraph (2).

30 (2) Modifications. Subject to the provisions of
31 paragraph (3), the taxable income referred to in paragraph
32 (1) shall be modified by adding thereto the sum of the
33 following amounts:

34 (A) An amount equal to all amounts paid or accrued
35 to the taxpayer as interest or dividends during the

1 taxable year to the extent excluded from gross income
2 in the computation of taxable income;

3 (B) In the case of (i) an estate, \$600; (ii) a
4 trust which, under its governing instrument, is
5 required to distribute all of its income currently,
6 \$300; and (iii) any other trust, \$100, but in each such
7 case, only to the extent such amount was deducted in
8 the computation of taxable income;

9 (C) An amount equal to the amount of tax imposed by
10 this Act to the extent deducted from gross income in
11 the computation of taxable income for the taxable year;

12 (D) The amount of any net operating loss deduction
13 taken in arriving at taxable income, other than a net
14 operating loss carried forward from a taxable year
15 ending prior to December 31, 1986;

16 (E) For taxable years in which a net operating loss
17 carryback or carryforward from a taxable year ending
18 prior to December 31, 1986 is an element of taxable
19 income under paragraph (1) of subsection (e) or
20 subparagraph (E) of paragraph (2) of subsection (e),
21 the amount by which addition modifications other than
22 those provided by this subparagraph (E) exceeded
23 subtraction modifications in such taxable year, with
24 the following limitations applied in the order that
25 they are listed:

26 (i) the addition modification relating to the
27 net operating loss carried back or forward to the
28 taxable year from any taxable year ending prior to
29 December 31, 1986 shall be reduced by the amount of
30 addition modification under this subparagraph (E)
31 which related to that net operating loss and which
32 was taken into account in calculating the base
33 income of an earlier taxable year, and

34 (ii) the addition modification relating to the
35 net operating loss carried back or forward to the
36 taxable year from any taxable year ending prior to

1 December 31, 1986 shall not exceed the amount of
2 such carryback or carryforward;

3 For taxable years in which there is a net operating
4 loss carryback or carryforward from more than one other
5 taxable year ending prior to December 31, 1986, the
6 addition modification provided in this subparagraph
7 (E) shall be the sum of the amounts computed
8 independently under the preceding provisions of this
9 subparagraph (E) for each such taxable year;

10 (F) For taxable years ending on or after January 1,
11 1989, an amount equal to the tax deducted pursuant to
12 Section 164 of the Internal Revenue Code if the trust
13 or estate is claiming the same tax for purposes of the
14 Illinois foreign tax credit under Section 601 of this
15 Act;

16 (G) An amount equal to the amount of the capital
17 gain deduction allowable under the Internal Revenue
18 Code, to the extent deducted from gross income in the
19 computation of taxable income;

20 (G-5) For taxable years ending after December 31,
21 1997, an amount equal to any eligible remediation costs
22 that the trust or estate deducted in computing adjusted
23 gross income and for which the trust or estate claims a
24 credit under subsection (l) of Section 201;

25 (G-10) For taxable years 2001 and thereafter, an
26 amount equal to the bonus depreciation deduction (30%
27 of the adjusted basis of the qualified property) taken
28 on the taxpayer's federal income tax return for the
29 taxable year under subsection (k) of Section 168 of the
30 Internal Revenue Code; and

31 (G-11) If the taxpayer reports a capital gain or
32 loss on the taxpayer's federal income tax return for
33 the taxable year based on a sale or transfer of
34 property for which the taxpayer was required in any
35 taxable year to make an addition modification under
36 subparagraph (G-10), then an amount equal to the

1 aggregate amount of the deductions taken in all taxable
2 years under subparagraph (R) with respect to that
3 property.

4 The taxpayer is required to make the addition
5 modification under this subparagraph only once with
6 respect to any one piece of property;

7 (G-12) For taxable years ending on or after
8 December 31, 2004, an amount equal to the amount
9 otherwise allowed as a deduction in computing base
10 income for interest paid, accrued, or incurred,
11 directly or indirectly, to a foreign person who would
12 be a member of the same unitary business group but for
13 the fact that the foreign person's business activity
14 outside the United States is 80% or more of the foreign
15 person's total business activity. The addition
16 modification required by this subparagraph shall be
17 reduced to the extent that dividends were included in
18 base income of the unitary group for the same taxable
19 year and received by the taxpayer or by a member of the
20 taxpayer's unitary business group (including amounts
21 included in gross income pursuant to Sections 951
22 through 964 of the Internal Revenue Code and amounts
23 included in gross income under Section 78 of the
24 Internal Revenue Code) with respect to the stock of the
25 same person to whom the interest was paid, accrued, or
26 incurred.

27 This paragraph shall not apply to the following:

28 (i) an item of interest paid, accrued, or
29 incurred, directly or indirectly, to a foreign
30 person who is subject in a foreign country or
31 state, other than a state which requires mandatory
32 unitary reporting, to a tax on or measured by net
33 income with respect to such interest; or

34 (ii) an item of interest paid, accrued, or
35 incurred, directly or indirectly, to a foreign
36 person if the taxpayer can establish, based on a

1 preponderance of the evidence, both of the
2 following:

3 (a) the foreign person, during the same
4 taxable year, paid, accrued, or incurred, the
5 interest to a person that is not a related
6 member, and

7 (b) the transaction giving rise to the
8 interest expense between the taxpayer and the
9 foreign person did not have as a principal
10 purpose the avoidance of Illinois income tax,
11 and is paid pursuant to a contract or agreement
12 that reflects an arm's-length interest rate
13 and terms; or

14 (iii) the taxpayer can establish, based on
15 clear and convincing evidence, that the interest
16 paid, accrued, or incurred relates to a contract or
17 agreement entered into at arm's-length rates and
18 terms and the principal purpose for the payment is
19 not federal or Illinois tax avoidance; or

20 (iv) an item of interest paid, accrued, or
21 incurred, directly or indirectly, to a foreign
22 person if the taxpayer establishes by clear and
23 convincing evidence that the adjustments are
24 unreasonable; or if the taxpayer and the Director
25 agree in writing to the application or use of an
26 alternative method of apportionment under Section
27 304(f).

28 Nothing in this subsection shall preclude the
29 Director from making any other adjustment
30 otherwise allowed under Section 404 of this Act for
31 any tax year beginning after the effective date of
32 this amendment provided such adjustment is made
33 pursuant to regulation adopted by the Department
34 and such regulations provide methods and standards
35 by which the Department will utilize its authority
36 under Section 404 of this Act;

1 (G-13) For taxable years ending on or after
2 December 31, 2004, an amount equal to the amount of
3 intangible expenses and costs otherwise allowed as a
4 deduction in computing base income, and that were paid,
5 accrued, or incurred, directly or indirectly, to a
6 foreign person who would be a member of the same
7 unitary business group but for the fact that the
8 foreign person's business activity outside the United
9 States is 80% or more of that person's total business
10 activity. The addition modification required by this
11 subparagraph shall be reduced to the extent that
12 dividends were included in base income of the unitary
13 group for the same taxable year and received by the
14 taxpayer or by a member of the taxpayer's unitary
15 business group (including amounts included in gross
16 income pursuant to Sections 951 through 964 of the
17 Internal Revenue Code and amounts included in gross
18 income under Section 78 of the Internal Revenue Code)
19 with respect to the stock of the same person to whom
20 the intangible expenses and costs were directly or
21 indirectly paid, incurred, or accrued. The preceding
22 sentence shall not apply to the extent that the same
23 dividends caused a reduction to the addition
24 modification required under Section 203(c)(2)(G-12) of
25 this Act. As used in this subparagraph, the term
26 "intangible expenses and costs" includes: (1)
27 expenses, losses, and costs for or related to the
28 direct or indirect acquisition, use, maintenance or
29 management, ownership, sale, exchange, or any other
30 disposition of intangible property; (2) losses
31 incurred, directly or indirectly, from factoring
32 transactions or discounting transactions; (3) royalty,
33 patent, technical, and copyright fees; (4) licensing
34 fees; and (5) other similar expenses and costs. For
35 purposes of this subparagraph, "intangible property"
36 includes patents, patent applications, trade names,

1 trademarks, service marks, copyrights, mask works,
2 trade secrets, and similar types of intangible assets.

3 This paragraph shall not apply to the following:

4 (i) any item of intangible expenses or costs
5 paid, accrued, or incurred, directly or
6 indirectly, from a transaction with a foreign
7 person who is subject in a foreign country or
8 state, other than a state which requires mandatory
9 unitary reporting, to a tax on or measured by net
10 income with respect to such item; or

11 (ii) any item of intangible expense or cost
12 paid, accrued, or incurred, directly or
13 indirectly, if the taxpayer can establish, based
14 on a preponderance of the evidence, both of the
15 following:

16 (a) the foreign person during the same
17 taxable year paid, accrued, or incurred, the
18 intangible expense or cost to a person that is
19 not a related member, and

20 (b) the transaction giving rise to the
21 intangible expense or cost between the
22 taxpayer and the foreign person did not have as
23 a principal purpose the avoidance of Illinois
24 income tax, and is paid pursuant to a contract
25 or agreement that reflects arm's-length terms;
26 or

27 (iii) any item of intangible expense or cost
28 paid, accrued, or incurred, directly or
29 indirectly, from a transaction with a foreign
30 person if the taxpayer establishes by clear and
31 convincing evidence, that the adjustments are
32 unreasonable; or if the taxpayer and the Director
33 agree in writing to the application or use of an
34 alternative method of apportionment under Section
35 304(f);

36 Nothing in this subsection shall preclude the

1 Director from making any other adjustment
2 otherwise allowed under Section 404 of this Act for
3 any tax year beginning after the effective date of
4 this amendment provided such adjustment is made
5 pursuant to regulation adopted by the Department
6 and such regulations provide methods and standards
7 by which the Department will utilize its authority
8 under Section 404 of this Act;

9 and by deducting from the total so obtained the sum of the
10 following amounts:

11 (H) An amount equal to all amounts included in such
12 total pursuant to the provisions of Sections 402(a),
13 402(c), 403(a), 403(b), 406(a), 407(a) and 408 of the
14 Internal Revenue Code or included in such total as
15 distributions under the provisions of any retirement
16 or disability plan for employees of any governmental
17 agency or unit, or retirement payments to retired
18 partners, which payments are excluded in computing net
19 earnings from self employment by Section 1402 of the
20 Internal Revenue Code and regulations adopted pursuant
21 thereto;

22 (I) The valuation limitation amount;

23 (J) An amount equal to the amount of any tax
24 imposed by this Act which was refunded to the taxpayer
25 and included in such total for the taxable year;

26 (K) An amount equal to all amounts included in
27 taxable income as modified by subparagraphs (A), (B),
28 (C), (D), (E), (F) and (G) which are exempt from
29 taxation by this State either by reason of its statutes
30 or Constitution or by reason of the Constitution,
31 treaties or statutes of the United States; provided
32 that, in the case of any statute of this State that
33 exempts income derived from bonds or other obligations
34 from the tax imposed under this Act, the amount
35 exempted shall be the interest net of bond premium
36 amortization;

1 (L) With the exception of any amounts subtracted
2 under subparagraph (K), an amount equal to the sum of
3 all amounts disallowed as deductions by (i) Sections
4 171(a) (2) and 265(a) (2) of the Internal Revenue Code,
5 as now or hereafter amended, and all amounts of
6 expenses allocable to interest and disallowed as
7 deductions by Section 265(1) of the Internal Revenue
8 Code of 1954, as now or hereafter amended; and (ii) for
9 taxable years ending on or after August 13, 1999,
10 Sections 171(a) (2), 265, 280C, and 832(b) (5) (B) (i) of
11 the Internal Revenue Code; the provisions of this
12 subparagraph are exempt from the provisions of Section
13 250;

14 (M) An amount equal to those dividends included in
15 such total which were paid by a corporation which
16 conducts business operations in an Enterprise Zone or
17 zones created under the Illinois Enterprise Zone Act
18 and conducts substantially all of its operations in an
19 Enterprise Zone or Zones;

20 (N) An amount equal to any contribution made to a
21 job training project established pursuant to the Tax
22 Increment Allocation Redevelopment Act;

23 (O) An amount equal to those dividends included in
24 such total that were paid by a corporation that
25 conducts business operations in a federally designated
26 Foreign Trade Zone or Sub-Zone and that is designated a
27 High Impact Business located in Illinois; provided
28 that dividends eligible for the deduction provided in
29 subparagraph (M) of paragraph (2) of this subsection
30 shall not be eligible for the deduction provided under
31 this subparagraph (O);

32 (P) An amount equal to the amount of the deduction
33 used to compute the federal income tax credit for
34 restoration of substantial amounts held under claim of
35 right for the taxable year pursuant to Section 1341 of
36 the Internal Revenue Code of 1986;

1 (Q) For taxable year 1999 and thereafter, an amount
2 equal to the amount of any (i) distributions, to the
3 extent includible in gross income for federal income
4 tax purposes, made to the taxpayer because of his or
5 her status as a victim of persecution for racial or
6 religious reasons by Nazi Germany or any other Axis
7 regime or as an heir of the victim and (ii) items of
8 income, to the extent includible in gross income for
9 federal income tax purposes, attributable to, derived
10 from or in any way related to assets stolen from,
11 hidden from, or otherwise lost to a victim of
12 persecution for racial or religious reasons by Nazi
13 Germany or any other Axis regime immediately prior to,
14 during, and immediately after World War II, including,
15 but not limited to, interest on the proceeds receivable
16 as insurance under policies issued to a victim of
17 persecution for racial or religious reasons by Nazi
18 Germany or any other Axis regime by European insurance
19 companies immediately prior to and during World War II;
20 provided, however, this subtraction from federal
21 adjusted gross income does not apply to assets acquired
22 with such assets or with the proceeds from the sale of
23 such assets; provided, further, this paragraph shall
24 only apply to a taxpayer who was the first recipient of
25 such assets after their recovery and who is a victim of
26 persecution for racial or religious reasons by Nazi
27 Germany or any other Axis regime or as an heir of the
28 victim. The amount of and the eligibility for any
29 public assistance, benefit, or similar entitlement is
30 not affected by the inclusion of items (i) and (ii) of
31 this paragraph in gross income for federal income tax
32 purposes. This paragraph is exempt from the provisions
33 of Section 250;

34 (R) For taxable years 2001 and thereafter, for the
35 taxable year in which the bonus depreciation deduction
36 (30% of the adjusted basis of the qualified property)

1 is taken on the taxpayer's federal income tax return
2 under subsection (k) of Section 168 of the Internal
3 Revenue Code and for each applicable taxable year
4 thereafter, an amount equal to "x", where:

5 (1) "y" equals the amount of the depreciation
6 deduction taken for the taxable year on the
7 taxpayer's federal income tax return on property
8 for which the bonus depreciation deduction (30% of
9 the adjusted basis of the qualified property) was
10 taken in any year under subsection (k) of Section
11 168 of the Internal Revenue Code, but not including
12 the bonus depreciation deduction; and

13 (2) "x" equals "y" multiplied by 30 and then
14 divided by 70 (or "y" multiplied by 0.429).

15 The aggregate amount deducted under this
16 subparagraph in all taxable years for any one piece of
17 property may not exceed the amount of the bonus
18 depreciation deduction (30% of the adjusted basis of
19 the qualified property) taken on that property on the
20 taxpayer's federal income tax return under subsection
21 (k) of Section 168 of the Internal Revenue Code;

22 (S) If the taxpayer reports a capital gain or loss
23 on the taxpayer's federal income tax return for the
24 taxable year based on a sale or transfer of property
25 for which the taxpayer was required in any taxable year
26 to make an addition modification under subparagraph
27 (G-10), then an amount equal to that addition
28 modification.

29 The taxpayer is allowed to take the deduction under
30 this subparagraph only once with respect to any one
31 piece of property;

32 (T) The amount of (i) any interest income (net of
33 the deductions allocable thereto) taken into account
34 for the taxable year with respect to a transaction with
35 a taxpayer that is required to make an addition
36 modification with respect to such transaction under

1 Section 203(a)(2)(D-17), 203(b)(2)(E-12),
2 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed
3 the amount of such addition modification and (ii) any
4 income from intangible property (net of the deductions
5 allocable thereto) taken into account for the taxable
6 year with respect to a transaction with a taxpayer that
7 is required to make an addition modification with
8 respect to such transaction under Section
9 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or
10 203(d)(2)(D-8), but not to exceed the amount of such
11 addition modification;

12 (U) An amount equal to the interest income taken
13 into account for the taxable year (net of the
14 deductions allocable thereto) with respect to
15 transactions with a foreign person who would be a
16 member of the taxpayer's unitary business group but for
17 the fact the foreign person's business activity
18 outside the United States is 80% or more of that
19 person's total business activity, but not to exceed the
20 addition modification required to be made for the same
21 taxable year under Section 203(c)(2)(G-12) for
22 interest paid, accrued, or incurred, directly or
23 indirectly, to the same foreign person; and

24 (V) An amount equal to the income from intangible
25 property taken into account for the taxable year (net
26 of the deductions allocable thereto) with respect to
27 transactions with a foreign person who would be a
28 member of the taxpayer's unitary business group but for
29 the fact that the foreign person's business activity
30 outside the United States is 80% or more of that
31 person's total business activity, but not to exceed the
32 addition modification required to be made for the same
33 taxable year under Section 203(c)(2)(G-13) for
34 intangible expenses and costs paid, accrued, or
35 incurred, directly or indirectly, to the same foreign
36 person.

1 (3) Limitation. The amount of any modification
2 otherwise required under this subsection shall, under
3 regulations prescribed by the Department, be adjusted by
4 any amounts included therein which were properly paid,
5 credited, or required to be distributed, or permanently set
6 aside for charitable purposes pursuant to Internal Revenue
7 Code Section 642(c) during the taxable year.

8 (d) Partnerships.

9 (1) In general. In the case of a partnership, base
10 income means an amount equal to the taxpayer's taxable
11 income for the taxable year as modified by paragraph (2).

12 (2) Modifications. The taxable income referred to in
13 paragraph (1) shall be modified by adding thereto the sum
14 of the following amounts:

15 (A) An amount equal to all amounts paid or accrued
16 to the taxpayer as interest or dividends during the
17 taxable year to the extent excluded from gross income
18 in the computation of taxable income;

19 (B) An amount equal to the amount of tax imposed by
20 this Act to the extent deducted from gross income for
21 the taxable year;

22 (C) The amount of deductions allowed to the
23 partnership pursuant to Section 707 (c) of the Internal
24 Revenue Code in calculating its taxable income;

25 (D) An amount equal to the amount of the capital
26 gain deduction allowable under the Internal Revenue
27 Code, to the extent deducted from gross income in the
28 computation of taxable income;

29 (D-5) For taxable years 2001 and thereafter, an
30 amount equal to the bonus depreciation deduction (30%
31 of the adjusted basis of the qualified property) taken
32 on the taxpayer's federal income tax return for the
33 taxable year under subsection (k) of Section 168 of the
34 Internal Revenue Code;

35 (D-6) If the taxpayer reports a capital gain or

1 loss on the taxpayer's federal income tax return for
2 the taxable year based on a sale or transfer of
3 property for which the taxpayer was required in any
4 taxable year to make an addition modification under
5 subparagraph (D-5), then an amount equal to the
6 aggregate amount of the deductions taken in all taxable
7 years under subparagraph (O) with respect to that
8 property.

9 The taxpayer is required to make the addition
10 modification under this subparagraph only once with
11 respect to any one piece of property;

12 (D-7) For taxable years ending on or after December
13 31, 2004, an amount equal to the amount otherwise
14 allowed as a deduction in computing base income for
15 interest paid, accrued, or incurred, directly or
16 indirectly, to a foreign person who would be a member
17 of the same unitary business group but for the fact the
18 foreign person's business activity outside the United
19 States is 80% or more of the foreign person's total
20 business activity. The addition modification required
21 by this subparagraph shall be reduced to the extent
22 that dividends were included in base income of the
23 unitary group for the same taxable year and received by
24 the taxpayer or by a member of the taxpayer's unitary
25 business group (including amounts included in gross
26 income pursuant to Sections 951 through 964 of the
27 Internal Revenue Code and amounts included in gross
28 income under Section 78 of the Internal Revenue Code)
29 with respect to the stock of the same person to whom
30 the interest was paid, accrued, or incurred.

31 This paragraph shall not apply to the following:

32 (i) an item of interest paid, accrued, or
33 incurred, directly or indirectly, to a foreign
34 person who is subject in a foreign country or
35 state, other than a state which requires mandatory
36 unitary reporting, to a tax on or measured by net

1 income with respect to such interest; or

2 (ii) an item of interest paid, accrued, or
3 incurred, directly or indirectly, to a foreign
4 person if the taxpayer can establish, based on a
5 preponderance of the evidence, both of the
6 following:

7 (a) the foreign person, during the same
8 taxable year, paid, accrued, or incurred, the
9 interest to a person that is not a related
10 member, and

11 (b) the transaction giving rise to the
12 interest expense between the taxpayer and the
13 foreign person did not have as a principal
14 purpose the avoidance of Illinois income tax,
15 and is paid pursuant to a contract or agreement
16 that reflects an arm's-length interest rate
17 and terms; or

18 (iii) the taxpayer can establish, based on
19 clear and convincing evidence, that the interest
20 paid, accrued, or incurred relates to a contract or
21 agreement entered into at arm's-length rates and
22 terms and the principal purpose for the payment is
23 not federal or Illinois tax avoidance; or

24 (iv) an item of interest paid, accrued, or
25 incurred, directly or indirectly, to a foreign
26 person if the taxpayer establishes by clear and
27 convincing evidence that the adjustments are
28 unreasonable; or if the taxpayer and the Director
29 agree in writing to the application or use of an
30 alternative method of apportionment under Section
31 304(f).

32 Nothing in this subsection shall preclude the
33 Director from making any other adjustment
34 otherwise allowed under Section 404 of this Act for
35 any tax year beginning after the effective date of
36 this amendment provided such adjustment is made

1 pursuant to regulation adopted by the Department
2 and such regulations provide methods and standards
3 by which the Department will utilize its authority
4 under Section 404 of this Act; and

5 (D-8) For taxable years ending on or after December
6 31, 2004, an amount equal to the amount of intangible
7 expenses and costs otherwise allowed as a deduction in
8 computing base income, and that were paid, accrued, or
9 incurred, directly or indirectly, to a foreign person
10 who would be a member of the same unitary business
11 group but for the fact that the foreign person's
12 business activity outside the United States is 80% or
13 more of that person's total business activity. The
14 addition modification required by this subparagraph
15 shall be reduced to the extent that dividends were
16 included in base income of the unitary group for the
17 same taxable year and received by the taxpayer or by a
18 member of the taxpayer's unitary business group
19 (including amounts included in gross income pursuant
20 to Sections 951 through 964 of the Internal Revenue
21 Code and amounts included in gross income under Section
22 78 of the Internal Revenue Code) with respect to the
23 stock of the same person to whom the intangible
24 expenses and costs were directly or indirectly paid,
25 incurred or accrued. The preceding sentence shall not
26 apply to the extent that the same dividends caused a
27 reduction to the addition modification required under
28 Section 203(d)(2)(D-7) of this Act. As used in this
29 subparagraph, the term "intangible expenses and costs"
30 includes (1) expenses, losses, and costs for, or
31 related to, the direct or indirect acquisition, use,
32 maintenance or management, ownership, sale, exchange,
33 or any other disposition of intangible property; (2)
34 losses incurred, directly or indirectly, from
35 factoring transactions or discounting transactions;
36 (3) royalty, patent, technical, and copyright fees;

1 (4) licensing fees; and (5) other similar expenses and
2 costs. For purposes of this subparagraph, "intangible
3 property" includes patents, patent applications, trade
4 names, trademarks, service marks, copyrights, mask
5 works, trade secrets, and similar types of intangible
6 assets;

7 This paragraph shall not apply to the following:

8 (i) any item of intangible expenses or costs
9 paid, accrued, or incurred, directly or
10 indirectly, from a transaction with a foreign
11 person who is subject in a foreign country or
12 state, other than a state which requires mandatory
13 unitary reporting, to a tax on or measured by net
14 income with respect to such item; or

15 (ii) any item of intangible expense or cost
16 paid, accrued, or incurred, directly or
17 indirectly, if the taxpayer can establish, based
18 on a preponderance of the evidence, both of the
19 following:

20 (a) the foreign person during the same
21 taxable year paid, accrued, or incurred, the
22 intangible expense or cost to a person that is
23 not a related member, and

24 (b) the transaction giving rise to the
25 intangible expense or cost between the
26 taxpayer and the foreign person did not have as
27 a principal purpose the avoidance of Illinois
28 income tax, and is paid pursuant to a contract
29 or agreement that reflects arm's-length terms;
30 or

31 (iii) any item of intangible expense or cost
32 paid, accrued, or incurred, directly or
33 indirectly, from a transaction with a foreign
34 person if the taxpayer establishes by clear and
35 convincing evidence, that the adjustments are
36 unreasonable; or if the taxpayer and the Director

1 agree in writing to the application or use of an
2 alternative method of apportionment under Section
3 304(f);

4 Nothing in this subsection shall preclude the
5 Director from making any other adjustment
6 otherwise allowed under Section 404 of this Act for
7 any tax year beginning after the effective date of
8 this amendment provided such adjustment is made
9 pursuant to regulation adopted by the Department
10 and such regulations provide methods and standards
11 by which the Department will utilize its authority
12 under Section 404 of this Act;

13 and by deducting from the total so obtained the following
14 amounts:

15 (E) The valuation limitation amount;

16 (F) An amount equal to the amount of any tax
17 imposed by this Act which was refunded to the taxpayer
18 and included in such total for the taxable year;

19 (G) An amount equal to all amounts included in
20 taxable income as modified by subparagraphs (A), (B),
21 (C) and (D) which are exempt from taxation by this
22 State either by reason of its statutes or Constitution
23 or by reason of the Constitution, treaties or statutes
24 of the United States; provided that, in the case of any
25 statute of this State that exempts income derived from
26 bonds or other obligations from the tax imposed under
27 this Act, the amount exempted shall be the interest net
28 of bond premium amortization;

29 (H) Any income of the partnership which
30 constitutes personal service income as defined in
31 Section 1348 (b) (1) of the Internal Revenue Code (as
32 in effect December 31, 1981) or a reasonable allowance
33 for compensation paid or accrued for services rendered
34 by partners to the partnership, whichever is greater;

35 (I) An amount equal to all amounts of income
36 distributable to an entity subject to the Personal

1 Property Tax Replacement Income Tax imposed by
2 subsections (c) and (d) of Section 201 of this Act
3 including amounts distributable to organizations
4 exempt from federal income tax by reason of Section
5 501(a) of the Internal Revenue Code;

6 (J) With the exception of any amounts subtracted
7 under subparagraph (G), an amount equal to the sum of
8 all amounts disallowed as deductions by (i) Sections
9 171(a) (2), and 265(2) of the Internal Revenue Code of
10 1954, as now or hereafter amended, and all amounts of
11 expenses allocable to interest and disallowed as
12 deductions by Section 265(1) of the Internal Revenue
13 Code, as now or hereafter amended; and (ii) for taxable
14 years ending on or after August 13, 1999, Sections
15 171(a) (2), 265, 280C, and 832(b) (5) (B) (i) of the
16 Internal Revenue Code; the provisions of this
17 subparagraph are exempt from the provisions of Section
18 250;

19 (K) An amount equal to those dividends included in
20 such total which were paid by a corporation which
21 conducts business operations in an Enterprise Zone or
22 zones created under the Illinois Enterprise Zone Act,
23 enacted by the 82nd General Assembly, and conducts
24 substantially all of its operations in an Enterprise
25 Zone or Zones;

26 (L) An amount equal to any contribution made to a
27 job training project established pursuant to the Real
28 Property Tax Increment Allocation Redevelopment Act;

29 (M) An amount equal to those dividends included in
30 such total that were paid by a corporation that
31 conducts business operations in a federally designated
32 Foreign Trade Zone or Sub-Zone and that is designated a
33 High Impact Business located in Illinois; provided
34 that dividends eligible for the deduction provided in
35 subparagraph (K) of paragraph (2) of this subsection
36 shall not be eligible for the deduction provided under

1 this subparagraph (M);

2 (N) An amount equal to the amount of the deduction
3 used to compute the federal income tax credit for
4 restoration of substantial amounts held under claim of
5 right for the taxable year pursuant to Section 1341 of
6 the Internal Revenue Code of 1986;

7 (O) For taxable years 2001 and thereafter, for the
8 taxable year in which the bonus depreciation deduction
9 (30% of the adjusted basis of the qualified property)
10 is taken on the taxpayer's federal income tax return
11 under subsection (k) of Section 168 of the Internal
12 Revenue Code and for each applicable taxable year
13 thereafter, an amount equal to "x", where:

14 (1) "y" equals the amount of the depreciation
15 deduction taken for the taxable year on the
16 taxpayer's federal income tax return on property
17 for which the bonus depreciation deduction (30% of
18 the adjusted basis of the qualified property) was
19 taken in any year under subsection (k) of Section
20 168 of the Internal Revenue Code, but not including
21 the bonus depreciation deduction; and

22 (2) "x" equals "y" multiplied by 30 and then
23 divided by 70 (or "y" multiplied by 0.429).

24 The aggregate amount deducted under this
25 subparagraph in all taxable years for any one piece of
26 property may not exceed the amount of the bonus
27 depreciation deduction (30% of the adjusted basis of
28 the qualified property) taken on that property on the
29 taxpayer's federal income tax return under subsection
30 (k) of Section 168 of the Internal Revenue Code;

31 (P) If the taxpayer reports a capital gain or loss
32 on the taxpayer's federal income tax return for the
33 taxable year based on a sale or transfer of property
34 for which the taxpayer was required in any taxable year
35 to make an addition modification under subparagraph
36 (D-5), then an amount equal to that addition

1 modification.

2 The taxpayer is allowed to take the deduction under
3 this subparagraph only once with respect to any one
4 piece of property;

5 (Q) The amount of (i) any interest income (net of
6 the deductions allocable thereto) taken into account
7 for the taxable year with respect to a transaction with
8 a taxpayer that is required to make an addition
9 modification with respect to such transaction under
10 Section 203(a)(2)(D-17), 203(b)(2)(E-12),
11 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed
12 the amount of such addition modification and (ii) any
13 income from intangible property (net of the deductions
14 allocable thereto) taken into account for the taxable
15 year with respect to a transaction with a taxpayer that
16 is required to make an addition modification with
17 respect to such transaction under Section
18 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or
19 203(d)(2)(D-8), but not to exceed the amount of such
20 addition modification;

21 (R) An amount equal to the interest income taken
22 into account for the taxable year (net of the
23 deductions allocable thereto) with respect to
24 transactions with a foreign person who would be a
25 member of the taxpayer's unitary business group but for
26 the fact that the foreign person's business activity
27 outside the United States is 80% or more of that
28 person's total business activity, but not to exceed the
29 addition modification required to be made for the same
30 taxable year under Section 203(d)(2)(D-7) for interest
31 paid, accrued, or incurred, directly or indirectly, to
32 the same foreign person; and

33 (S) An amount equal to the income from intangible
34 property taken into account for the taxable year (net
35 of the deductions allocable thereto) with respect to
36 transactions with a foreign person who would be a

1 member of the taxpayer's unitary business group but for
2 the fact that the foreign person's business activity
3 outside the United States is 80% or more of that
4 person's total business activity, but not to exceed the
5 addition modification required to be made for the same
6 taxable year under Section 203(d)(2)(D-8) for
7 intangible expenses and costs paid, accrued, or
8 incurred, directly or indirectly, to the same foreign
9 person.

10 (e) Gross income; adjusted gross income; taxable income.

11 (1) In general. Subject to the provisions of paragraph
12 (2) and subsection (b) (3), for purposes of this Section
13 and Section 803(e), a taxpayer's gross income, adjusted
14 gross income, or taxable income for the taxable year shall
15 mean the amount of gross income, adjusted gross income or
16 taxable income properly reportable for federal income tax
17 purposes for the taxable year under the provisions of the
18 Internal Revenue Code. Taxable income may be less than
19 zero. However, for taxable years ending on or after
20 December 31, 1986, net operating loss carryforwards from
21 taxable years ending prior to December 31, 1986, may not
22 exceed the sum of federal taxable income for the taxable
23 year before net operating loss deduction, plus the excess
24 of addition modifications over subtraction modifications
25 for the taxable year. For taxable years ending prior to
26 December 31, 1986, taxable income may never be an amount in
27 excess of the net operating loss for the taxable year as
28 defined in subsections (c) and (d) of Section 172 of the
29 Internal Revenue Code, provided that when taxable income of
30 a corporation (other than a Subchapter S corporation),
31 trust, or estate is less than zero and addition
32 modifications, other than those provided by subparagraph
33 (E) of paragraph (2) of subsection (b) for corporations or
34 subparagraph (E) of paragraph (2) of subsection (c) for
35 trusts and estates, exceed subtraction modifications, an

1 addition modification must be made under those
2 subparagraphs for any other taxable year to which the
3 taxable income less than zero (net operating loss) is
4 applied under Section 172 of the Internal Revenue Code or
5 under subparagraph (E) of paragraph (2) of this subsection
6 (e) applied in conjunction with Section 172 of the Internal
7 Revenue Code.

8 (2) Special rule. For purposes of paragraph (1) of this
9 subsection, the taxable income properly reportable for
10 federal income tax purposes shall mean:

11 (A) Certain life insurance companies. In the case
12 of a life insurance company subject to the tax imposed
13 by Section 801 of the Internal Revenue Code, life
14 insurance company taxable income, plus the amount of
15 distribution from pre-1984 policyholder surplus
16 accounts as calculated under Section 815a of the
17 Internal Revenue Code;

18 (B) Certain other insurance companies. In the case
19 of mutual insurance companies subject to the tax
20 imposed by Section 831 of the Internal Revenue Code,
21 insurance company taxable income;

22 (C) Regulated investment companies. In the case of
23 a regulated investment company subject to the tax
24 imposed by Section 852 of the Internal Revenue Code,
25 investment company taxable income;

26 (D) Real estate investment trusts. In the case of a
27 real estate investment trust subject to the tax imposed
28 by Section 857 of the Internal Revenue Code, real
29 estate investment trust taxable income;

30 (E) Consolidated corporations. In the case of a
31 corporation which is a member of an affiliated group of
32 corporations filing a consolidated income tax return
33 for the taxable year for federal income tax purposes,
34 taxable income determined as if such corporation had
35 filed a separate return for federal income tax purposes
36 for the taxable year and each preceding taxable year

1 for which it was a member of an affiliated group. For
2 purposes of this subparagraph, the taxpayer's separate
3 taxable income shall be determined as if the election
4 provided by Section 243(b) (2) of the Internal Revenue
5 Code had been in effect for all such years;

6 (F) Cooperatives. In the case of a cooperative
7 corporation or association, the taxable income of such
8 organization determined in accordance with the
9 provisions of Section 1381 through 1388 of the Internal
10 Revenue Code;

11 (G) Subchapter S corporations. In the case of: (i)
12 a Subchapter S corporation for which there is in effect
13 an election for the taxable year under Section 1362 of
14 the Internal Revenue Code, the taxable income of such
15 corporation determined in accordance with Section
16 1363(b) of the Internal Revenue Code, except that
17 taxable income shall take into account those items
18 which are required by Section 1363(b)(1) of the
19 Internal Revenue Code to be separately stated; and (ii)
20 a Subchapter S corporation for which there is in effect
21 a federal election to opt out of the provisions of the
22 Subchapter S Revision Act of 1982 and have applied
23 instead the prior federal Subchapter S rules as in
24 effect on July 1, 1982, the taxable income of such
25 corporation determined in accordance with the federal
26 Subchapter S rules as in effect on July 1, 1982; and

27 (H) Partnerships. In the case of a partnership,
28 taxable income determined in accordance with Section
29 703 of the Internal Revenue Code, except that taxable
30 income shall take into account those items which are
31 required by Section 703(a)(1) to be separately stated
32 but which would be taken into account by an individual
33 in calculating his taxable income.

34 (3) Recapture of business expenses on disposition of
35 asset or business. Notwithstanding any other law to the
36 contrary, if in prior years income from an asset or

1 business has been classified as business income and in a
2 later year is demonstrated to be non-business income, then
3 all expenses, without limitation, deducted in such later
4 year and in the 2 immediately preceding taxable years
5 related to that asset or business that generated the
6 non-business income shall be added back and recaptured as
7 business income in the year of the disposition of the asset
8 or business. Such amount shall be apportioned to Illinois
9 using the greater of the apportionment fraction computed
10 for the business under Section 304 of this Act for the
11 taxable year or the average of the apportionment fractions
12 computed for the business under Section 304 of this Act for
13 the taxable year and for the 2 immediately preceding
14 taxable years.

15 (f) Valuation limitation amount.

16 (1) In general. The valuation limitation amount
17 referred to in subsections (a) (2) (G), (c) (2) (I) and
18 (d) (2) (E) is an amount equal to:

19 (A) The sum of the pre-August 1, 1969 appreciation
20 amounts (to the extent consisting of gain reportable
21 under the provisions of Section 1245 or 1250 of the
22 Internal Revenue Code) for all property in respect of
23 which such gain was reported for the taxable year; plus

24 (B) The lesser of (i) the sum of the pre-August 1,
25 1969 appreciation amounts (to the extent consisting of
26 capital gain) for all property in respect of which such
27 gain was reported for federal income tax purposes for
28 the taxable year, or (ii) the net capital gain for the
29 taxable year, reduced in either case by any amount of
30 such gain included in the amount determined under
31 subsection (a) (2) (F) or (c) (2) (H).

32 (2) Pre-August 1, 1969 appreciation amount.

33 (A) If the fair market value of property referred
34 to in paragraph (1) was readily ascertainable on August
35 1, 1969, the pre-August 1, 1969 appreciation amount for
36 such property is the lesser of (i) the excess of such

1 fair market value over the taxpayer's basis (for
2 determining gain) for such property on that date
3 (determined under the Internal Revenue Code as in
4 effect on that date), or (ii) the total gain realized
5 and reportable for federal income tax purposes in
6 respect of the sale, exchange or other disposition of
7 such property.

8 (B) If the fair market value of property referred
9 to in paragraph (1) was not readily ascertainable on
10 August 1, 1969, the pre-August 1, 1969 appreciation
11 amount for such property is that amount which bears the
12 same ratio to the total gain reported in respect of the
13 property for federal income tax purposes for the
14 taxable year, as the number of full calendar months in
15 that part of the taxpayer's holding period for the
16 property ending July 31, 1969 bears to the number of
17 full calendar months in the taxpayer's entire holding
18 period for the property.

19 (C) The Department shall prescribe such
20 regulations as may be necessary to carry out the
21 purposes of this paragraph.

22 (g) Double deductions. Unless specifically provided
23 otherwise, nothing in this Section shall permit the same item
24 to be deducted more than once.

25 (h) Legislative intention. Except as expressly provided by
26 this Section there shall be no modifications or limitations on
27 the amounts of income, gain, loss or deduction taken into
28 account in determining gross income, adjusted gross income or
29 taxable income for federal income tax purposes for the taxable
30 year, or in the amount of such items entering into the
31 computation of base income and net income under this Act for
32 such taxable year, whether in respect of property values as of
33 August 1, 1969 or otherwise.

34 (Source: P.A. 92-16, eff. 6-28-01; 92-244, eff. 8-3-01; 92-439,

1 eff. 8-17-01; 92-603, eff. 6-28-02; 92-626, eff. 7-11-02;
2 92-651, eff. 7-11-02; 92-846, eff. 8-23-02; 93-812, eff.
3 7-26-04; 93-840, eff. 7-30-04; revised 10-12-04.)

4 (35 ILCS 5/502) (from Ch. 120, par. 5-502)

5 Sec. 502. Returns and notices.

6 (a) In general. A return with respect to the taxes imposed
7 by this Act shall be made by every person for any taxable year:

8 (1) for which such person is liable for a tax imposed
9 by this Act, or

10 (2) in the case of a resident or in the case of a
11 corporation which is qualified to do business in this
12 State, for which such person is required to make a federal
13 income tax return, regardless of whether such person is
14 liable for a tax imposed by this Act. However, this
15 paragraph shall not require a resident to make a return if
16 such person has an Illinois base income of the basic amount
17 in Section 204(b) or less and is either claimed as a
18 dependent on another person's tax return under the Internal
19 Revenue Code of 1986, or is claimed as a dependent on
20 another person's tax return under this Act.

21 (b) Fiduciaries and receivers.

22 (1) Decedents. If an individual is deceased, any return
23 or notice required of such individual under this Act shall
24 be made by his executor, administrator, or other person
25 charged with the property of such decedent.

26 (2) Individuals under a disability. If an individual is
27 unable to make a return or notice required under this Act,
28 the return or notice required of such individual shall be
29 made by his duly authorized agent, guardian, fiduciary or
30 other person charged with the care of the person or
31 property of such individual.

32 (3) Estates and trusts. Returns or notices required of
33 an estate or a trust shall be made by the fiduciary
34 thereof.

35 (4) Receivers, trustees and assignees for

1 corporations. In a case where a receiver, trustee in
2 bankruptcy, or assignee, by order of a court of competent
3 jurisdiction, by operation of law, or otherwise, has
4 possession of or holds title to all or substantially all
5 the property or business of a corporation, whether or not
6 such property or business is being operated, such receiver,
7 trustee, or assignee shall make the returns and notices
8 required of such corporation in the same manner and form as
9 corporations are required to make such returns and notices.

10 (c) Joint returns by husband and wife.

11 (1) Except as provided in paragraph (3), if a husband
12 and wife file a joint federal income tax return for a
13 taxable year they shall file a joint return under this Act
14 for such taxable year and their liabilities shall be joint
15 and several, but if the federal income tax liability of
16 either spouse is determined on a separate federal income
17 tax return, they shall file separate returns under this
18 Act.

19 (2) If neither spouse is required to file a federal
20 income tax return and either or both are required to file a
21 return under this Act, they may elect to file separate or
22 joint returns and pursuant to such election their
23 liabilities shall be separate or joint and several.

24 (3) If either husband or wife is a resident and the
25 other is a nonresident, they shall file separate returns in
26 this State on such forms as may be required by the
27 Department in which event their tax liabilities shall be
28 separate; but they may elect to determine their joint net
29 income and file a joint return as if both were residents
30 and in such case, their liabilities shall be joint and
31 several.

32 (4) Innocent spouses.

33 (A) However, for tax liabilities arising and paid
34 prior to August 13, 1999, an innocent spouse shall be
35 relieved of liability for tax (including interest and
36 penalties) for any taxable year for which a joint

1 return has been made, upon submission of proof that the
2 Internal Revenue Service has made a determination
3 under Section 6013(e) of the Internal Revenue Code, for
4 the same taxable year, which determination relieved
5 the spouse from liability for federal income taxes. If
6 there is no federal income tax liability at issue for
7 the same taxable year, the Department shall rely on the
8 provisions of Section 6013(e) to determine whether the
9 person requesting innocent spouse abatement of tax,
10 penalty, and interest is entitled to that relief.

11 (B) For tax liabilities arising on and after August
12 13, 1999 or which arose prior to that date, but remain
13 unpaid as of that date, if an individual who filed a
14 joint return for any taxable year has made an election
15 under this paragraph, the individual's liability for
16 any tax shown on the joint return shall not exceed the
17 individual's separate return amount and the
18 individual's liability for any deficiency assessed for
19 that taxable year shall not exceed the portion of the
20 deficiency properly allocable to the individual. For
21 purposes of this paragraph:

22 (i) An election properly made pursuant to
23 Section 6015 of the Internal Revenue Code shall
24 constitute an election under this paragraph,
25 provided that the election shall not be effective
26 until the individual has notified the Department
27 of the election in the form and manner prescribed
28 by the Department.

29 (ii) If no election has been made under Section
30 6015, the individual may make an election under
31 this paragraph in the form and manner prescribed by
32 the Department, provided that no election may be
33 made if the Department finds that assets were
34 transferred between individuals filing a joint
35 return as part of a scheme by such individuals to
36 avoid payment of Illinois income tax and the

1 election shall not eliminate the individual's
2 liability for any portion of a deficiency
3 attributable to an error on the return of which the
4 individual had actual knowledge as of the date of
5 filing.

6 (iii) In determining the separate return
7 amount or portion of any deficiency attributable
8 to an individual, the Department shall follow the
9 provisions in subsections (c) and (d) of Section
10 6015 of the Internal Revenue Code.

11 (iv) In determining the validity of an
12 individual's election under subparagraph (ii) and
13 in determining an electing individual's separate
14 return amount or portion of any deficiency under
15 subparagraph (iii), any determination made by the
16 Secretary of the Treasury, by the United States Tax
17 Court on petition for review of a determination by
18 the Secretary of the Treasury, or on appeal from
19 the United States Tax Court under Section 6015 of
20 the Internal Revenue Code regarding criteria for
21 eligibility or under subsection (d) of Section
22 6015 of the Internal Revenue Code regarding the
23 allocation of any item of income, deduction,
24 payment, or credit between an individual making
25 the federal election and that individual's spouse
26 shall be conclusively presumed to be correct. With
27 respect to any item that is not the subject of a
28 determination by the Secretary of the Treasury or
29 the federal courts, in any proceeding involving
30 this subsection, the individual making the
31 election shall have the burden of proof with
32 respect to any item except that the Department
33 shall have the burden of proof with respect to
34 items in subdivision (ii).

35 (v) Any election made by an individual under
36 this subsection shall apply to all years for which

1 that individual and the spouse named in the
2 election have filed a joint return.

3 (vi) After receiving a notice that the federal
4 election has been made or after receiving an
5 election under subdivision (ii), the Department
6 shall take no collection action against the
7 electing individual for any liability arising from
8 a joint return covered by the election until the
9 Department has notified the electing individual in
10 writing that the election is invalid or of the
11 portion of the liability the Department has
12 allocated to the electing individual. Within 60
13 days (150 days if the individual is outside the
14 United States) after the issuance of such
15 notification, the individual may file a written
16 protest of the denial of the election or of the
17 Department's determination of the liability
18 allocated to him or her and shall be granted a
19 hearing within the Department under the provisions
20 of Section 908. If a protest is filed, the
21 Department shall take no collection action against
22 the electing individual until the decision
23 regarding the protest has become final under
24 subsection (d) of Section 908 or, if
25 administrative review of the Department's decision
26 is requested under Section 1201, until the
27 decision of the court becomes final.

28 (d) Partnerships. Every partnership having any base income
29 allocable to this State in accordance with section 305(c) shall
30 retain information concerning all items of income, gain, loss
31 and deduction; the names and addresses of all of the partners,
32 or names and addresses of members of a limited liability
33 company, or other persons who would be entitled to share in the
34 base income of the partnership if distributed; the amount of
35 the distributive share of each; and such other pertinent
36 information as the Department may by forms or regulations

1 prescribe. The partnership shall make that information
2 available to the Department when requested by the Department.

3 (e) For taxable years ending on or after December 31, 1985,
4 and before December 31, 1993, taxpayers that are corporations
5 (other than Subchapter S corporations) having the same taxable
6 year and that are members of the same unitary business group
7 may elect to be treated as one taxpayer for purposes of any
8 original return, amended return which includes the same
9 taxpayers of the unitary group which joined in the election to
10 file the original return, extension, claim for refund,
11 assessment, collection and payment and determination of the
12 group's tax liability under this Act. This subsection (e) does
13 not permit the election to be made for some, but not all, of
14 the purposes enumerated above. For taxable years ending on or
15 after December 31, 1987, corporate members (other than
16 Subchapter S corporations) of the same unitary business group
17 making this subsection (e) election are not required to have
18 the same taxable year.

19 For taxable years ending on or after December 31, 1993,
20 taxpayers that are corporations (other than Subchapter S
21 corporations) and that are members of the same unitary business
22 group shall be treated as one taxpayer for purposes of any
23 original return, amended return which includes the same
24 taxpayers of the unitary group which joined in filing the
25 original return, extension, claim for refund, assessment,
26 collection and payment and determination of the group's tax
27 liability under this Act.

28 (f) The Department may promulgate regulations to permit
29 nonresident individual partners of the same partnership,
30 nonresident Subchapter S corporation shareholders of the same
31 Subchapter S corporation, and nonresident individuals
32 transacting an insurance business in Illinois under a Lloyds
33 plan of operation, and nonresident individual members of the
34 same limited liability company that is treated as a partnership
35 under Section 1501 (a)(16) of this Act, to file composite
36 individual income tax returns reflecting the composite income

1 of such individuals allocable to Illinois and to make composite
2 individual income tax payments. The Department may by
3 regulation also permit such composite returns to include the
4 income tax owed by Illinois residents attributable to their
5 income from partnerships, Subchapter S corporations, insurance
6 businesses organized under a Lloyds plan of operation, or
7 limited liability companies that are treated as partnership
8 under Section 1501(a)(16) of this Act, in which case such
9 Illinois residents will be permitted to claim credits on their
10 individual returns for their shares of the composite tax
11 payments. This paragraph of subsection (f) applies to taxable
12 years ending on or after December 31, 1987.

13 For taxable years ending on or after December 31, 1999, the
14 Department may, by regulation, also permit any persons
15 transacting an insurance business organized under a Lloyds plan
16 of operation to file composite returns reflecting the income of
17 such persons allocable to Illinois and the tax rates applicable
18 to such persons under Section 201 and to make composite tax
19 payments and shall, by regulation, also provide that the income
20 and apportionment factors attributable to the transaction of an
21 insurance business organized under a Lloyds plan of operation
22 by any person joining in the filing of a composite return
23 shall, for purposes of allocating and apportioning income under
24 Article 3 of this Act and computing net income under Section
25 202 of this Act, be excluded from any other income and
26 apportionment factors of that person or of any unitary business
27 group, as defined in subdivision (a)(27) of Section 1501, to
28 which that person may belong.

29 (g) The Department may adopt rules to authorize the
30 electronic filing of any return required to be filed under this
31 Section.

32 (Source: P.A. 91-541, eff. 8-13-99; 91-913, eff. 1-1-01;
33 92-846, eff. 8-23-02.)

34 (35 ILCS 5/506.5)

35 Sec. 506.5. Returns based on substitute W-2 forms. For a

1 taxpayer who has received wages from an employer in Illinois,
2 loses or was not provided a W-2 form, is unable to obtain a
3 duplicate W-2 form from the employer, and subsequently obtains
4 a substitute W-2 form from the Internal Revenue Service, it
5 shall be presumed that tax was withheld under Article 7 of this
6 Act in an appropriate amount based on the number of withholding
7 exemptions used to determine the federal income tax withholding
8 for the taxpayer if (i) the substitute W-2 form indicates the
9 appropriate amount of federal taxes withheld, (ii) the taxpayer
10 files a copy of the substitute W-2 form with his or her
11 Illinois income tax return, and (iii) the taxpayer provides a
12 mailing address to which any correspondence or refund, if any,
13 may be sent.

14 (Source: P.A. 88-669, eff. 11-29-94.)

15 (35 ILCS 5/917) (from Ch. 120, par. 9-917)

16 Sec. 917. Confidentiality and information sharing.

17 (a) Confidentiality. Except as provided in this Section,
18 all information received by the Department from returns filed
19 under this Act, or from any investigation conducted under the
20 provisions of this Act, shall be confidential, except for
21 official purposes within the Department or pursuant to official
22 procedures for collection of any State tax or pursuant to an
23 investigation or audit by the Illinois State Scholarship
24 Commission of a delinquent student loan or monetary award or
25 enforcement of any civil or criminal penalty or sanction
26 imposed by this Act or by another statute imposing a State tax,
27 and any person who divulges any such information in any manner,
28 except for such purposes and pursuant to order of the Director
29 or in accordance with a proper judicial order, shall be guilty
30 of a Class A misdemeanor. However, the provisions of this
31 paragraph are not applicable to information furnished to (i)
32 the Department of Healthcare and Family Services (formerly
33 Department of Public Aid), State's Attorneys, and the Attorney
34 General for child support enforcement purposes and (ii) a
35 licensed attorney representing the taxpayer where an appeal or

1 a protest has been filed on behalf of the taxpayer. If it is
2 necessary to file information obtained pursuant to this Act in
3 a child support enforcement proceeding, the information shall
4 be filed under seal.

5 (b) Public information. Nothing contained in this Act shall
6 prevent the Director from publishing or making available to the
7 public the names and addresses of persons filing returns under
8 this Act, or from publishing or making available reasonable
9 statistics concerning the operation of the tax wherein the
10 contents of returns are grouped into aggregates in such a way
11 that the information contained in any individual return shall
12 not be disclosed.

13 (c) Governmental agencies. The Director may make available
14 to the Secretary of the Treasury of the United States or his
15 delegate, or the proper officer or his delegate of any other
16 state imposing a tax upon or measured by income, for
17 exclusively official purposes, information received by the
18 Department in the administration of this Act, but such
19 permission shall be granted only if the United States or such
20 other state, as the case may be, grants the Department
21 substantially similar privileges. The Director may exchange
22 information with the ~~Illinois~~ Department of Healthcare and
23 Family Services ~~Public Aid~~ and the Department of Human Services
24 (acting as successor to the Department of Public Aid under the
25 Department of Human Services Act) for the purpose of verifying
26 sources and amounts of income and for other purposes directly
27 connected with the administration of this Act and the Illinois
28 Public Aid Code. The Director may exchange information with the
29 Director of the Department of Employment Security for the
30 purpose of verifying sources and amounts of income and for
31 other purposes directly connected with the administration of
32 this Act and Acts administered by the Department of Employment
33 Security. The Director may make available to the Illinois
34 Workers' Compensation Commission information regarding
35 employers for the purpose of verifying the insurance coverage
36 required under the Workers' Compensation Act and Workers'

1 Occupational Diseases Act. The Director may exchange
2 information with the Illinois Department on Aging for the
3 purpose of verifying sources and amounts of income for purposes
4 directly related to confirming eligibility for participation
5 in the programs of benefits authorized by the Senior Citizens
6 and Disabled Persons Property Tax Relief and Pharmaceutical
7 Assistance Act.

8 The Director may make available to any State agency,
9 including the Illinois Supreme Court, which licenses persons to
10 engage in any occupation, information that a person licensed by
11 such agency has failed to file returns under this Act or pay
12 the tax, penalty and interest shown therein, or has failed to
13 pay any final assessment of tax, penalty or interest due under
14 this Act. The Director may make available to any State agency,
15 including the Illinois Supreme Court, information regarding
16 whether a bidder, contractor, or an affiliate of a bidder or
17 contractor has failed to file returns under this Act or pay the
18 tax, penalty, and interest shown therein, or has failed to pay
19 any final assessment of tax, penalty, or interest due under
20 this Act, for the limited purpose of enforcing bidder and
21 contractor certifications. For purposes of this Section, the
22 term "affiliate" means any entity that (1) directly,
23 indirectly, or constructively controls another entity, (2) is
24 directly, indirectly, or constructively controlled by another
25 entity, or (3) is subject to the control of a common entity.
26 For purposes of this subsection (a), an entity controls another
27 entity if it owns, directly or individually, more than 10% of
28 the voting securities of that entity. As used in this
29 subsection (a), the term "voting security" means a security
30 that (1) confers upon the holder the right to vote for the
31 election of members of the board of directors or similar
32 governing body of the business or (2) is convertible into, or
33 entitles the holder to receive upon its exercise, a security
34 that confers such a right to vote. A general partnership
35 interest is a voting security.

36 The Director may make available to any State agency,

1 including the Illinois Supreme Court, units of local
2 government, and school districts, information regarding
3 whether a bidder or contractor is an affiliate of a person who
4 is not collecting and remitting Illinois Use taxes, for the
5 limited purpose of enforcing bidder and contractor
6 certifications.

7 The Director may also make available to the Secretary of
8 State information that a corporation which has been issued a
9 certificate of incorporation by the Secretary of State has
10 failed to file returns under this Act or pay the tax, penalty
11 and interest shown therein, or has failed to pay any final
12 assessment of tax, penalty or interest due under this Act. An
13 assessment is final when all proceedings in court for review of
14 such assessment have terminated or the time for the taking
15 thereof has expired without such proceedings being instituted.
16 For taxable years ending on or after December 31, 1987, the
17 Director may make available to the Director or principal
18 officer of any Department of the State of Illinois, information
19 that a person employed by such Department has failed to file
20 returns under this Act or pay the tax, penalty and interest
21 shown therein. For purposes of this paragraph, the word
22 "Department" shall have the same meaning as provided in Section
23 3 of the State Employees Group Insurance Act of 1971.

24 (d) The Director shall make available for public inspection
25 in the Department's principal office and for publication, at
26 cost, administrative decisions issued on or after January 1,
27 1995. These decisions are to be made available in a manner so
28 that the following taxpayer information is not disclosed:

29 (1) The names, addresses, and identification numbers
30 of the taxpayer, related entities, and employees.

31 (2) At the sole discretion of the Director, trade
32 secrets or other confidential information identified as
33 such by the taxpayer, no later than 30 days after receipt
34 of an administrative decision, by such means as the
35 Department shall provide by rule.

36 The Director shall determine the appropriate extent of the

1 deletions allowed in paragraph (2). In the event the taxpayer
2 does not submit deletions, the Director shall make only the
3 deletions specified in paragraph (1).

4 The Director shall make available for public inspection and
5 publication an administrative decision within 180 days after
6 the issuance of the administrative decision. The term
7 "administrative decision" has the same meaning as defined in
8 Section 3-101 of Article III of the Code of Civil Procedure.
9 Costs collected under this Section shall be paid into the Tax
10 Compliance and Administration Fund.

11 (e) Nothing contained in this Act shall prevent the
12 Director from divulging information to any person pursuant to a
13 request or authorization made by the taxpayer, by an authorized
14 representative of the taxpayer, or, in the case of information
15 related to a joint return, by the spouse filing the joint
16 return with the taxpayer.

17 (Source: P.A. 93-25, eff. 6-20-03; 93-721, eff. 1-1-05; 93-835;
18 eff. 7-29-04; 93-841, eff. 7-30-04; revised 12-15-05.)

19 (35 ILCS 5/1301) (from Ch. 120, par. 13-1301)

20 Sec. 1301. Willful and Fraudulent Acts. Any person who is
21 subject to the provisions of this Act and who willfully fails
22 to file a return, or who files a fraudulent return, or who
23 willfully attempts in any other manner to evade or defeat any
24 tax imposed by this Act or the payment thereof, or any
25 accountant or other agent who knowingly enters false
26 information on the return of any taxpayer under this Act,
27 shall, in addition to other penalties, be guilty of a Class 4
28 felony for the first offense and a Class 3 felony for each
29 subsequent offense. Any person who is subject to this Act and
30 who willfully violates any rule or regulation of the Department
31 for the administration and enforcement of this Act or who fails
32 to keep books and records as required in this Act is, in
33 addition to other penalties, guilty of a Class A misdemeanor.
34 Any person whose commercial domicile or whose residence is in
35 this State and who is charged with a violation under this

1 Section shall be tried in the county where his commercial
2 domicile or his residence is located unless he asserts a right
3 to be tried in another venue. A prosecution for any act in
4 violation of this Section may be commenced at any time within 5
5 years of the commission of that act.

6 (Source: P.A. 88-480; 88-669, eff. 11-29-94.)

7 Section 10. The Use Tax Act is amended by re-enacting
8 Section 2 and re-enacting and changing Section 9 as follows:

9 (35 ILCS 105/2) (from Ch. 120, par. 439.2)

10 Sec. 2. "Use" means the exercise by any person of any right
11 or power over tangible personal property incident to the
12 ownership of that property, except that it does not include the
13 sale of such property in any form as tangible personal property
14 in the regular course of business to the extent that such
15 property is not first subjected to a use for which it was
16 purchased, and does not include the use of such property by its
17 owner for demonstration purposes: Provided that the property
18 purchased is deemed to be purchased for the purpose of resale,
19 despite first being used, to the extent to which it is resold
20 as an ingredient of an intentionally produced product or
21 by-product of manufacturing. "Use" does not mean the
22 demonstration use or interim use of tangible personal property
23 by a retailer before he sells that tangible personal property.
24 For watercraft or aircraft, if the period of demonstration use
25 or interim use by the retailer exceeds 18 months, the retailer
26 shall pay on the retailers' original cost price the tax imposed
27 by this Act, and no credit for that tax is permitted if the
28 watercraft or aircraft is subsequently sold by the retailer.
29 "Use" does not mean the physical incorporation of tangible
30 personal property, to the extent not first subjected to a use
31 for which it was purchased, as an ingredient or constituent,
32 into other tangible personal property (a) which is sold in the
33 regular course of business or (b) which the person
34 incorporating such ingredient or constituent therein has

1 undertaken at the time of such purchase to cause to be
2 transported in interstate commerce to destinations outside the
3 State of Illinois: Provided that the property purchased is
4 deemed to be purchased for the purpose of resale, despite first
5 being used, to the extent to which it is resold as an
6 ingredient of an intentionally produced product or by-product
7 of manufacturing.

8 "Watercraft" means a Class 2, Class 3, or Class 4
9 watercraft as defined in Section 3-2 of the Boat Registration
10 and Safety Act, a personal watercraft, or any boat equipped
11 with an inboard motor.

12 "Purchase at retail" means the acquisition of the ownership
13 of or title to tangible personal property through a sale at
14 retail.

15 "Purchaser" means anyone who, through a sale at retail,
16 acquires the ownership of tangible personal property for a
17 valuable consideration.

18 "Sale at retail" means any transfer of the ownership of or
19 title to tangible personal property to a purchaser, for the
20 purpose of use, and not for the purpose of resale in any form
21 as tangible personal property to the extent not first subjected
22 to a use for which it was purchased, for a valuable
23 consideration: Provided that the property purchased is deemed
24 to be purchased for the purpose of resale, despite first being
25 used, to the extent to which it is resold as an ingredient of
26 an intentionally produced product or by-product of
27 manufacturing. For this purpose, slag produced as an incident
28 to manufacturing pig iron or steel and sold is considered to be
29 an intentionally produced by-product of manufacturing. "Sale
30 at retail" includes any such transfer made for resale unless
31 made in compliance with Section 2c of the Retailers' Occupation
32 Tax Act, as incorporated by reference into Section 12 of this
33 Act. Transactions whereby the possession of the property is
34 transferred but the seller retains the title as security for
35 payment of the selling price are sales.

36 "Sale at retail" shall also be construed to include any

1 Illinois florist's sales transaction in which the purchase
2 order is received in Illinois by a florist and the sale is for
3 use or consumption, but the Illinois florist has a florist in
4 another state deliver the property to the purchaser or the
5 purchaser's donee in such other state.

6 Nonreusable tangible personal property that is used by
7 persons engaged in the business of operating a restaurant,
8 cafeteria, or drive-in is a sale for resale when it is
9 transferred to customers in the ordinary course of business as
10 part of the sale of food or beverages and is used to deliver,
11 package, or consume food or beverages, regardless of where
12 consumption of the food or beverages occurs. Examples of those
13 items include, but are not limited to nonreusable, paper and
14 plastic cups, plates, baskets, boxes, sleeves, buckets or other
15 containers, utensils, straws, placemats, napkins, doggie bags,
16 and wrapping or packaging materials that are transferred to
17 customers as part of the sale of food or beverages in the
18 ordinary course of business.

19 The purchase, employment and transfer of such tangible
20 personal property as newsprint and ink for the primary purpose
21 of conveying news (with or without other information) is not a
22 purchase, use or sale of tangible personal property.

23 "Selling price" means the consideration for a sale valued
24 in money whether received in money or otherwise, including
25 cash, credits, property other than as hereinafter provided, and
26 services, but not including the value of or credit given for
27 traded-in tangible personal property where the item that is
28 traded-in is of like kind and character as that which is being
29 sold, and shall be determined without any deduction on account
30 of the cost of the property sold, the cost of materials used,
31 labor or service cost or any other expense whatsoever, but does
32 not include interest or finance charges which appear as
33 separate items on the bill of sale or sales contract nor
34 charges that are added to prices by sellers on account of the
35 seller's tax liability under the "Retailers' Occupation Tax
36 Act", or on account of the seller's duty to collect, from the

1 purchaser, the tax that is imposed by this Act, or on account
2 of the seller's tax liability under Section 8-11-1 of the
3 Illinois Municipal Code, as heretofore and hereafter amended,
4 or on account of the seller's tax liability under the "County
5 Retailers' Occupation Tax Act". Effective December 1, 1985,
6 "selling price" shall include charges that are added to prices
7 by sellers on account of the seller's tax liability under the
8 Cigarette Tax Act, on account of the seller's duty to collect,
9 from the purchaser, the tax imposed under the Cigarette Use Tax
10 Act, and on account of the seller's duty to collect, from the
11 purchaser, any cigarette tax imposed by a home rule unit.

12 The phrase "like kind and character" shall be liberally
13 construed (including but not limited to any form of motor
14 vehicle for any form of motor vehicle, or any kind of farm or
15 agricultural implement for any other kind of farm or
16 agricultural implement), while not including a kind of item
17 which, if sold at retail by that retailer, would be exempt from
18 retailers' occupation tax and use tax as an isolated or
19 occasional sale.

20 "Department" means the Department of Revenue.

21 "Person" means any natural individual, firm, partnership,
22 association, joint stock company, joint adventure, public or
23 private corporation, limited liability company, or a receiver,
24 executor, trustee, guardian or other representative appointed
25 by order of any court.

26 "Retailer" means and includes every person engaged in the
27 business of making sales at retail as defined in this Section.

28 A person who holds himself or herself out as being engaged
29 (or who habitually engages) in selling tangible personal
30 property at retail is a retailer hereunder with respect to such
31 sales (and not primarily in a service occupation)
32 notwithstanding the fact that such person designs and produces
33 such tangible personal property on special order for the
34 purchaser and in such a way as to render the property of value
35 only to such purchaser, if such tangible personal property so
36 produced on special order serves substantially the same

1 function as stock or standard items of tangible personal
2 property that are sold at retail.

3 A person whose activities are organized and conducted
4 primarily as a not-for-profit service enterprise, and who
5 engages in selling tangible personal property at retail
6 (whether to the public or merely to members and their guests)
7 is a retailer with respect to such transactions, excepting only
8 a person organized and operated exclusively for charitable,
9 religious or educational purposes either (1), to the extent of
10 sales by such person to its members, students, patients or
11 inmates of tangible personal property to be used primarily for
12 the purposes of such person, or (2), to the extent of sales by
13 such person of tangible personal property which is not sold or
14 offered for sale by persons organized for profit. The selling
15 of school books and school supplies by schools at retail to
16 students is not "primarily for the purposes of" the school
17 which does such selling. This paragraph does not apply to nor
18 subject to taxation occasional dinners, social or similar
19 activities of a person organized and operated exclusively for
20 charitable, religious or educational purposes, whether or not
21 such activities are open to the public.

22 A person who is the recipient of a grant or contract under
23 Title VII of the Older Americans Act of 1965 (P.L. 92-258) and
24 serves meals to participants in the federal Nutrition Program
25 for the Elderly in return for contributions established in
26 amount by the individual participant pursuant to a schedule of
27 suggested fees as provided for in the federal Act is not a
28 retailer under this Act with respect to such transactions.

29 Persons who engage in the business of transferring tangible
30 personal property upon the redemption of trading stamps are
31 retailers hereunder when engaged in such business.

32 The isolated or occasional sale of tangible personal
33 property at retail by a person who does not hold himself out as
34 being engaged (or who does not habitually engage) in selling
35 such tangible personal property at retail or a sale through a
36 bulk vending machine does not make such person a retailer

1 hereunder. However, any person who is engaged in a business
2 which is not subject to the tax imposed by the "Retailers'
3 Occupation Tax Act" because of involving the sale of or a
4 contract to sell real estate or a construction contract to
5 improve real estate, but who, in the course of conducting such
6 business, transfers tangible personal property to users or
7 consumers in the finished form in which it was purchased, and
8 which does not become real estate, under any provision of a
9 construction contract or real estate sale or real estate sales
10 agreement entered into with some other person arising out of or
11 because of such nontaxable business, is a retailer to the
12 extent of the value of the tangible personal property so
13 transferred. If, in such transaction, a separate charge is made
14 for the tangible personal property so transferred, the value of
15 such property, for the purposes of this Act, is the amount so
16 separately charged, but not less than the cost of such property
17 to the transferor; if no separate charge is made, the value of
18 such property, for the purposes of this Act, is the cost to the
19 transferor of such tangible personal property.

20 "Retailer maintaining a place of business in this State",
21 or any like term, means and includes any of the following
22 retailers:

- 23 1. A retailer having or maintaining within this State,
24 directly or by a subsidiary, an office, distribution house,
25 sales house, warehouse or other place of business, or any
26 agent or other representative operating within this State
27 under the authority of the retailer or its subsidiary,
28 irrespective of whether such place of business or agent or
29 other representative is located here permanently or
30 temporarily, or whether such retailer or subsidiary is
31 licensed to do business in this State. However, the
32 ownership of property that is located at the premises of a
33 printer with which the retailer has contracted for printing
34 and that consists of the final printed product, property
35 that becomes a part of the final printed product, or copy
36 from which the printed product is produced shall not result

1 in the retailer being deemed to have or maintain an office,
2 distribution house, sales house, warehouse, or other place
3 of business within this State.

4 2. A retailer soliciting orders for tangible personal
5 property by means of a telecommunication or television
6 shopping system (which utilizes toll free numbers) which is
7 intended by the retailer to be broadcast by cable
8 television or other means of broadcasting, to consumers
9 located in this State.

10 3. A retailer, pursuant to a contract with a
11 broadcaster or publisher located in this State, soliciting
12 orders for tangible personal property by means of
13 advertising which is disseminated primarily to consumers
14 located in this State and only secondarily to bordering
15 jurisdictions.

16 4. A retailer soliciting orders for tangible personal
17 property by mail if the solicitations are substantial and
18 recurring and if the retailer benefits from any banking,
19 financing, debt collection, telecommunication, or
20 marketing activities occurring in this State or benefits
21 from the location in this State of authorized installation,
22 servicing, or repair facilities.

23 5. A retailer that is owned or controlled by the same
24 interests that own or control any retailer engaging in
25 business in the same or similar line of business in this
26 State.

27 6. A retailer having a franchisee or licensee operating
28 under its trade name if the franchisee or licensee is
29 required to collect the tax under this Section.

30 7. A retailer, pursuant to a contract with a cable
31 television operator located in this State, soliciting
32 orders for tangible personal property by means of
33 advertising which is transmitted or distributed over a
34 cable television system in this State.

35 8. A retailer engaging in activities in Illinois, which
36 activities in the state in which the retail business

1 engaging in such activities is located would constitute
2 maintaining a place of business in that state.

3 "Bulk vending machine" means a vending machine, containing
4 unsorted confections, nuts, toys, or other items designed
5 primarily to be used or played with by children which, when a
6 coin or coins of a denomination not larger than \$0.50 are
7 inserted, are dispensed in equal portions, at random and
8 without selection by the customer.

9 (Source: P.A. 92-213, eff. 1-1-02.)

10 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

11 Sec. 9. Except as to motor vehicles, watercraft, aircraft,
12 and trailers that are required to be registered with an agency
13 of this State, each retailer required or authorized to collect
14 the tax imposed by this Act shall pay to the Department the
15 amount of such tax (except as otherwise provided) at the time
16 when he is required to file his return for the period during
17 which such tax was collected, less a discount of 2.1% prior to
18 January 1, 1990, and 1.75% on and after January 1, 1990, or \$5
19 per calendar year, whichever is greater, which is allowed to
20 reimburse the retailer for expenses incurred in collecting the
21 tax, keeping records, preparing and filing returns, remitting
22 the tax and supplying data to the Department on request. In the
23 case of retailers who report and pay the tax on a transaction
24 by transaction basis, as provided in this Section, such
25 discount shall be taken with each such tax remittance instead
26 of when such retailer files his periodic return. A retailer
27 need not remit that part of any tax collected by him to the
28 extent that he is required to remit and does remit the tax
29 imposed by the Retailers' Occupation Tax Act, with respect to
30 the sale of the same property.

31 Where such tangible personal property is sold under a
32 conditional sales contract, or under any other form of sale
33 wherein the payment of the principal sum, or a part thereof, is
34 extended beyond the close of the period for which the return is
35 filed, the retailer, in collecting the tax (except as to motor

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

6 Except as provided in this Section, on or before the
7 twentieth day of each calendar month, such retailer shall file
8 a return for the preceding calendar month. Such return shall be
9 filed on forms prescribed by the Department and shall furnish
10 such information as the Department may reasonably require.

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

- 18 1. The name of the seller;
- 19 2. The address of the principal place of business from
20 which he engages in the business of selling tangible
21 personal property at retail in this State;
- 22 3. The total amount of taxable receipts received by him
23 during the preceding calendar month from sales of tangible
24 personal property by him during such preceding calendar
25 month, including receipts from charge and time sales, but
26 less all deductions allowed 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 Before October 1, 2000, if the taxpayer's average monthly
6 tax liability to the Department under this Act, the Retailers'
7 Occupation Tax Act, the Service Occupation Tax Act, the Service
8 Use Tax Act was \$10,000 or more during the preceding 4 complete
9 calendar quarters, he shall file a return with the Department
10 each month by the 20th day of the month next following the
11 month during which such tax liability is incurred and shall
12 make payments to the Department on or before the 7th, 15th,
13 22nd and last day of the month during which such liability is
14 incurred. On and after October 1, 2000, if the taxpayer's
15 average monthly tax liability to the Department under this Act,
16 the Retailers' Occupation Tax Act, the Service Occupation Tax
17 Act, and the Service Use Tax Act was \$20,000 or more during the
18 preceding 4 complete calendar quarters, he shall file a return
19 with the Department each month by the 20th day of the month
20 next following the month during which such tax liability is
21 incurred and shall make payment to the Department on or before
22 the 7th, 15th, 22nd and last day of the month during which such
23 liability is incurred. If the month during which such tax
24 liability is incurred began prior to January 1, 1985, each
25 payment shall be in an amount equal to 1/4 of the taxpayer's
26 actual liability for the month or an amount set by the
27 Department not to exceed 1/4 of the average monthly liability
28 of the taxpayer to the Department for the preceding 4 complete
29 calendar quarters (excluding the month of highest liability and
30 the month of lowest liability in such 4 quarter period). If the
31 month during which such tax liability is incurred begins on or
32 after January 1, 1985, and prior to January 1, 1987, each
33 payment shall be in an amount equal to 22.5% of the taxpayer's
34 actual liability for the month or 27.5% of the taxpayer's
35 liability for the same calendar month of the preceding year. If
36 the month during which such tax liability is incurred begins on

1 or after January 1, 1987, and prior to January 1, 1988, each
2 payment shall be in an amount equal to 22.5% of the taxpayer's
3 actual liability for the month or 26.25% of the taxpayer's
4 liability for the same calendar month of the preceding year. If
5 the month during which such tax liability is incurred begins on
6 or after January 1, 1988, and prior to January 1, 1989, or
7 begins on or after January 1, 1996, each payment shall be in an
8 amount equal to 22.5% of the taxpayer's actual liability for
9 the month or 25% of the taxpayer's liability for the same
10 calendar month of the preceding year. If the month during which
11 such tax liability is incurred begins on or after January 1,
12 1989, and prior to January 1, 1996, each payment shall be in an
13 amount equal to 22.5% of the taxpayer's actual liability for
14 the month or 25% of the taxpayer's liability for the same
15 calendar month of the preceding year or 100% of the taxpayer's
16 actual liability for the quarter monthly reporting period. The
17 amount of such quarter monthly payments shall be credited
18 against the final tax liability of the taxpayer's return for
19 that month. Before October 1, 2000, once applicable, the
20 requirement of the making of quarter monthly payments to the
21 Department shall continue until such taxpayer's average
22 monthly liability to the Department during the preceding 4
23 complete calendar quarters (excluding the month of highest
24 liability and the month of lowest liability) is less than
25 \$9,000, or until such taxpayer's average monthly liability to
26 the Department as computed for each calendar quarter of the 4
27 preceding complete calendar quarter period is less than
28 \$10,000. However, if a taxpayer can show the Department that a
29 substantial change in the taxpayer's business has occurred
30 which causes the taxpayer to anticipate that his average
31 monthly tax liability for the reasonably foreseeable future
32 will fall below the \$10,000 threshold stated above, then such
33 taxpayer may petition the Department for change in such
34 taxpayer's reporting status. On and after October 1, 2000, once
35 applicable, the requirement of the making of quarter monthly
36 payments to the Department shall continue until such taxpayer's

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

27 If any such payment provided for in this Section exceeds
28 the taxpayer's liabilities under this Act, the Retailers'
29 Occupation Tax Act, the Service Occupation Tax Act and the
30 Service Use Tax Act, as shown by an original monthly return,
31 the Department shall issue to the taxpayer a credit memorandum
32 no later than 30 days after the date of payment, which
33 memorandum may be submitted by the taxpayer to the Department
34 in payment of tax liability subsequently to be remitted by the
35 taxpayer to the Department or be assigned by the taxpayer to a
36 similar taxpayer under this Act, the Retailers' Occupation Tax

1 Act, the Service Occupation Tax Act or the Service Use Tax Act,
2 in accordance with reasonable rules and regulations to be
3 prescribed by the Department, except that if such excess
4 payment is shown on an original monthly return and is made
5 after December 31, 1986, no credit memorandum shall be issued,
6 unless requested by the taxpayer. If no such request is made,
7 the taxpayer may credit such excess payment against tax
8 liability subsequently to be remitted by the taxpayer to the
9 Department under this Act, the Retailers' Occupation Tax Act,
10 the Service Occupation Tax Act or the Service Use Tax Act, in
11 accordance with reasonable rules and regulations prescribed by
12 the Department. If the Department subsequently determines that
13 all or any part of the credit taken was not actually due to the
14 taxpayer, the taxpayer's 2.1% or 1.75% vendor's discount shall
15 be reduced by 2.1% or 1.75% of the difference between the
16 credit taken and that actually due, and the taxpayer shall be
17 liable for penalties and interest on such difference.

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

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

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

1 returns.

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

9 In addition, with respect to motor vehicles, watercraft,
10 aircraft, and trailers that are required to be registered with
11 an agency of this State, every retailer selling this kind of
12 tangible personal property shall file, with the Department,
13 upon a form to be prescribed and supplied by the Department, a
14 separate return for each such item of tangible personal
15 property which the retailer sells, except that if, in the same
16 transaction, (i) a retailer of aircraft, watercraft, motor
17 vehicles or trailers transfers more than one aircraft,
18 watercraft, motor vehicle or trailer to another aircraft,
19 watercraft, motor vehicle or trailer retailer for the purpose
20 of resale or (ii) a retailer of aircraft, watercraft, motor
21 vehicles, or trailers transfers more than one aircraft,
22 watercraft, motor vehicle, or trailer to a purchaser for use as
23 a qualifying rolling stock as provided in Section 3-55 of this
24 Act, then that seller may report the transfer of all the
25 aircraft, watercraft, motor vehicles or trailers involved in
26 that transaction to the Department on the same uniform
27 invoice-transaction reporting return form. For purposes of
28 this Section, "watercraft" means a Class 2, Class 3, or Class 4
29 watercraft as defined in Section 3-2 of the Boat Registration
30 and Safety Act, a personal watercraft, or any boat equipped
31 with an inboard motor.

32 The transaction reporting return in the case of motor
33 vehicles or trailers that are required to be registered with an
34 agency of this State, shall be the same document as the Uniform
35 Invoice referred to in Section 5-402 of the Illinois Vehicle
36 Code and must show the name and address of the seller; the name

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

17 The transaction reporting return in the case of watercraft
18 and aircraft must show the name and address of the seller; the
19 name and address of the purchaser; the amount of the selling
20 price including the amount allowed by the retailer for
21 traded-in property, if any; the amount allowed by the retailer
22 for the traded-in tangible personal property, if any, to the
23 extent to which Section 2 of this Act allows an exemption for
24 the value of traded-in property; the balance payable after
25 deducting such trade-in allowance from the total selling price;
26 the amount of tax due from the retailer with respect to such
27 transaction; the amount of tax collected from the purchaser by
28 the retailer on such transaction (or satisfactory evidence that
29 such tax is not due in that particular instance, if that is
30 claimed to be the fact); the place and date of the sale, a
31 sufficient identification of the property sold, and such other
32 information as the Department may reasonably require.

33 Such transaction reporting return shall be filed not later
34 than 20 days after the date of delivery of the item that is
35 being sold, but may be filed by the retailer at any time sooner
36 than that if he chooses to do so. The transaction reporting

1 return and tax remittance or proof of exemption from the tax
2 that is imposed by this Act may be transmitted to the
3 Department by way of the State agency with which, or State
4 officer with whom, the tangible personal property must be
5 titled or registered (if titling or registration is required)
6 if the Department and such agency or State officer determine
7 that this procedure will expedite the processing of
8 applications for title or registration.

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

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

30 If the user who would otherwise pay tax to the retailer
31 wants the transaction reporting return filed and the payment of
32 tax or proof of exemption made to the Department before the
33 retailer is willing to take these actions and such user has not
34 paid the tax to the retailer, such user may certify to the fact
35 of such delay by the retailer, and may (upon the Department
36 being satisfied of the truth of such certification) transmit

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

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

28 Any retailer filing a return under this Section shall also
29 include (for the purpose of paying tax thereon) the total tax
30 covered by such return upon the selling price of tangible
31 personal property purchased by him at retail from a retailer,
32 but as to which the tax imposed by this Act was not collected
33 from the retailer filing such return, and such retailer shall
34 remit the amount of such tax to the Department when filing such
35 return.

36 If experience indicates such action to be practicable, the

1 Department may prescribe and furnish a combination or joint
2 return which will enable retailers, who are required to file
3 returns hereunder and also under the Retailers' Occupation Tax
4 Act, to furnish all the return information required by both
5 Acts on the one form.

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

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

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

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

36 Beginning August 1, 2000, each month the Department shall

1 pay into the State and Local Sales Tax Reform Fund 100% of the
2 net revenue realized for the preceding month from the 1.25%
3 rate on the selling price of motor fuel and gasohol.

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

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

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

1 pursuant to this Act and required to be deposited into the
 2 Build Illinois Fund are subject to the pledge, claim and charge
 3 set forth in Section 12 of the Build Illinois Bond Act.

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

	Fiscal Year	Total Deposit
17	1993	\$0
18	1994	53,000,000
19	1995	58,000,000
20	1996	61,000,000
21	1997	64,000,000
22	1998	68,000,000
23	1999	71,000,000
24	2000	75,000,000
25	2001	80,000,000
26	2002	93,000,000
27	2003	99,000,000
28	2004	103,000,000
29	2005	108,000,000
30	2006	113,000,000
31	2007	119,000,000
32	2008	126,000,000
33	2009	132,000,000
34	2010	139,000,000
35	2011	146,000,000

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

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

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

33 Subject to payment of amounts into the Build Illinois Fund
 34 and the McCormick Place Expansion Project Fund pursuant to the
 35 preceding paragraphs or in any amendments thereto hereafter
 36 enacted, beginning July 1, 1993, the Department shall each

1 month pay into the Illinois Tax Increment Fund 0.27% of 80% of
2 the net revenue realized for the preceding month from the 6.25%
3 general rate on the selling price of tangible personal
4 property.

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

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

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

31 Net revenue realized for a month shall be the revenue
32 collected by the State pursuant to this Act, less the amount
33 paid out during that month as refunds to taxpayers for
34 overpayment of liability.

35 For greater simplicity of administration, manufacturers,
36 importers and wholesalers whose products are sold at retail in

1 Illinois by numerous retailers, and who wish to do so, may
2 assume the responsibility for accounting and paying to the
3 Department all tax accruing under this Act with respect to such
4 sales, if the retailers who are affected do not make written
5 objection to the Department to this arrangement.

6 (Source: P.A. 91-37, eff. 7-1-99; 91-51, eff. 6-30-99; 91-101,
7 eff. 7-12-99; 91-541, eff. 8-13-99; 91-872, eff. 7-1-00;
8 91-901, eff. 1-1-01; 92-12, eff. 7-1-01; 92-16, eff. 6-28-01;
9 92-208, eff. 8-2-01; 92-492, eff. 1-1-02; 92-600, eff. 6-28-02;
10 92-651, eff. 7-11-02; revised 10-15-03.)

11 Section 15. The Service Use Tax Act is amended by
12 re-enacting and changing Section 9 as follows:

13 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

14 Sec. 9. Each serviceman required or authorized to collect
15 the tax herein imposed shall pay to the Department the amount
16 of such tax (except as otherwise provided) at the time when he
17 is required to file his return for the period during which such
18 tax was collected, less a discount of 2.1% prior to January 1,
19 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar
20 year, whichever is greater, which is allowed to reimburse the
21 serviceman for expenses incurred in collecting the tax, keeping
22 records, preparing and filing returns, remitting the tax and
23 supplying data to the Department on request. A serviceman need
24 not remit that part of any tax collected by him to the extent
25 that he is required to pay and does pay the tax imposed by the
26 Service Occupation Tax Act with respect to his sale of service
27 involving the incidental transfer by him of the same property.

28 Except as provided hereinafter in this Section, on or
29 before the twentieth day of each calendar month, such
30 serviceman shall file a return for the preceding calendar month
31 in accordance with reasonable Rules and Regulations to be
32 promulgated by the Department. Such return shall be filed on a
33 form prescribed by the Department and shall contain such
34 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 Beginning October 1, 1993, a taxpayer who has an average
26 monthly tax liability of \$150,000 or more shall make all
27 payments required by rules of the Department by electronic
28 funds transfer. Beginning October 1, 1994, a taxpayer who has
29 an average monthly tax liability of \$100,000 or more shall make
30 all payments required by rules of the Department by electronic
31 funds transfer. Beginning October 1, 1995, a taxpayer who has
32 an average monthly tax liability of \$50,000 or more shall make
33 all payments required by rules of the Department by electronic
34 funds transfer. Beginning October 1, 2000, a taxpayer who has
35 an annual tax liability of \$200,000 or more shall make all
36 payments required by rules of the Department by electronic

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

34 Beginning August 1, 2000, each month the Department shall
35 pay into the State and Local Sales Tax Reform Fund 100% of the
36 net revenue realized for the preceding month from the 1.25%

1 rate on the selling price of motor fuel and gasohol.

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

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

31 Subject to payment of amounts into the Build Illinois Fund
32 as provided in the preceding paragraph or in any amendment
33 thereto hereafter enacted, the following specified monthly
34 installment of the amount requested in the certificate of the
35 Chairman of the Metropolitan Pier and Exposition Authority
36 provided under Section 8.25f of the State Finance Act, but not

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

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

1	2021	246,000,000
2	2022	260,000,000
3	2023 and	275,000,000

4 each fiscal year
5 thereafter that bonds
6 are outstanding under
7 Section 13.2 of the
8 Metropolitan Pier and
9 Exposition Authority Act,

10 but not after fiscal year 2042.

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

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

32 Subject to payment of amounts into the Build Illinois Fund
33 and the McCormick Place Expansion Project Fund pursuant to the
34 preceding paragraphs or in any amendments thereto hereafter
35 enacted, beginning with the receipt of the first report of
36 taxes paid by an eligible business and continuing for a 25-year

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

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

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

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

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

26 Section 20. The Service Occupation Tax Act is amended by
27 re-enacting Section 9 as follows:

28 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

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

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

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

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

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

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

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

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

8 Prior to October 1, 2003, and on and after September 1,
9 2004 a serviceman may accept a Manufacturer's Purchase Credit
10 certification from a purchaser in satisfaction of Service Use
11 Tax as provided in Section 3-70 of the Service Use Tax Act if
12 the purchaser provides the appropriate documentation as
13 required by Section 3-70 of the Service Use Tax Act. A
14 Manufacturer's Purchase Credit certification, accepted prior
15 to October 1, 2003 or on or after September 1, 2004 by a
16 serviceman as provided in Section 3-70 of the Service Use Tax
17 Act, may be used by that serviceman to satisfy Service
18 Occupation Tax liability in the amount claimed in the
19 certification, not to exceed 6.25% of the receipts subject to
20 tax from a qualifying purchase. A Manufacturer's Purchase
21 Credit reported on any original or amended return filed under
22 this Act after October 20, 2003 for reporting periods prior to
23 September 1, 2004 shall be disallowed. Manufacturer's Purchase
24 Credit reported on annual returns due on or after January 1,
25 2005 will be disallowed for periods prior to September 1, 2004.
26 No Manufacturer's Purchase Credit may be used after September
27 30, 2003 through August 31, 2004 to satisfy any tax liability
28 imposed under this Act, including any audit liability.

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

1 October, November and December of a given year being due by
2 January 20 of the following year.

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

7 Such quarter annual and annual returns, as to form and
8 substance, shall be subject to the same requirements as monthly
9 returns.

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

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

1 divided by 12. Beginning on October 1, 2002, a taxpayer who has
2 a tax liability in the amount set forth in subsection (b) of
3 Section 2505-210 of the Department of Revenue Law shall make
4 all payments required by rules of the Department by electronic
5 funds transfer.

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

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

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

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

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

1 deduction hereunder upon refunding such tax to the purchaser.

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

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

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

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

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

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

34 Beginning August 1, 2000, each month the Department shall
35 pay into the Local Government Tax Fund 80% of the net revenue
36 realized for the preceding month from the 1.25% rate on the

1 selling price of motor fuel and gasohol.

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

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

31 Subject to payment of amounts into the Build Illinois Fund
32 as provided in the preceding paragraph or in any amendment
33 thereto hereafter enacted, the following specified monthly
34 installment of the amount requested in the certificate of the
35 Chairman of the Metropolitan Pier and Exposition Authority
36 provided under Section 8.25f of the State Finance Act, but not

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

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

1	2021	246,000,000
2	2022	260,000,000
3	2023 and	275,000,000

4 each fiscal year

5 thereafter that bonds

6 are outstanding under

7 Section 13.2 of the

8 Metropolitan Pier and

9 Exposition Authority Act,

10 but not after fiscal year 2042.

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

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

32 Subject to payment of amounts into the Build Illinois Fund
33 and the McCormick Place Expansion Project Fund pursuant to the
34 preceding paragraphs or in any amendments thereto hereafter
35 enacted, beginning with the receipt of the first report of
36 taxes paid by an eligible business and continuing for a 25-year

1 period, the Department shall each month pay into the Energy
2 Infrastructure Fund 80% of the net revenue realized from the
3 6.25% general rate on the selling price of Illinois-mined coal
4 that was sold to an eligible business. For purposes of this
5 paragraph, the term "eligible business" means a new electric
6 generating facility certified pursuant to Section 605-332 of
7 the Department of Commerce and Economic Opportunity Law of the
8 Civil Administrative Code of Illinois.

9 Remaining moneys received by the Department pursuant to
10 this Act shall be paid into the General Revenue Fund of the
11 State Treasury.

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

35 If the annual information return required by this Section
36 is not filed when and as required, the taxpayer shall be liable

1 as follows:

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

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

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

20 The foregoing portion of this Section concerning the filing
21 of an annual information return shall not apply to a serviceman
22 who is not required to file an income tax return with the
23 United States Government.

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

31 Net revenue realized for a month shall be the revenue
32 collected by the State pursuant to this Act, less the amount
33 paid out during that month as refunds to taxpayers for
34 overpayment of liability.

35 For greater simplicity of administration, it shall be
36 permissible for manufacturers, importers and wholesalers whose

1 products are sold by numerous servicemen in Illinois, and who
2 wish to do so, to assume the responsibility for accounting and
3 paying to the Department all tax accruing under this Act with
4 respect to such sales, if the servicemen who are affected do
5 not make written objection to the Department to this
6 arrangement.

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

10 Section 25. The Retailers' Occupation Tax Act is amended by
11 re-enacting Sections 3 and 11 as follows:

12 (35 ILCS 120/3) (from Ch. 120, par. 442)

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

18 1. The name of the seller;

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

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

29 4. Total amount received by him during the preceding
30 calendar month or quarter on charge and time sales of
31 tangible personal property, and from services furnished,
32 by him prior to the month or quarter for which the return
33 is filed;

34 5. Deductions allowed by law;

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

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

6 8. The amount of tax due;

7 9. The signature of the taxpayer; and

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

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

14 Each return shall be accompanied by the statement of
15 prepaid tax issued pursuant to Section 2e for which credit is
16 claimed.

17 Prior to October 1, 2003, and on and after September 1,
18 2004 a retailer may accept a Manufacturer's Purchase Credit
19 certification from a purchaser in satisfaction of Use Tax as
20 provided in Section 3-85 of the Use Tax Act if the purchaser
21 provides the appropriate documentation as required by Section
22 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit
23 certification, accepted by a retailer prior to October 1, 2003
24 and on and after September 1, 2004 as provided in Section 3-85
25 of the Use Tax Act, may be used by that retailer to satisfy
26 Retailers' Occupation Tax liability in the amount claimed in
27 the certification, not to exceed 6.25% of the receipts subject
28 to tax from a qualifying purchase. A Manufacturer's Purchase
29 Credit reported on any original or amended return filed under
30 this Act after October 20, 2003 for reporting periods prior to
31 September 1, 2004 shall be disallowed. Manufacturer's
32 Purchaser Credit reported on annual returns due on or after
33 January 1, 2005 will be disallowed for periods prior to
34 September 1, 2004. No Manufacturer's Purchase Credit may be
35 used after September 30, 2003 through August 31, 2004 to
36 satisfy any tax liability imposed under this Act, including any

1 audit liability.

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

9 1. The name of the seller;

10 2. The address of the principal place of business from
11 which he engages in the business of selling tangible
12 personal property at retail in this State;

13 3. The total amount of taxable receipts received by him
14 during the preceding calendar month from sales of tangible
15 personal property by him during such preceding calendar
16 month, including receipts from charge and time sales, but
17 less all deductions allowed by law;

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

20 5. The amount of tax due; and

21 6. Such other reasonable information as the Department
22 may require.

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

1 Beginning on October 1, 2003, every distributor, importing
2 distributor, and manufacturer of alcoholic liquor as defined in
3 the Liquor Control Act of 1934, shall file a statement with the
4 Department of Revenue, no later than the 10th day of the month
5 for the preceding month during which transactions occurred, by
6 electronic means, showing the total amount of gross receipts
7 from the sale of alcoholic liquor sold or distributed during
8 the preceding month to purchasers; identifying the purchaser to
9 whom it was sold or distributed; the purchaser's tax
10 registration number; and such other information reasonably
11 required by the Department. A distributor, importing
12 distributor, or manufacturer of alcoholic liquor must
13 personally deliver, mail, or provide by electronic means to
14 each retailer listed on the monthly statement a report
15 containing a cumulative total of that distributor's, importing
16 distributor's, or manufacturer's total sales of alcoholic
17 liquor to that retailer no later than the 10th day of the month
18 for the preceding month during which the transaction occurred.
19 The distributor, importing distributor, or manufacturer shall
20 notify the retailer as to the method by which the distributor,
21 importing distributor, or manufacturer will provide the sales
22 information. If the retailer is unable to receive the sales
23 information by electronic means, the distributor, importing
24 distributor, or manufacturer shall furnish the sales
25 information by personal delivery or by mail. For purposes of
26 this paragraph, the term "electronic means" includes, but is
27 not limited to, the use of a secure Internet website, e-mail,
28 or facsimile.

29 If a total amount of less than \$1 is payable, refundable or
30 creditable, such amount shall be disregarded if it is less than
31 50 cents and shall be increased to \$1 if it is 50 cents or more.

32 Beginning October 1, 1993, a taxpayer who has an average
33 monthly tax liability of \$150,000 or more shall make all
34 payments required by rules of the Department by electronic
35 funds transfer. Beginning October 1, 1994, a taxpayer who has
36 an average monthly tax liability of \$100,000 or more shall make

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

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

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

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

33 The Department shall adopt such rules as are necessary to
34 effectuate a program of electronic funds transfer and the
35 requirements of this Section.

36 Any amount which is required to be shown or reported on any

1 return or other document under this Act shall, if such amount
2 is not a whole-dollar amount, be increased to the nearest
3 whole-dollar amount in any case where the fractional part of a
4 dollar is 50 cents or more, and decreased to the nearest
5 whole-dollar amount where the fractional part of a dollar is
6 less than 50 cents.

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

18 If the retailer is otherwise required to file a monthly or
19 quarterly return and if the retailer's average monthly tax
20 liability with the Department does not exceed \$50, the
21 Department may authorize his returns to be filed on an annual
22 basis, with the return for a given year being due by January 20
23 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 retailer may file his return, in the
29 case of any retailer who ceases to engage in a kind of business
30 which makes him responsible for filing returns under this Act,
31 such retailer shall file a final return under this Act with the
32 Department not more than one month after discontinuing such
33 business.

34 Where the same person has more than one business registered
35 with the Department under separate registrations under this
36 Act, such person may not file each return that is due as a

1 single return covering all such registered businesses, but
2 shall file separate returns for each such registered business.

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

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

34 The transaction reporting return, in the case of motor
35 vehicles or trailers that are required to be registered with an
36 agency of this State, shall be the same document as the Uniform

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

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

35 Such transaction reporting return shall be filed not later
36 than 20 days after the day of delivery of the item that is

1 being sold, but may be filed by the retailer at any time sooner
2 than that if he chooses to do so. The transaction reporting
3 return and tax remittance or proof of exemption from the
4 Illinois use tax may be transmitted to the Department by way of
5 the State agency with which, or State officer with whom the
6 tangible personal property must be titled or registered (if
7 titling or registration is required) if the Department and such
8 agency or State officer determine that this procedure will
9 expedite the processing of applications for title or
10 registration.

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

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

32 If the user who would otherwise pay tax to the retailer
33 wants the transaction reporting return filed and the payment of
34 the tax or proof of exemption made to the Department before the
35 retailer is willing to take these actions and such user has not
36 paid the tax to the retailer, such user may certify to the fact

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

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

22 Where the seller is a corporation, the return filed on
23 behalf of such corporation shall be signed by the president,
24 vice-president, secretary or treasurer or by the properly
25 accredited agent of such corporation.

26 Where the seller is a limited liability company, the return
27 filed on behalf of the limited liability company shall be
28 signed by a manager, member, or properly accredited agent of
29 the limited liability company.

30 Except as provided in this Section, the retailer filing the
31 return under this Section shall, at the time of filing such
32 return, pay to the Department the amount of tax imposed by this
33 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%
34 on and after January 1, 1990, or \$5 per calendar year,
35 whichever is greater, which is allowed to reimburse the
36 retailer for the expenses incurred in keeping records,

1 preparing and filing returns, remitting the tax and supplying
2 data to the Department on request. Any prepayment made pursuant
3 to Section 2d of this Act shall be included in the amount on
4 which such 2.1% or 1.75% discount is computed. In the case of
5 retailers who report and pay the tax on a transaction by
6 transaction basis, as provided in this Section, such discount
7 shall be taken with each such tax remittance instead of when
8 such retailer files his periodic return.

9 Before October 1, 2000, if the taxpayer's average monthly
10 tax liability to the Department under this Act, the Use Tax
11 Act, the Service Occupation Tax Act, and the Service Use Tax
12 Act, excluding any liability for prepaid sales tax to be
13 remitted in accordance with Section 2d of this Act, was \$10,000
14 or more during the preceding 4 complete calendar quarters, he
15 shall file a return with the Department each month by the 20th
16 day of the month next following the month during which such tax
17 liability is incurred and shall make payments to the Department
18 on or before the 7th, 15th, 22nd and last day of the month
19 during which such liability is incurred. On and after October
20 1, 2000, if the taxpayer's average monthly tax liability to the
21 Department under this Act, the Use Tax Act, the Service
22 Occupation Tax Act, and the Service Use Tax Act, excluding any
23 liability for prepaid sales tax to be remitted in accordance
24 with Section 2d of this Act, was \$20,000 or more during the
25 preceding 4 complete calendar quarters, he shall file a return
26 with the Department each month by the 20th day of the month
27 next following the month during which such tax liability is
28 incurred and shall make payment to the Department on or before
29 the 7th, 15th, 22nd and last day of the month during which such
30 liability is incurred. If the month during which such tax
31 liability is incurred began prior to January 1, 1985, each
32 payment shall be in an amount equal to 1/4 of the taxpayer's
33 actual liability for the month or an amount set by the
34 Department not to exceed 1/4 of the average monthly liability
35 of the taxpayer to the Department for the preceding 4 complete
36 calendar quarters (excluding the month of highest liability and

1 the month of lowest liability in such 4 quarter period). If the
2 month during which such tax liability is incurred begins on or
3 after January 1, 1985 and prior to January 1, 1987, each
4 payment shall be in an amount equal to 22.5% of the taxpayer's
5 actual liability for the month or 27.5% of the taxpayer's
6 liability for the same calendar month of the preceding year. If
7 the month during which such tax liability is incurred begins on
8 or after January 1, 1987 and prior to January 1, 1988, each
9 payment shall be in an amount equal to 22.5% of the taxpayer's
10 actual liability for the month or 26.25% 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, 1988, and prior to January 1, 1989, or
14 begins on or after January 1, 1996, each payment shall be in an
15 amount equal to 22.5% of the taxpayer's actual liability for
16 the month or 25% of the taxpayer's liability for the same
17 calendar month of the preceding year. If the month during which
18 such tax liability is incurred begins on or after January 1,
19 1989, and prior to 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 or 100% of the taxpayer's
23 actual liability for the quarter monthly reporting period. The
24 amount of such quarter monthly payments shall be credited
25 against the final tax liability of the taxpayer's return for
26 that month. Before October 1, 2000, once applicable, the
27 requirement of the making of quarter monthly payments to the
28 Department by taxpayers having an average monthly tax liability
29 of \$10,000 or more as determined in the manner provided above
30 shall continue until such taxpayer's average monthly liability
31 to the Department during the preceding 4 complete calendar
32 quarters (excluding the month of highest liability and the
33 month of lowest liability) is less than \$9,000, or until such
34 taxpayer's average monthly liability to the Department as
35 computed for each calendar quarter of the 4 preceding complete
36 calendar quarter period is less than \$10,000. However, if a

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

1 monthly basis.

2 The provisions of this paragraph apply before October 1,
3 2001. Without regard to whether a taxpayer is required to make
4 quarter monthly payments as specified above, any taxpayer who
5 is required by Section 2d of this Act to collect and remit
6 prepaid taxes and has collected prepaid taxes which average in
7 excess of \$25,000 per month during the preceding 2 complete
8 calendar quarters, shall file a return with the Department as
9 required by Section 2f and shall make payments to the
10 Department on or before the 7th, 15th, 22nd and last day of the
11 month during which such liability is incurred. If the month
12 during which such tax liability is incurred began prior to the
13 effective date of this amendatory Act of 1985, each payment
14 shall be in an amount not less than 22.5% of the taxpayer's
15 actual liability under Section 2d. If the month during which
16 such tax liability is incurred begins on or after January 1,
17 1986, each payment shall be in an amount equal to 22.5% of the
18 taxpayer's actual liability for the month or 27.5% of the
19 taxpayer's liability for the same calendar month of the
20 preceding calendar year. If the month during which such tax
21 liability is incurred begins on or after January 1, 1987, each
22 payment shall be in an amount equal to 22.5% of the taxpayer's
23 actual liability for the month or 26.25% of the taxpayer's
24 liability for the same calendar month of the preceding year.
25 The amount of such quarter monthly payments shall be credited
26 against the final tax liability of the taxpayer's return for
27 that month filed under this Section or Section 2f, as the case
28 may be. Once applicable, the requirement of the making of
29 quarter monthly payments to the Department pursuant to this
30 paragraph shall continue until such taxpayer's average monthly
31 prepaid tax collections during the preceding 2 complete
32 calendar quarters is \$25,000 or less. If any such quarter
33 monthly payment is not paid at the time or in the amount
34 required, the taxpayer shall be liable for penalties and
35 interest on such difference, except insofar as the taxpayer has
36 previously made payments for that month in excess of the

1 minimum payments previously due.

2 The provisions of this paragraph apply on and after October
3 1, 2001. Without regard to whether a taxpayer is required to
4 make quarter monthly payments as specified above, any taxpayer
5 who is required by Section 2d of this Act to collect and remit
6 prepaid taxes and has collected prepaid taxes that average in
7 excess of \$20,000 per month during the preceding 4 complete
8 calendar quarters shall file a return with the Department as
9 required by Section 2f and shall make payments to the
10 Department on or before the 7th, 15th, 22nd and last day of the
11 month during which the liability is incurred. Each payment
12 shall be in an amount equal to 22.5% of the taxpayer's actual
13 liability for the month or 25% of the taxpayer's liability for
14 the same calendar month of the preceding year. The amount of
15 the quarter monthly payments shall be credited against the
16 final tax liability of the taxpayer's return for that month
17 filed under this Section or Section 2f, as the case may be.
18 Once applicable, the requirement of the making of quarter
19 monthly payments to the Department pursuant to this paragraph
20 shall continue until the taxpayer's average monthly prepaid tax
21 collections during the preceding 4 complete calendar quarters
22 (excluding the month of highest liability and the month of
23 lowest liability) is less than \$19,000 or until such taxpayer's
24 average monthly liability to the Department as computed for
25 each calendar quarter of the 4 preceding complete calendar
26 quarters is less than \$20,000. If any such quarter monthly
27 payment is not paid at the time or in the amount required, the
28 taxpayer shall be liable for penalties and interest on such
29 difference, except insofar as the taxpayer has previously made
30 payments for that month in excess of the minimum payments
31 previously due.

32 If any payment provided for in this Section exceeds the
33 taxpayer's liabilities under this Act, the Use Tax Act, the
34 Service Occupation Tax Act and the Service Use Tax Act, as
35 shown on an original monthly return, the Department shall, if
36 requested by the taxpayer, issue to the taxpayer a credit

1 memorandum no later than 30 days after the date of payment. The
2 credit evidenced by such credit memorandum may be assigned by
3 the taxpayer to a similar taxpayer under this Act, the Use Tax
4 Act, the Service Occupation Tax Act or the Service Use Tax Act,
5 in accordance with reasonable rules and regulations to be
6 prescribed by the Department. If no such request is made, the
7 taxpayer may credit such excess payment against tax liability
8 subsequently to be remitted to the Department under this Act,
9 the Use Tax Act, the Service Occupation Tax Act or the Service
10 Use Tax Act, in accordance with reasonable rules and
11 regulations prescribed by the Department. If the Department
12 subsequently determined that all or any part of the credit
13 taken was not actually due to the taxpayer, the taxpayer's 2.1%
14 and 1.75% vendor's discount shall be reduced by 2.1% or 1.75%
15 of the difference between the credit taken and that actually
16 due, and that taxpayer shall be liable for penalties and
17 interest on such difference.

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

23 Beginning January 1, 1990, each month the Department shall
24 pay into the Local Government Tax Fund, a special fund in the
25 State treasury which is hereby created, the net revenue
26 realized for the preceding month from the 1% tax on sales of
27 food for human consumption which is to be consumed off the
28 premises where it is sold (other than alcoholic beverages, soft
29 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, a special
35 fund in the State treasury which is hereby created, 4% of the
36 net revenue realized for the preceding month from the 6.25%

1 general rate.

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

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

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

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

34	Fiscal Year	Annual Specified Amount
35	1986	\$54,800,000
36	1987	\$76,650,000

1	1988	\$80,480,000
2	1989	\$88,510,000
3	1990	\$115,330,000
4	1991	\$145,470,000
5	1992	\$182,730,000
6	1993	\$206,520,000;

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

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

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

32	Fiscal Year	Total
		Deposit
33	1993	\$0
34	1994	53,000,000
35	1995	58,000,000

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

29 each fiscal year
 30 thereafter that bonds
 31 are outstanding under
 32 Section 13.2 of the
 33 Metropolitan Pier and
 34 Exposition Authority Act,
 35 but not after fiscal year 2042.

36 Beginning July 20, 1993 and in each month of each fiscal

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

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

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

34 Of the remainder of the moneys received by the Department
35 pursuant to this Act, 75% thereof shall be paid into the State
36 Treasury and 25% shall be reserved in a special account and

1 used only for the transfer to the Common School Fund as part of
2 the monthly transfer from the General Revenue Fund in
3 accordance with Section 8a of the State Finance Act.

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

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

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

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

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

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

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

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

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

34 Any person who promotes, organizes, provides retail
35 selling space for concessionaires or other types of sellers at
36 the Illinois State Fair, DuQuoin State Fair, county fairs,

1 local fairs, art shows, flea markets and similar exhibitions or
2 events, including any transient merchant as defined by Section
3 2 of the Transient Merchant Act of 1987, is required to file a
4 report with the Department providing the name of the merchant's
5 business, the name of the person or persons engaged in
6 merchant's business, the permanent address and Illinois
7 Retailers Occupation Tax Registration Number of the merchant,
8 the dates and location of the event and other reasonable
9 information that the Department may require. The report must be
10 filed not later than the 20th day of the month next following
11 the month during which the event with retail sales was held.
12 Any person who fails to file a report required by this Section
13 commits a business offense and is subject to a fine not to
14 exceed \$250.

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

35 (Source: P.A. 92-12, eff. 7-1-01; 92-16, eff. 6-28-01; 92-208,
36 eff. 8-2-01; 92-484, eff. 8-23-01; 92-492, eff. 1-1-02; 92-600,

1 eff. 6-28-02; 92-651, eff. 7-11-02; 93-22, eff. 6-20-03; 93-24,
2 eff. 6-20-03; 93-840, eff. 7-30-04; 93-926, eff. 8-12-04;
3 93-1057, eff. 12-2-04; revised 12-6-04.)

4 (35 ILCS 120/11) (from Ch. 120, par. 450)

5 Sec. 11. All information received by the Department from
6 returns filed under this Act, or from any investigation
7 conducted under this Act, shall be confidential, except for
8 official purposes, and any person who divulges any such
9 information in any manner, except in accordance with a proper
10 judicial order or as otherwise provided by law, shall be guilty
11 of a Class B misdemeanor.

12 Nothing in this Act prevents the Director of Revenue from
13 publishing or making available to the public the names and
14 addresses of persons filing returns under this Act, or
15 reasonable statistics concerning the operation of the tax by
16 grouping the contents of returns so the information in any
17 individual return is not disclosed.

18 Nothing in this Act prevents the Director of Revenue from
19 divulging to the United States Government or the government of
20 any other state, or any village that does not levy any real
21 property taxes for village operations and that receives more
22 than 60% of its general corporate revenue from taxes under the
23 Use Tax Act, the Service Use Tax Act, the Service Occupation
24 Tax Act, and the Retailers' Occupation Tax Act, or any officer
25 or agency thereof, for exclusively official purposes,
26 information received by the Department in administering this
27 Act, provided that such other governmental agency agrees to
28 divulge requested tax information to the Department.

29 The Department's furnishing of information derived from a
30 taxpayer's return or from an investigation conducted under this
31 Act to the surety on a taxpayer's bond that has been furnished
32 to the Department under this Act, either to provide notice to
33 such surety of its potential liability under the bond or, in
34 order to support the Department's demand for payment from such
35 surety under the bond, is an official purpose within the

1 meaning of this Section.

2 The furnishing upon request of information obtained by the
3 Department from returns filed under this Act or investigations
4 conducted under this Act to the Illinois Liquor Control
5 Commission for official use is deemed to be an official purpose
6 within the meaning of this Section.

7 Notice to a surety of potential liability shall not be
8 given unless the taxpayer has first been notified, not less
9 than 10 days prior thereto, of the Department's intent to so
10 notify the surety.

11 The furnishing upon request of the Auditor General, or his
12 authorized agents, for official use, of returns filed and
13 information related thereto under this Act is deemed to be an
14 official purpose within the meaning of this Section.

15 Where an appeal or a protest has been filed on behalf of a
16 taxpayer, the furnishing upon request of the attorney for the
17 taxpayer of returns filed by the taxpayer and information
18 related thereto under this Act is deemed to be an official
19 purpose within the meaning of this Section.

20 The furnishing of financial information to a home rule unit
21 or non-home rule unit that has imposed a tax similar to that
22 imposed by this Act pursuant to its home rule powers or the
23 successful passage of a public referendum by a majority of the
24 registered voters of the community, or to any village that does
25 not levy any real property taxes for village operations and
26 that receives more than 60% of its general corporate revenue
27 from taxes under the Use Tax Act, the Service Use Tax Act, the
28 Service Occupation Tax Act, and the Retailers' Occupation Tax
29 Act, upon request of the Chief Executive thereof, is an
30 official purpose within the meaning of this Section, provided
31 the home rule unit, non-home rule unit with referendum
32 approval, or village that does not levy any real property taxes
33 for village operations and that receives more than 60% of its
34 general corporate revenue from taxes under the Use Tax Act, the
35 Service Use Tax Act, the Service Occupation Tax Act, and the
36 Retailers' Occupation Tax Act agrees in writing to the

1 requirements of this Section.

2 For a village that does not levy any real property taxes
3 for village operations and that receives more than 60% of its
4 general corporate revenue from taxes under the Use Tax Act,
5 Service Use Tax Act, Service Occupation Tax Act, and Retailers'
6 Occupation Tax Act, the officers eligible to receive
7 information from the Department of Revenue under this Section
8 are the village manager and the chief financial officer of the
9 village.

10 Information so provided shall be subject to all
11 confidentiality provisions of this Section. The written
12 agreement shall provide for reciprocity, limitations on
13 access, disclosure, and procedures for requesting information.

14 The Department may make available to the Board of Trustees
15 of any Metro East Mass Transit District information contained
16 on transaction reporting returns required to be filed under
17 Section 3 of this Act that report sales made within the
18 boundary of the taxing authority of that Metro East Mass
19 Transit District, as provided in Section 5.01 of the Local Mass
20 Transit District Act. The disclosure shall be made pursuant to
21 a written agreement between the Department and the Board of
22 Trustees of a Metro East Mass Transit District, which is an
23 official purpose within the meaning of this Section. The
24 written agreement between the Department and the Board of
25 Trustees of a Metro East Mass Transit District shall provide
26 for reciprocity, limitations on access, disclosure, and
27 procedures for requesting information. Information so provided
28 shall be subject to all confidentiality provisions of this
29 Section.

30 The Director may make available to any State agency,
31 including the Illinois Supreme Court, which licenses persons to
32 engage in any occupation, information that a person licensed by
33 such agency has failed to file returns under this Act or pay
34 the tax, penalty and interest shown therein, or has failed to
35 pay any final assessment of tax, penalty or interest due under
36 this Act. The Director may make available to any State agency,

1 including the Illinois Supreme Court, information regarding
2 whether a bidder, contractor, or an affiliate of a bidder or
3 contractor has failed to collect and remit Illinois Use tax on
4 sales into Illinois, or any tax under this Act or pay the tax,
5 penalty, and interest shown therein, or has failed to pay any
6 final assessment of tax, penalty, or interest due under this
7 Act, for the limited purpose of enforcing bidder and contractor
8 certifications. The Director may make available to units of
9 local government and school districts that require bidder and
10 contractor certifications, as set forth in Sections 50-11 and
11 50-12 of the Illinois Procurement Code, information regarding
12 whether a bidder, contractor, or an affiliate of a bidder or
13 contractor has failed to collect and remit Illinois Use tax on
14 sales into Illinois, file returns under this Act, or pay the
15 tax, penalty, and interest shown therein, or has failed to pay
16 any final assessment of tax, penalty, or interest due under
17 this Act, for the limited purpose of enforcing bidder and
18 contractor certifications. For purposes of this Section, the
19 term "affiliate" means any entity that (1) directly,
20 indirectly, or constructively controls another entity, (2) is
21 directly, indirectly, or constructively controlled by another
22 entity, or (3) is subject to the control of a common entity.
23 For purposes of this Section, an entity controls another entity
24 if it owns, directly or individually, more than 10% of the
25 voting securities of that entity. As used in this Section, the
26 term "voting security" means a security that (1) confers upon
27 the holder the right to vote for the election of members of the
28 board of directors or similar governing body of the business or
29 (2) is convertible into, or entitles the holder to receive upon
30 its exercise, a security that confers such a right to vote. A
31 general partnership interest is a voting security.

32 The Director may make available to any State agency,
33 including the Illinois Supreme Court, units of local
34 government, and school districts, information regarding
35 whether a bidder or contractor is an affiliate of a person who
36 is not collecting and remitting Illinois Use taxes for the

1 limited purpose of enforcing bidder and contractor
2 certifications.

3 The Director may also make available to the Secretary of
4 State information that a limited liability company, which has
5 filed articles of organization with the Secretary of State, or
6 corporation which has been issued a certificate of
7 incorporation by the Secretary of State has failed to file
8 returns under this Act or pay the tax, penalty and interest
9 shown therein, or has failed to pay any final assessment of
10 tax, penalty or interest due under this Act. An assessment is
11 final when all proceedings in court for review of such
12 assessment have terminated or the time for the taking thereof
13 has expired without such proceedings being instituted.

14 The Director shall make available for public inspection in
15 the Department's principal office and for publication, at cost,
16 administrative decisions issued on or after January 1, 1995.
17 These decisions are to be made available in a manner so that
18 the following taxpayer information is not disclosed:

19 (1) The names, addresses, and identification numbers
20 of the taxpayer, related entities, and employees.

21 (2) At the sole discretion of the Director, trade
22 secrets or other confidential information identified as
23 such by the taxpayer, no later than 30 days after receipt
24 of an administrative decision, by such means as the
25 Department shall provide by rule.

26 The Director shall determine the appropriate extent of the
27 deletions allowed in paragraph (2). In the event the taxpayer
28 does not submit deletions, the Director shall make only the
29 deletions specified in paragraph (1).

30 The Director shall make available for public inspection and
31 publication an administrative decision within 180 days after
32 the issuance of the administrative decision. The term
33 "administrative decision" has the same meaning as defined in
34 Section 3-101 of Article III of the Code of Civil Procedure.
35 Costs collected under this Section shall be paid into the Tax
36 Compliance and Administration Fund.

1 Nothing contained in this Act shall prevent the Director
2 from divulging information to any person pursuant to a request
3 or authorization made by the taxpayer or by an authorized
4 representative of the taxpayer.

5 (Source: P.A. 93-25, eff. 6-20-03; 93-939, eff. 8-13-04.)

6 Section 30. The Cigarette Tax Act is amended by re-enacting
7 Section 10b as follows:

8 (35 ILCS 130/10b) (from Ch. 120, par. 453.10b)

9 Sec. 10b. All information received by the Department from
10 returns filed under this Act, or from any investigation
11 conducted under this Act, shall be confidential, except for
12 official purposes, and any person who divulges any such
13 information in any manner, except in accordance with a proper
14 judicial order or as otherwise provided by law, shall be guilty
15 of a Class A misdemeanor.

16 Nothing in this Act prevents the Director of Revenue from
17 publishing or making available to the public the names and
18 addresses of persons filing returns under this Act, or
19 reasonable statistics concerning the operation of the tax by
20 grouping the contents of returns so that the information in any
21 individual return is not disclosed.

22 Nothing in this Act prevents the Director of Revenue from
23 divulging to the United States Government or the government of
24 any other state, or any officer or agency thereof, for
25 exclusively official purposes, information received by the
26 Department in administering this Act, provided that such other
27 governmental agency agrees to divulge requested tax
28 information to the Department.

29 The furnishing upon request of the Auditor General, or his
30 authorized agents, for official use, of returns filed and
31 information related thereto under this Act is deemed to be an
32 official purpose within the meaning of this Section.

33 The furnishing of financial information to a home rule unit
34 with a population in excess of 2,000,000 that has imposed a tax

1 similar to that imposed by this Act under its home rule powers,
2 upon request of the Chief Executive of the home rule unit, is
3 an official purpose within the meaning of this Section,
4 provided the home rule unit agrees in writing to the
5 requirements of this Section. Information so provided is
6 subject to all confidentiality provisions of this Section. The
7 written agreement shall provide for reciprocity, limitations
8 on access, disclosure, and procedures for requesting
9 information.

10 The Director may make available to any State agency,
11 including the Illinois Supreme Court, which licenses persons to
12 engage in any occupation, information that a person licensed by
13 such agency has failed to file returns under this Act or pay
14 the tax, penalty and interest shown therein, or has failed to
15 pay any final assessment of tax, penalty or interest due under
16 this Act. An assessment is final when all proceedings in court
17 for review of such assessment have terminated or the time for
18 the taking thereof has expired without such proceedings being
19 instituted.

20 The Director shall make available for public inspection in
21 the Department's principal office and for publication, at cost,
22 administrative decisions issued on or after January 1, 1995.
23 These decisions are to be made available in a manner so that
24 the following taxpayer information is not disclosed:

25 (1) The names, addresses, and identification numbers
26 of the taxpayer, related entities, and employees.

27 (2) At the sole discretion of the Director, trade
28 secrets or other confidential information identified as
29 such by the taxpayer, no later than 30 days after receipt
30 of an administrative decision, by such means as the
31 Department shall provide by rule.

32 The Director shall determine the appropriate extent of the
33 deletions allowed in paragraph (2). In the event the taxpayer
34 does not submit deletions, the Director shall make only the
35 deletions specified in paragraph (1).

36 The Director shall make available for public inspection and

1 publication an administrative decision within 180 days after
2 the issuance of the administrative decision. The term
3 "administrative decision" has the same meaning as defined in
4 Section 3-101 of Article III of the Code of Civil Procedure.
5 Costs collected under this Section shall be paid into the Tax
6 Compliance and Administration Fund.

7 Nothing contained in this Act shall prevent the Director
8 from divulging information to any person pursuant to a request
9 or authorization made by the taxpayer or by an authorized
10 representative of the taxpayer.

11 (Source: P.A. 90-491, eff. 1-1-98.)

12 Section 35. The Cigarette Use Tax Act is amended by
13 re-enacting Section 20 as follows:

14 (35 ILCS 135/20) (from Ch. 120, par. 453.50)

15 Sec. 20. All information received by the Department from
16 returns filed under this Act, or from any investigation
17 conducted under this Act, shall be confidential, except for
18 official purposes, and any person who divulges any such
19 information in any manner, except in accordance with a proper
20 judicial order or as otherwise provided by law, shall be guilty
21 of a Class A misdemeanor.

22 Nothing in this Act prevents the Director of Revenue from
23 publishing or making available to the public the names and
24 addresses of persons filing returns under this Act, or
25 reasonable statistics concerning the operation of the tax by
26 grouping the contents of returns so that the information in any
27 individual return is not disclosed.

28 Nothing in this Act prevents the Director of Revenue from
29 divulging to the United States Government or the government of
30 any other state, or any officer or agency thereof, for
31 exclusively official purposes, information received by the
32 Department in administering this Act, provided that such other
33 governmental agency agrees to divulge requested tax
34 information to the Department.

1 The furnishing upon request of the Auditor General, or his
2 authorized agents, for official use, of returns filed and
3 information related thereto under this Act is deemed to be an
4 official purpose within the meaning of this Section.

5 The furnishing of financial information to a home rule unit
6 with a population in excess of 2,000,000 that has imposed a tax
7 similar to that imposed by this Act under its home rule powers,
8 upon request of the Chief Executive of the home rule unit, is
9 an official purpose within the meaning of this Section,
10 provided the home rule unit agrees in writing to the
11 requirements of this Section. Information so provided is
12 subject to all confidentiality provisions of this Section. The
13 written agreement shall provide for reciprocity, limitations
14 on access, disclosure, and procedures for requesting
15 information.

16 The Director may make available to any State agency,
17 including the Illinois Supreme Court, which licenses persons to
18 engage in any occupation, information that a person licensed by
19 such agency has failed to file returns under this Act or pay
20 the tax, penalty and interest shown therein, or has failed to
21 pay any final assessment of tax, penalty or interest due under
22 this Act. An assessment is final when all proceedings in court
23 for review of such assessment have terminated or the time for
24 the taking thereof has expired without such proceedings being
25 instituted.

26 The Director shall make available for public inspection in
27 the Department's principal office and for publication, at cost,
28 administrative decisions issued on or after January 1, 1995.
29 These decisions are to be made available in a manner so that
30 the following taxpayer information is not disclosed:

31 (1) The names, addresses, and identification numbers
32 of the taxpayer, related entities, and employees.

33 (2) At the sole discretion of the Director, trade
34 secrets or other confidential information identified as
35 such by the taxpayer, no later than 30 days after receipt
36 of an administrative decision, by such means as the

1 Department shall provide by rule.

2 The Director shall determine the appropriate extent of the
3 deletions allowed in paragraph (2). In the event the taxpayer
4 does not submit deletions, the Director shall make only the
5 deletions specified in paragraph (1).

6 The Director shall make available for public inspection and
7 publication an administrative decision within 180 days after
8 the issuance of the administrative decision. The term
9 "administrative decision" has the same meaning as defined in
10 Section 3-101 of Article III of the Code of Civil Procedure.
11 Costs collected under this Section shall be paid into the Tax
12 Compliance and Administration Fund.

13 Nothing contained in this Act shall prevent the Director
14 from divulging information to any person pursuant to a request
15 or authorization made by the taxpayer or by an authorized
16 representative of the taxpayer.

17 (Source: P.A. 90-491, eff. 1-1-98.)

18 Section 40. The Property Tax Code is amended by re-enacting
19 Section 15-172 as follows:

20 (35 ILCS 200/15-172)

21 Sec. 15-172. Senior Citizens Assessment Freeze Homestead
22 Exemption.

23 (a) This Section may be cited as the Senior Citizens
24 Assessment Freeze Homestead Exemption.

25 (b) As used in this Section:

26 "Applicant" means an individual who has filed an
27 application under this Section.

28 "Base amount" means the base year equalized assessed value
29 of the residence plus the first year's equalized assessed value
30 of any added improvements which increased the assessed value of
31 the residence after the base year.

32 "Base year" means the taxable year prior to the taxable
33 year for which the applicant first qualifies and applies for
34 the exemption provided that in the prior taxable year the

1 property was improved with a permanent structure that was
2 occupied as a residence by the applicant who was liable for
3 paying real property taxes on the property and who was either
4 (i) an owner of record of the property or had legal or
5 equitable interest in the property as evidenced by a written
6 instrument or (ii) had a legal or equitable interest as a
7 lessee in the parcel of property that was single family
8 residence. If in any subsequent taxable year for which the
9 applicant applies and qualifies for the exemption the equalized
10 assessed value of the residence is less than the equalized
11 assessed value in the existing base year (provided that such
12 equalized assessed value is not based on an assessed value that
13 results from a temporary irregularity in the property that
14 reduces the assessed value for one or more taxable years), then
15 that subsequent taxable year shall become the base year until a
16 new base year is established under the terms of this paragraph.
17 For taxable year 1999 only, the Chief County Assessment Officer
18 shall review (i) all taxable years for which the applicant
19 applied and qualified for the exemption and (ii) the existing
20 base year. The assessment officer shall select as the new base
21 year the year with the lowest equalized assessed value. An
22 equalized assessed value that is based on an assessed value
23 that results from a temporary irregularity in the property that
24 reduces the assessed value for one or more taxable years shall
25 not be considered the lowest equalized assessed value. The
26 selected year shall be the base year for taxable year 1999 and
27 thereafter until a new base year is established under the terms
28 of this paragraph.

29 "Chief County Assessment Officer" means the County
30 Assessor or Supervisor of Assessments of the county in which
31 the property is located.

32 "Equalized assessed value" means the assessed value as
33 equalized by the Illinois Department of Revenue.

34 "Household" means the applicant, the spouse of the
35 applicant, and all persons using the residence of the applicant
36 as their principal place of residence.

1 "Household income" means the combined income of the members
2 of a household for the calendar year preceding the taxable
3 year.

4 "Income" has the same meaning as provided in Section 3.07
5 of the Senior Citizens and Disabled Persons Property Tax Relief
6 and Pharmaceutical Assistance Act, except that, beginning in
7 assessment year 2001, "income" does not include veteran's
8 benefits.

9 "Internal Revenue Code of 1986" means the United States
10 Internal Revenue Code of 1986 or any successor law or laws
11 relating to federal income taxes in effect for the year
12 preceding the taxable year.

13 "Life care facility that qualifies as a cooperative" means
14 a facility as defined in Section 2 of the Life Care Facilities
15 Act.

16 "Residence" means the principal dwelling place and
17 appurtenant structures used for residential purposes in this
18 State occupied on January 1 of the taxable year by a household
19 and so much of the surrounding land, constituting the parcel
20 upon which the dwelling place is situated, as is used for
21 residential purposes. If the Chief County Assessment Officer
22 has established a specific legal description for a portion of
23 property constituting the residence, then that portion of
24 property shall be deemed the residence for the purposes of this
25 Section.

26 "Taxable year" means the calendar year during which ad
27 valorem property taxes payable in the next succeeding year are
28 levied.

29 (c) Beginning in taxable year 1994, a senior citizens
30 assessment freeze homestead exemption is granted for real
31 property that is improved with a permanent structure that is
32 occupied as a residence by an applicant who (i) is 65 years of
33 age or older during the taxable year, (ii) has a household
34 income of \$35,000 or less prior to taxable year 1999, \$40,000
35 or less in taxable years 1999 through 2003, and \$45,000 or less
36 in taxable year 2004 and thereafter, (iii) is liable for paying

1 real property taxes on the property, and (iv) is an owner of
2 record of the property or has a legal or equitable interest in
3 the property as evidenced by a written instrument. This
4 homestead exemption shall also apply to a leasehold interest in
5 a parcel of property improved with a permanent structure that
6 is a single family residence that is occupied as a residence by
7 a person who (i) is 65 years of age or older during the taxable
8 year, (ii) has a household income of \$35,000 or less prior to
9 taxable year 1999, \$40,000 or less in taxable years 1999
10 through 2003, and \$45,000 or less in taxable year 2004 and
11 thereafter, (iii) has a legal or equitable ownership interest
12 in the property as lessee, and (iv) is liable for the payment
13 of real property taxes on that property.

14 The amount of this exemption shall be the equalized
15 assessed value of the residence in the taxable year for which
16 application is made minus the base amount.

17 When the applicant is a surviving spouse of an applicant
18 for a prior year for the same residence for which an exemption
19 under this Section has been granted, the base year and base
20 amount for that residence are the same as for the applicant for
21 the prior year.

22 Each year at the time the assessment books are certified to
23 the County Clerk, the Board of Review or Board of Appeals shall
24 give to the County Clerk a list of the assessed values of
25 improvements on each parcel qualifying for this exemption that
26 were added after the base year for this parcel and that
27 increased the assessed value of the property.

28 In the case of land improved with an apartment building
29 owned and operated as a cooperative or a building that is a
30 life care facility that qualifies as a cooperative, the maximum
31 reduction from the equalized assessed value of the property is
32 limited to the sum of the reductions calculated for each unit
33 occupied as a residence by a person or persons (i) 65 years of
34 age or older, (ii) with a household income of \$35,000 or less
35 prior to taxable year 1999, \$40,000 or less in taxable years
36 1999 through 2003, and \$45,000 or less in taxable year 2004 and

1 thereafter, (iii) who is liable, by contract with the owner or
2 owners of record, for paying real property taxes on the
3 property, and (iv) who is an owner of record of a legal or
4 equitable interest in the cooperative apartment building,
5 other than a leasehold interest. In the instance of a
6 cooperative where a homestead exemption has been granted under
7 this Section, the cooperative association or its management
8 firm shall credit the savings resulting from that exemption
9 only to the apportioned tax liability of the owner who
10 qualified for the exemption. Any person who willfully refuses
11 to credit that savings to an owner who qualifies for the
12 exemption is guilty of a Class B misdemeanor.

13 When a homestead exemption has been granted under this
14 Section and an applicant then becomes a resident of a facility
15 licensed under the Nursing Home Care Act, the exemption shall
16 be granted in subsequent years so long as the residence (i)
17 continues to be occupied by the qualified applicant's spouse or
18 (ii) if remaining unoccupied, is still owned by the qualified
19 applicant for the homestead exemption.

20 Beginning January 1, 1997, when an individual dies who
21 would have qualified for an exemption under this Section, and
22 the surviving spouse does not independently qualify for this
23 exemption because of age, the exemption under this Section
24 shall be granted to the surviving spouse for the taxable year
25 preceding and the taxable year of the death, provided that,
26 except for age, the surviving spouse meets all other
27 qualifications for the granting of this exemption for those
28 years.

29 When married persons maintain separate residences, the
30 exemption provided for in this Section may be claimed by only
31 one of such persons and for only one residence.

32 For taxable year 1994 only, in counties having less than
33 3,000,000 inhabitants, to receive the exemption, a person shall
34 submit an application by February 15, 1995 to the Chief County
35 Assessment Officer of the county in which the property is
36 located. In counties having 3,000,000 or more inhabitants, for

1 taxable year 1994 and all subsequent taxable years, to receive
2 the exemption, a person may submit an application to the Chief
3 County Assessment Officer of the county in which the property
4 is located during such period as may be specified by the Chief
5 County Assessment Officer. The Chief County Assessment Officer
6 in counties of 3,000,000 or more inhabitants shall annually
7 give notice of the application period by mail or by
8 publication. In counties having less than 3,000,000
9 inhabitants, beginning with taxable year 1995 and thereafter,
10 to receive the exemption, a person shall submit an application
11 by July 1 of each taxable year to the Chief County Assessment
12 Officer of the county in which the property is located. A
13 county may, by ordinance, establish a date for submission of
14 applications that is different than July 1. The applicant shall
15 submit with the application an affidavit of the applicant's
16 total household income, age, marital status (and if married the
17 name and address of the applicant's spouse, if known), and
18 principal dwelling place of members of the household on January
19 1 of the taxable year. The Department shall establish, by rule,
20 a method for verifying the accuracy of affidavits filed by
21 applicants under this Section. The applications shall be
22 clearly marked as applications for the Senior Citizens
23 Assessment Freeze Homestead Exemption.

24 Notwithstanding any other provision to the contrary, in
25 counties having fewer than 3,000,000 inhabitants, if an
26 applicant fails to file the application required by this
27 Section in a timely manner and this failure to file is due to a
28 mental or physical condition sufficiently severe so as to
29 render the applicant incapable of filing the application in a
30 timely manner, the Chief County Assessment Officer may extend
31 the filing deadline for a period of 30 days after the applicant
32 regains the capability to file the application, but in no case
33 may the filing deadline be extended beyond 3 months of the
34 original filing deadline. In order to receive the extension
35 provided in this paragraph, the applicant shall provide the
36 Chief County Assessment Officer with a signed statement from

1 the applicant's physician stating the nature and extent of the
2 condition, that, in the physician's opinion, the condition was
3 so severe that it rendered the applicant incapable of filing
4 the application in a timely manner, and the date on which the
5 applicant regained the capability to file the application.

6 Beginning January 1, 1998, notwithstanding any other
7 provision to the contrary, in counties having fewer than
8 3,000,000 inhabitants, if an applicant fails to file the
9 application required by this Section in a timely manner and
10 this failure to file is due to a mental or physical condition
11 sufficiently severe so as to render the applicant incapable of
12 filing the application in a timely manner, the Chief County
13 Assessment Officer may extend the filing deadline for a period
14 of 3 months. In order to receive the extension provided in this
15 paragraph, the applicant shall provide the Chief County
16 Assessment Officer with a signed statement from the applicant's
17 physician stating the nature and extent of the condition, and
18 that, in the physician's opinion, the condition was so severe
19 that it rendered the applicant incapable of filing the
20 application in a timely manner.

21 In counties having less than 3,000,000 inhabitants, if an
22 applicant was denied an exemption in taxable year 1994 and the
23 denial occurred due to an error on the part of an assessment
24 official, or his or her agent or employee, then beginning in
25 taxable year 1997 the applicant's base year, for purposes of
26 determining the amount of the exemption, shall be 1993 rather
27 than 1994. In addition, in taxable year 1997, the applicant's
28 exemption shall also include an amount equal to (i) the amount
29 of any exemption denied to the applicant in taxable year 1995
30 as a result of using 1994, rather than 1993, as the base year,
31 (ii) the amount of any exemption denied to the applicant in
32 taxable year 1996 as a result of using 1994, rather than 1993,
33 as the base year, and (iii) the amount of the exemption
34 erroneously denied for taxable year 1994.

35 For purposes of this Section, a person who will be 65 years
36 of age during the current taxable year shall be eligible to

1 apply for the homestead exemption during that taxable year.
2 Application shall be made during the application period in
3 effect for the county of his or her residence.

4 The Chief County Assessment Officer may determine the
5 eligibility of a life care facility that qualifies as a
6 cooperative to receive the benefits provided by this Section by
7 use of an affidavit, application, visual inspection,
8 questionnaire, or other reasonable method in order to insure
9 that the tax savings resulting from the exemption are credited
10 by the management firm to the apportioned tax liability of each
11 qualifying resident. The Chief County Assessment Officer may
12 request reasonable proof that the management firm has so
13 credited that exemption.

14 Except as provided in this Section, all information
15 received by the chief county assessment officer or the
16 Department from applications filed under this Section, or from
17 any investigation conducted under the provisions of this
18 Section, shall be confidential, except for official purposes or
19 pursuant to official procedures for collection of any State or
20 local tax or enforcement of any civil or criminal penalty or
21 sanction imposed by this Act or by any statute or ordinance
22 imposing a State or local tax. Any person who divulges any such
23 information in any manner, except in accordance with a proper
24 judicial order, is guilty of a Class A misdemeanor.

25 Nothing contained in this Section shall prevent the
26 Director or chief county assessment officer from publishing or
27 making available reasonable statistics concerning the
28 operation of the exemption contained in this Section in which
29 the contents of claims are grouped into aggregates in such a
30 way that information contained in any individual claim shall
31 not be disclosed.

32 (d) Each Chief County Assessment Officer shall annually
33 publish a notice of availability of the exemption provided
34 under this Section. The notice shall be published at least 60
35 days but no more than 75 days prior to the date on which the
36 application must be submitted to the Chief County Assessment

1 Officer of the county in which the property is located. The
2 notice shall appear in a newspaper of general circulation in
3 the county.

4 Notwithstanding Sections 6 and 8 of the State Mandates Act,
5 no reimbursement by the State is required for the
6 implementation of any mandate created by this Section.

7 (Source: P.A. 93-715, eff. 7-12-04.)

8 Section 45. The Longtime Owner-Occupant Property Tax
9 Relief Act is amended by re-enacting Section 20 as follows:

10 (35 ILCS 250/20)

11 Sec. 20. Conditions of deferral or exemption.

12 (a) Any deferral or exemption of payment of an increase in
13 real property taxes granted under this Act shall be limited to
14 real property that meets both of the following conditions:

15 (1) The property is owned and occupied by a longtime
16 owner-occupant.

17 (2) The property is the principal residence and
18 domicile of the longtime owner-occupant.

19 The corporate authorities of a county, by ordinance or
20 resolution, may impose additional criteria for qualifying for a
21 deferral or exemption under this Act including, but not limited
22 to, (i) requiring the owner-occupant to have owned and occupied
23 the same dwelling place as principal residence and domicile for
24 a period of more than 10 years, (ii) establishing age criteria
25 for eligibility of an owner-occupant, and (iii) establishing
26 income criteria for eligibility of an owner-occupant. A
27 deferral or exemption, or combination thereof, under an
28 ordinance or resolution adopted pursuant to this Act, may not
29 exceed \$20,000 in equalized assessed value per tax year.

30 (b) No penalties or interest shall accrue on the portion of
31 any deferral granted under this Act.

32 (c) Except as provided in subsection (d) of Section 15,
33 school districts and municipalities within a county to which
34 this Act applies may determine whether financial need, age, or

1 both, of the longtime owner-occupant shall be used to determine
2 eligibility.

3 (Source: P.A. 93-715, eff. 7-12-04.)

4 Section 50. The Motor Fuel Tax Law is amended by
5 re-enacting Sections 1.16, 13a.3, 13a.4, 13a.5, 13a.6, 15, and
6 16 as follows:

7 (35 ILCS 505/1.16) (from Ch. 120, par. 417.16)

8 Sec. 1.16. "Commercial motor vehicle" means a motor vehicle
9 used, designed, or maintained for the transportation of persons
10 or property and either having 2 axles and a gross vehicle
11 weight or registered gross vehicle weight exceeding 26,000
12 pounds or 11,793 kilograms, or having 3 or more axles
13 regardless of weight, or that is used in combination, when the
14 weight of the combination exceeds 26,000 pounds or 11,793
15 kilograms gross vehicle weight or registered gross vehicle
16 weight, except for motor vehicles operated by this State or the
17 United States, recreational vehicles, school buses, and
18 commercial motor vehicles operated solely within this State for
19 which all motor fuel is purchased within this State. Vehicles
20 that are exempted from registration, but are required to be
21 registered for operations in other jurisdictions may apply for
22 a motor fuel use tax license and decal under the provisions of
23 the International Fuel Tax Agreement referenced in Section 14a
24 of this Act.

25 (Source: P.A. 88-480; 88-669, eff. 11-29-94.)

26 (35 ILCS 505/13a.3) (from Ch. 120, par. 429a3)

27 Sec. 13a.3. Every person holding a valid unrevoked motor
28 fuel use tax license issued under Section 13a.4 of this Act
29 shall, on or before the last day of the month next succeeding
30 any calendar quarter, file with the Department a report, in
31 such form as the Department may by rule or regulation
32 prescribe, setting forth a statement of the number of miles
33 traveled in every jurisdiction and in this State during the

1 previous calendar quarter, the number of gallons and type of
2 reportable motor fuel consumed on the highways of every
3 jurisdiction and of this State, and the total number of gallons
4 and types of tax paid fuel purchased within every jurisdiction
5 during said previous calendar quarter. A motor carrier who
6 purchases motor fuel in this State who pays a tax thereon under
7 any section of the Motor Fuel Tax Law other than Sections 13a,
8 13a.1, 13a.2 and 13a.3, and who does not apply for a refund
9 under Section 13 of the Motor Fuel Tax Law, shall receive a
10 gallon for gallon credit against his liability under Sections
11 13a, 13a.1, 13a.2 and 13a.3 hereof. The rate under Section 2 of
12 this Act shall apply to each gallon of motor fuel used by such
13 motor carrier on the highways of Illinois during the previous
14 calendar quarter in excess of the motor fuel purchased in
15 Illinois during such previous calendar quarter.

16 The rate under subsection (2) of Section 13a of this Act
17 shall apply to each gallon of motor fuel used by such motor
18 carrier on the highways of Illinois during the previous
19 calendar quarter. For purposes of the preceding paragraphs
20 "used" shall be determined as provided in Section 13a.2 of this
21 Act.

22 For such motor fuel consumed during the previous calendar
23 quarter, said tax shall be payable on the last day of the month
24 next succeeding such previous calendar quarter and shall bear
25 interest at the rate of 1% per month or fraction of month until
26 paid. Motor carriers required to file bonds under Section 13a.4
27 of this Act shall make tax payments to the Department by
28 certified check.

29 Reports not filed by the due date shall be considered late
30 and any taxes due considered delinquent. The licensee may be
31 assessed a penalty of \$50 or 10% of the delinquent taxes,
32 whichever is greater, for failure to file a report, or for
33 filing a late report, or for underpayment of taxes due.

34 As to each gallon of motor fuel purchased in Illinois by
35 such motor carrier during the previous calendar quarter in
36 excess of the number of gallons of motor fuel used by such

1 motor carrier on the highways of Illinois during such previous
2 calendar quarter, the taxpayer may take a credit for the
3 current calendar quarter or the Department may issue a credit
4 memorandum or refund to such motor carrier for any tax imposed
5 by Part (a) of Section 13a of this Act paid on each such
6 gallon. If a credit is given, the credit memorandum shall be
7 carried over to offset liabilities of the licensee until the
8 credit is fully offset or until 8 calendar quarters pass after
9 the end of the calendar quarter in which the credit accrued,
10 whichever occurs sooner.

11 A motor carrier who purchases motor fuel in this State
12 shall be entitled to a refund under this Section or a credit
13 against all his liabilities under Sections 13a, 13a.1, 13a.2
14 and 13a.3 hereof for taxes imposed by the Use Tax Act, the
15 Retailers' Occupation Tax Act, the Municipal Retailers'
16 Occupation Tax Act and the County Retailers' Occupation Tax Act
17 on such motor fuel at a rate equal to that established by
18 subsection (2) of Section 13a of this Act, provided that such
19 taxes have been paid by the taxpayer and such taxes have been
20 charged to the motor carrier claiming the credit or refund.

21 (Source: P.A. 87-205; 88-480; 88-669, eff. 11-29-94.)

22 (35 ILCS 505/13a.4) (from Ch. 120, par. 429a4)

23 Sec. 13a.4. Except as provided in Section 13a.5 of this
24 Act, no motor carrier shall operate in Illinois without first
25 securing a motor fuel use tax license and decals from the
26 Department or a motor fuel use tax license and decals issued
27 under the International Fuel Tax Agreement by any member
28 jurisdiction. Application for such license and decals shall be
29 made annually to the Department on forms prescribed by the
30 Department. The application shall be under oath, and shall
31 contain such information as the Department deems necessary. The
32 Department, for cause, may require an applicant to post a bond
33 on a form to be approved by and with a surety or sureties
34 satisfactory to the Department conditioned upon such applicant
35 paying to the State of Illinois all monies becoming due by

1 reason of the sale or use of motor fuel by the applicant,
2 together with all penalties and interest thereon. If a bond is
3 required, it shall be equal to at least twice the estimated
4 average tax liability of a quarterly return. The Department
5 shall fix the penalty of such bond in each case taking into
6 consideration the amount of motor fuel expected to be used by
7 such applicant and the penalty fixed by the Department shall be
8 such as, in its opinion, will protect the State of Illinois
9 against failure to pay the amount hereinafter provided on motor
10 fuel used. No person who is in default to the State for monies
11 due under this Act for the sale, distribution or use of motor
12 fuel shall receive such a license or decal.

13 Upon receipt of the application for license in proper form,
14 and upon payment of any required \$100 reinstatement fee, and
15 upon approval by the Department of the bond furnished by the
16 applicant, the Department may issue to such applicant a license
17 which allows the operation of commercial motor vehicles in
18 Illinois, and decals for each commercial motor vehicle
19 operating in Illinois. Prior to January 1, 1985, motor fuel use
20 tax licenses shall be conspicuously displayed in the cab of
21 each commercial motor vehicle operating in Illinois. After
22 January 1, 1986, motor fuel use tax licenses shall be carried
23 in the cab of each commercial motor vehicle operating in
24 Illinois.

25 The Department shall, by regulation, provide for the use of
26 reproductions of original motor fuel use tax licenses in lieu
27 of issuing multiple original motor fuel use tax licenses to
28 licensees.

29 On and after January 1, 1985, external motor fuel tax
30 decals shall be conspicuously displayed on the passenger side
31 of each commercial motor vehicle propelled by motor fuel
32 operating in Illinois, except buses, which may display such
33 devices on the driver's side of the vehicle. Beginning with the
34 effective date of this amendatory Act of 1993 or the membership
35 of the State of Illinois in the International Fuel Tax
36 Agreement, whichever is later, the decals issued to the

1 licensee shall be placed on both exterior sides of the cab. In
2 the case of transporters, manufacturers, dealers, or driveway
3 operations, the decals need not be permanently affixed but may
4 be temporarily displayed in a visible manner on the exterior
5 sides of the cab. Failure to display the decals in the required
6 locations may subject the vehicle operator to the purchase of a
7 trip permit and a citation. Such motor fuel tax decals shall be
8 issued by the Department and remain valid for a period of 2
9 calendar years, beginning January 1, 1985. The decals shall
10 expire at the end of the regular 2 year issuance period, with
11 new decals required to be displayed at that time. Beginning
12 January 1, 1993, the motor fuel decals shall be issued by the
13 Department and remain valid for a period of one calendar year.
14 The decals shall expire at the end of the regular one year
15 issuance period, with new decals required to be displayed at
16 that time. Decals shall be no larger than 3 inches by 3 inches.
17 Prior to January 1, 1993, a fee of \$7.50 shall be charged by
18 the Department for each decal issued prior to and during the 2
19 calendar years such decal is valid. Beginning January 1, 1993,
20 a fee of \$3.75 shall be charged by the Department for each
21 decal issued prior to and during the calendar year such decal
22 is valid. Beginning January 1, 1994, \$3.75 shall be charged for
23 a set of 2 decals. The Department may also prescribe procedures
24 for the issuance of replacement decals, with a maximum fee of
25 \$2 for each set of replacement decals issued. The transfer of
26 decals from one vehicle to another vehicle or from one motor
27 carrier to another motor carrier is prohibited. The fees paid
28 for the decals issued under this Section shall be deposited in
29 the Motor Fuel Tax Fund, and may be appropriated to the
30 Department for administration of this Section and enforcement
31 of the tax imposed by Section 13a of this Act.

32 To avoid duplicate reporting of mileage and payment of any
33 tax arising therefrom under Section 13a.3 of this Act, the
34 Department shall, by regulation, provide for the allocation
35 between lessors and lessees of the same commercial motor
36 vehicle or vehicles of the responsibility as a motor carrier

1 for the reporting of mileage and the liability for tax arising
2 under Section 13a.3 of this Act, and for registration,
3 furnishing of bond, carrying of motor fuel use tax licenses,
4 and display of decals under this Section, and for all other
5 duties imposed upon motor carriers by this Act.

6 (Source: P.A. 87-879; 88-480; 88-669, eff. 11-29-94.)

7 (35 ILCS 505/13a.5) (from Ch. 120, par. 429a5)

8 Sec. 13a.5. As to a commercial motor vehicle operated in
9 Illinois in the course of interstate traffic by a motor carrier
10 not holding a motor fuel use tax license issued under this Act,
11 a single trip permit authorizing operation of such commercial
12 motor vehicle for a single trip through the State of Illinois,
13 or from a point on the border of this State to a point within
14 and return to the border may be issued by the Department or its
15 agents after proper application. The fee for each single trip
16 permit shall be \$20 and such single trip permit shall be valid
17 for a period of 72 hours. This fee shall be in lieu of the tax
18 required by Section 13a of this Act, all reports required by
19 Section 13a.3 of this Act, and the registration, decal display
20 and furnishing of bond required by Section 13a.4 of this Act.
21 Rules or regulations promulgated by the Department under this
22 Section shall provide for reasonable and proper limitations and
23 restrictions governing application for and issuance and use of,
24 single trip permits, so as to preclude evasion of the license
25 requirement in Section 13a.4.

26 (Source: P.A. 88-194; 88-480; 88-669, eff. 11-29-94; 88-670,
27 eff. 12-2-94; 89-399, eff. 8-20-95.)

28 (35 ILCS 505/13a.6) (from Ch. 120, par. 429a6)

29 Sec. 13a.6. In addition to any other penalties imposed by
30 this Act:

31 (a) If a commercial motor vehicle is found operating in
32 Illinois (i) without displaying decals required by Section
33 13a.4 of this Act, or in lieu thereof only for the period
34 specified on the temporary permit, a valid 30-day International

1 Fuel Tax Agreement temporary permit, (ii) without carrying a
2 motor fuel use tax license as required by Section 13a.4 of this
3 Act, (iii) without carrying a single trip permit, when
4 applicable, as provided in Section 13a.5 of this Act, or (iv)
5 with a revoked motor fuel use tax license, the operator is
6 guilty of a petty offense and must pay a minimum of \$75. For
7 each subsequent occurrence, the operator must pay a minimum of
8 \$150.

9 When a commercial motor vehicle is found operating in
10 Illinois with a revoked motor fuel use tax license, the vehicle
11 shall be placed out of service and not allowed to operate in
12 Illinois until the motor fuel use tax license is reinstated.

13 (b) If a commercial motor vehicle is found to be operating
14 in Illinois without a valid motor fuel use tax license and
15 without properly displaying decals required by Section 13a.4 or
16 without a valid single trip permit when required by Section
17 13a.5 of this Act or a valid 30-day International Fuel Tax
18 Agreement temporary permit, the person required to obtain a
19 license or permit under Section 13a.4 or 13a.5 of this Law must
20 pay a minimum of \$1,000 as a penalty. For each subsequent
21 occurrence, the person must pay a minimum of \$2,000 as a
22 penalty.

23 All penalties received under this Section shall be
24 deposited into the Tax Compliance and Administration Fund.

25 Improper use of the motor fuel use tax license, single trip
26 permit, or decals provided for in this Section may be cause for
27 revocation of the license.

28 For purposes of this Section, "motor fuel use tax license"
29 means (i) a motor fuel use tax license issued by the Department
30 or by any member jurisdiction under the International Fuel Tax
31 Agreement, or (ii) a valid 30-day International Fuel Tax
32 Agreement temporary permit.

33 (Source: P.A. 91-173, eff. 1-1-00; 92-30, eff. 7-1-01.)

34 (35 ILCS 505/15) (from Ch. 120, par. 431)

35 Sec. 15. 1. Any person who knowingly acts as a distributor

1 of motor fuel or supplier of special fuel, or receiver of fuel
2 without having a license so to do, or who knowingly fails or
3 refuses to file a return with the Department as provided in
4 Section 2b, Section 5, or Section 5a of this Act, or who
5 knowingly fails or refuses to make payment to the Department as
6 provided either in Section 2b, Section 6, Section 6a, or
7 Section 7 of this Act, shall be guilty of a Class 3 felony.
8 Each day any person knowingly acts as a distributor of motor
9 fuel, supplier of special fuel, or receiver of fuel without
10 having a license so to do or after such a license has been
11 revoked, constitutes a separate offense.

12 2. Any person who acts as a motor carrier without having a
13 valid motor fuel use tax license, issued by the Department or
14 by a member jurisdiction under the provisions of the
15 International Fuel Tax Agreement, or a valid single trip permit
16 is guilty of a Class A misdemeanor for a first offense and is
17 guilty of a Class 4 felony for each subsequent offense. Any
18 person (i) who fails or refuses to make payment to the
19 Department as provided in Section 13a.1 of this Act or in the
20 International Fuel Tax Agreement referenced in Section 14a, or
21 (ii) who fails or refuses to make the quarterly return as
22 provided in Section 13a.3 is guilty of a Class 4 felony; and
23 for each subsequent offense, such person is guilty of a Class 3
24 felony.

25 3. In case such person acting as a distributor, receiver,
26 supplier, or motor carrier is a corporation, then the officer
27 or officers, agent or agents, employee or employees, of such
28 corporation responsible for any act of such corporation, or
29 failure of such corporation to act, which acts or failure to
30 act constitutes a violation of any of the provisions of this
31 Act as enumerated in paragraphs 1 and 2 of this Section, shall
32 be punished by such fine or imprisonment, or by both such fine
33 and imprisonment as provided in those paragraphs.

34 3.5. Any person who knowingly enters false information on
35 any supporting documentation required to be kept by Section 6
36 or 6a of this Act is guilty of a Class 3 felony.

1 3.7. Any person who knowingly attempts in any manner to
2 evade or defeat any tax imposed by this Act or the payment of
3 any tax imposed by this Act is guilty of a Class 2 felony.

4 4. Any person who refuses, upon demand, to submit for
5 inspection, books and records, or who fails or refuses to keep
6 books and records in violation of Section 12 of this Act, or
7 any distributor, receiver, or supplier who violates any
8 reasonable rule or regulation adopted by the Department for the
9 enforcement of this Act is guilty of a Class A misdemeanor. Any
10 person who acts as a blender in violation of Section 3 of this
11 Act or who having transported reportable motor fuel within
12 Section 7b of this Act fails to make the return required by
13 that Section, is guilty of a Class 4 felony.

14 5. Any person licensed under Section 13a.4, 13a.5, or the
15 International Fuel Tax Agreement who: (a) fails or refuses to
16 keep records and books, as provided in Section 13a.2 or as
17 required by the terms of the International Fuel Tax Agreement,
18 (b) refuses upon demand by the Department to submit for
19 inspection and examination the records required by Section
20 13a.2 of this Act or by the terms of the International Fuel Tax
21 Agreement, or (c) violates any reasonable rule or regulation
22 adopted by the Department for the enforcement of this Act, is
23 guilty of a Class A misdemeanor.

24 6. Any person who makes any false return or report to the
25 Department as to any material fact required by Sections 2b, 5,
26 5a, 7, 13, or 13a.3 of this Act or by the International Fuel
27 Tax Agreement is guilty of a Class 2 felony.

28 7. A prosecution for any violation of this Section may be
29 commenced anytime within 5 years of the commission of that
30 violation. A prosecution for tax evasion as set forth in
31 paragraph 3.7 of this Section may be prosecuted any time within
32 5 years of the commission of the last act in furtherance of
33 evasion. The running of the period of limitations under this
34 Section shall be suspended while any proceeding or appeal from
35 any proceeding relating to the quashing or enforcement of any
36 grand jury or administrative subpoena issued in connection with

1 an investigation of the violation of any provision of this Act
2 is pending.

3 8. Any person who provides false documentation required by
4 any Section of this Act is guilty of a Class 4 felony.

5 9. Any person filing a fraudulent application or order form
6 under any provision of this Act is guilty of a Class A
7 misdemeanor. For each subsequent offense, the person is guilty
8 of a Class 4 felony.

9 10. Any person who acts as a motor carrier and who fails to
10 carry a manifest as provided in Section 5.5 is guilty of a
11 Class A misdemeanor. For each subsequent offense, the person is
12 guilty of a Class 4 felony.

13 11. Any person who knowingly sells or attempts to sell dyed
14 diesel fuel for highway use or for use by recreational-type
15 watercraft on the waters of this State is guilty of a Class 4
16 felony. For each subsequent offense, the person is guilty of a
17 Class 2 felony.

18 12. Any person who knowingly possesses dyed diesel fuel for
19 highway use or for use by recreational-type watercraft on the
20 waters of this State is guilty of a Class A misdemeanor. For
21 each subsequent offense, the person is guilty of a Class 4
22 felony.

23 13. Any person who sells or transports dyed diesel fuel
24 without the notice required by Section 4e shall pay the
25 following penalty:

26 First occurrence \$ 500
27 Second and each occurrence thereafter \$1,000

28 14. Any person who owns, operates, or controls any
29 container, storage tank, or facility used to store or
30 distribute dyed diesel fuel without the notice required by
31 Section 4f shall pay the following penalty:

32 First occurrence \$ 500
33 Second and each occurrence thereafter \$1,000

34 15. If a motor vehicle required to be registered for
35 highway purposes is found to have dyed diesel fuel within the
36 ordinary fuel tanks attached to the motor vehicle or if a

1 recreational-type watercraft on the waters of this State is
2 found to have dyed diesel fuel within the ordinary fuel tanks
3 attached to the watercraft, the operator shall pay the
4 following penalty:

- 5 First occurrence \$2,500
- 6 Second and each occurrence thereafter \$5,000

7 16. Any licensed motor fuel distributor or licensed
8 supplier who sells or attempts to sell dyed diesel fuel for
9 highway use or for use by recreational-type watercraft on the
10 waters of this State shall pay the following penalty:

- 11 First occurrence \$ 5,000
- 12 Second and each occurrence thereafter \$10,000

13 17. Any person who knowingly sells or distributes dyed
14 diesel fuel without the notice required by Section 4e is guilty
15 of a petty offense. For each subsequent offense, the person is
16 guilty of a Class A misdemeanor.

17 18. Any person who knowingly owns, operates, or controls
18 any container, storage tank, or facility used to store or
19 distribute dyed diesel fuel without the notice required by
20 Section 4f is guilty of a petty offense. For each subsequent
21 offense the person is guilty of a Class A misdemeanor.

22 For purposes of this Section, dyed diesel fuel means any
23 dyed diesel fuel whether or not dyed pursuant to Section 4d of
24 this Law.

25 Any person aggrieved by any action of the Department under
26 item 13, 14, 15, or 16 of this Section may protest the action
27 by making a written request for a hearing within 60 days of the
28 original action. If the hearing is not requested in writing
29 within 60 days, the original action is final.

30 All penalties received under items 13, 14, 15, and 16 of
31 this Section shall be deposited into the Tax Compliance and
32 Administration Fund.

33 (Source: P.A. 91-173, eff. 1-1-00; 92-30, eff. 7-1-01; 92-232,
34 eff. 8-2-01; 92-651, eff. 7-11-02.)

1 Sec. 16. The Department may, after 5 days' notice, revoke
2 the distributor's, receiver's, or supplier's license or permit
3 of any person (1) who does not operate as a distributor,
4 receiver, supplier (a) under Sections 1.2, 1.14, or 1.20, (2)
5 who violates any provision of this Act or any rule or
6 regulation promulgated by the Department under Section 14 of
7 this Act, or (3) who refuses to allow any inspection or test
8 authorized by this Law.

9 Any person whose returns for 2 or more consecutive months
10 do not show sufficient taxable sales to indicate an active
11 business as a distributor, receiver, or supplier shall be
12 deemed to not be operating as a distributor, receiver, or
13 supplier as defined in Sections 1.2, 1.14 or 1.20.

14 The Department may, after 5 days notice, revoke any
15 distributor's, receiver's, or supplier's license of a person
16 who is registered as a reseller of motor fuel pursuant to
17 Section 2a or 2c of the Retailers' Occupation Tax Act and who
18 fails to collect such prepaid tax on invoiced gallons of motor
19 fuel sold or who fails to deliver a statement of tax paid to
20 the purchaser or to the Department as required by Sections 2d
21 and 2e of the Retailers' Occupation Tax Act.

22 The Department may, on notice given by registered mail,
23 cancel a Blender's Permit for any violation of any provisions
24 of this Act or for noncompliance with any rule or regulation
25 made by the Department under Section 14 of this Act.

26 The Department, upon complaint filed in the circuit court,
27 may, by injunction, restrain any person who fails or refuses to
28 comply with the provisions of this Act from acting as a blender
29 or distributor of motor fuel, supplier of special fuel, or
30 receiver of fuel in this State.

31 The Department may revoke the motor fuel use tax license of
32 a motor carrier registered under Section 13a.4, or that is
33 required to be registered under the terms of the International
34 Fuel Tax Agreement, that violates any provision of this Act or
35 any rule promulgated by the Department under Sections 14 or 14a
36 of this Act. Motor fuel use tax licenses that have been revoked

1 are subject to a \$100 reinstatement fee.

2 Licensees registered or required to be registered under
3 Section 13a.4, or persons required to obtain single trip
4 permits under Section 13a.5, may protest any action or audit
5 finding made by the Department by making a written request for
6 a hearing within 30 days after service of the notice of the
7 original action or finding. If the hearing is not requested
8 within 30 days in writing, the original finding or action is
9 final. Once a hearing has been properly requested, the
10 Department shall give at least 20 days written notice of the
11 time and place of the hearing.

12 (Source: P.A. 91-173, eff. 1-1-00.)

13 Section 55. The Messages Tax Act is amended by re-enacting
14 Section 11 as follows:

15 (35 ILCS 610/11) (from Ch. 120, par. 467.11)

16 Sec. 11. All information received by the Department from
17 returns filed under this Act, or from any investigations
18 conducted under this Act, shall be confidential, except for
19 official purposes, and any person who divulges any such
20 information in any manner, except in accordance with a proper
21 judicial order or as otherwise provided by law, shall be guilty
22 of a Class B misdemeanor.

23 Provided, that nothing contained in this Act shall prevent
24 the Director from publishing or making available to the public
25 the names and addresses of taxpayers filing returns under this
26 Act, or from publishing or making available reasonable
27 statistics concerning the operation of the tax wherein the
28 contents of returns are grouped into aggregates in such a way
29 that the information contained in any individual return shall
30 not be disclosed.

31 And provided, that nothing contained in this Act shall
32 prevent the Director from making available to the United States
33 Government or any officer or agency thereof, for exclusively
34 official purposes, information received by the Department in

1 the administration of this Act.

2 The furnishing upon request of the Auditor General, or his
3 authorized agents, for official use, of returns filed and
4 information related thereto under this Act is deemed to be an
5 official purpose within the meaning of this Section.

6 The Director may make available to any State agency,
7 including the Illinois Supreme Court, which licenses persons to
8 engage in any occupation, information that a person licensed by
9 such agency has failed to file returns under this Act or pay
10 the tax, penalty and interest shown therein, or has failed to
11 pay any final assessment of tax, penalty or interest due under
12 this Act. An assessment is final when all proceedings in court
13 for review of such assessment have terminated or the time for
14 the taking thereof has expired without such proceedings being
15 instituted.

16 The Director shall make available for public inspection in
17 the Department's principal office and for publication, at cost,
18 administrative decisions issued on or after January 1, 1995.
19 These decisions are to be made available in a manner so that
20 the following taxpayer information is not disclosed:

21 (1) The names, addresses, and identification numbers
22 of the taxpayer, related entities, and employees.

23 (2) At the sole discretion of the Director, trade
24 secrets or other confidential information identified as
25 such by the taxpayer, no later than 30 days after receipt
26 of an administrative decision, by such means as the
27 Department shall provide by rule.

28 The Director shall determine the appropriate extent of the
29 deletions allowed in paragraph (2). In the event the taxpayer
30 does not submit deletions, the Director shall make only the
31 deletions specified in paragraph (1).

32 The Director shall make available for public inspection and
33 publication an administrative decision within 180 days after
34 the issuance of the administrative decision. The term
35 "administrative decision" has the same meaning as defined in
36 Section 3-101 of Article III of the Code of Civil Procedure.

1 Costs collected under this Section shall be paid into the Tax
2 Compliance and Administration Fund.

3 Nothing contained in this Act shall prevent the Director
4 from divulging information to any person pursuant to a request
5 or authorization made by the taxpayer or by an authorized
6 representative of the taxpayer.

7 (Source: P.A. 90-491, eff. 1-1-98.)

8 Section 60. The Gas Revenue Tax Act is amended by
9 re-enacting Section 11 as follows:

10 (35 ILCS 615/11) (from Ch. 120, par. 467.26)

11 Sec. 11. All information received by the Department from
12 returns filed under this Act, or from any investigations
13 conducted under this Act, shall be confidential, except for
14 official purposes, and any person who divulges any such
15 information in any manner, except in accordance with a proper
16 judicial order or as otherwise provided by law, shall be guilty
17 of a Class B misdemeanor.

18 Provided, that nothing contained in this Act shall prevent
19 the Director from publishing or making available to the public
20 the names and addresses of taxpayers filing returns under this
21 Act, or from publishing or making available reasonable
22 statistics concerning the operation of the tax wherein the
23 contents of returns are grouped into aggregates in such a way
24 that the information contained in any individual return shall
25 not be disclosed.

26 And provided, that nothing contained in this Act shall
27 prevent the Director from making available to the United States
28 Government or any officer or agency thereof, for exclusively
29 official purposes, information received by the Department in
30 the administration of this Act.

31 The furnishing upon request of the Auditor General, or his
32 authorized agents, for official use, of returns filed and
33 information related thereto under this Act is deemed to be an
34 official purpose within the meaning of this Section.

1 The Director may make available to any State agency,
2 including the Illinois Supreme Court, which licenses persons to
3 engage in any occupation, information that a person licensed by
4 such agency has failed to file returns under this Act or pay
5 the tax, penalty and interest shown therein, or has failed to
6 pay any final assessment of tax, penalty or interest due under
7 this Act. An assessment is final when all proceedings in court
8 for review of such assessment have terminated or the time for
9 the taking thereof has expired without such proceedings being
10 instituted.

11 The Director shall make available for public inspection in
12 the Department's principal office and for publication, at cost,
13 administrative decisions issued on or after January 1, 1995.
14 These decisions are to be made available in a manner so that
15 the following taxpayer information is not disclosed:

16 (1) The names, addresses, and identification numbers
17 of the taxpayer, related entities, and employees.

18 (2) At the sole discretion of the Director, trade
19 secrets or other confidential information identified as
20 such by the taxpayer, no later than 30 days after receipt
21 of an administrative decision, by such means as the
22 Department shall provide by rule.

23 The Director shall determine the appropriate extent of the
24 deletions allowed in paragraph (2). In the event the taxpayer
25 does not submit deletions, the Director shall make only the
26 deletions specified in paragraph (1).

27 The Director shall make available for public inspection and
28 publication an administrative decision within 180 days after
29 the issuance of the administrative decision. The term
30 "administrative decision" has the same meaning as defined in
31 Section 3-101 of Article III of the Code of Civil Procedure.
32 Costs collected under this Section shall be paid into the Tax
33 Compliance and Administration Fund.

34 Nothing contained in this Act shall prevent the Director
35 from divulging information to any person pursuant to a request
36 or authorization made by the taxpayer or by an authorized

1 representative of the taxpayer.

2 (Source: P.A. 90-491, eff. 1-1-98.)

3 Section 65. The Public Utilities Revenue Act is amended by
4 re-enacting Section 11 as follows:

5 (35 ILCS 620/11) (from Ch. 120, par. 478)

6 Sec. 11. All information received by the Department from
7 returns filed under this Act, or from any investigations
8 conducted under this Act, shall be confidential, except for
9 official purposes, and any person who divulges any such
10 information in any manner, except in accordance with a proper
11 judicial order or as otherwise provided by law, shall be guilty
12 of a Class B misdemeanor.

13 Provided, that nothing contained in this Act shall prevent
14 the Director from publishing or making available to the public
15 the names and addresses of taxpayers filing returns under this
16 Act, or from publishing or making available reasonable
17 statistics concerning the operation of the tax wherein the
18 contents of returns are grouped into aggregates in such a way
19 that the information contained in any individual return shall
20 not be disclosed.

21 And provided, that nothing contained in this Act shall
22 prevent the Director from making available to the United States
23 Government or any officer or agency thereof, for exclusively
24 official purposes, information received by the Department in
25 the administration of this Act.

26 The furnishing upon request of the Auditor General, or his
27 authorized agents, for official use, of returns filed and
28 information related thereto under this Act is deemed to be an
29 official purpose within the meaning of this Section.

30 The Director may make available to any State agency,
31 including the Illinois Supreme Court, which licenses persons to
32 engage in any occupation, information that a person licensed by
33 such agency has failed to file returns under this Act or pay
34 the tax, penalty and interest shown therein, or has failed to

1 pay any final assessment of tax, penalty or interest due under
2 this Act. An assessment is final when all proceedings in court
3 for review of such assessment have terminated or the time for
4 the taking thereof has expired without such proceedings being
5 instituted.

6 The Director shall make available for public inspection in
7 the Department's principal office and for publication, at cost,
8 administrative decisions issued on or after January 1, 1995.
9 These decisions are to be made available in a manner so that
10 the following taxpayer information is not disclosed:

11 (1) The names, addresses, and identification numbers
12 of the taxpayer, related entities, and employees.

13 (2) At the sole discretion of the Director, trade
14 secrets or other confidential information identified as
15 such by the taxpayer, no later than 30 days after receipt
16 of an administrative decision, by such means as the
17 Department shall provide by rule.

18 The Director shall determine the appropriate extent of the
19 deletions allowed in paragraph (2). In the event the taxpayer
20 does not submit deletions, the Director shall make only the
21 deletions specified in paragraph (1).

22 The Director shall make available for public inspection and
23 publication an administrative decision within 180 days after
24 the issuance of the administrative decision. The term
25 "administrative decision" has the same meaning as defined in
26 Section 3-101 of Article III of the Code of Civil Procedure.
27 Costs collected under this Section shall be paid into the Tax
28 Compliance and Administration Fund.

29 Nothing contained in this Act shall prevent the Director
30 from divulging information to any person pursuant to a request
31 or authorization made by the taxpayer or by an authorized
32 representative of the taxpayer.

33 (Source: P.A. 90-491, eff. 1-1-98.)

34 Section 70. The Telecommunications Excise Tax Act is
35 amended by re-enacting Section 15 as follows:

1 (35 ILCS 630/15) (from Ch. 120, par. 2015)

2 Sec. 15. Confidential information. All information
3 received by the Department from returns filed under this
4 Article, or from any investigations conducted under this
5 Article, shall be confidential, except for official purposes,
6 and any person who divulges any such information in any manner,
7 except in accordance with a proper judicial order or as
8 otherwise provided by law, shall be guilty of a Class B
9 misdemeanor.

10 Provided, that nothing contained in this Article shall
11 prevent the Director from publishing or making available to the
12 public the names and addresses of retailers or taxpayers filing
13 returns under this Article, or from publishing or making
14 available reasonable statistics concerning the operation of
15 the tax wherein the contents of returns are grouped into
16 aggregates in such a way that the information contained in any
17 individual return shall not be disclosed.

18 And provided, that nothing contained in this Article shall
19 prevent the Director from making available to the United States
20 Government or the government of any other state, or any officer
21 or agency thereof, for exclusively official purposes,
22 information received by the Department in the administration of
23 this Article, if such other governmental agency agrees to
24 divulge requested tax information to the Department.

25 The furnishing upon request of the Auditor General, or his
26 authorized agents, for official use, of returns filed and
27 information related thereto under this Article is deemed to be
28 an official purpose within the meaning of this Section.

29 The furnishing of financial information to a municipality
30 that has imposed a tax under the Simplified Municipal
31 Telecommunications Tax Act, upon request of the chief executive
32 thereof, is an official purpose within the meaning of this
33 Section, provided that the municipality agrees in writing to
34 the requirements of this Section. Information so provided shall
35 be subject to all confidentiality provisions of this Section.

1 The written agreement shall provide for reciprocity,
2 limitations on access, disclosure, and procedures for
3 requesting information.

4 The Director shall make available for public inspection in
5 the Department's principal office and for publication, at cost,
6 administrative decisions issued on or after January 1, 1995.
7 These decisions are to be made available in a manner so that
8 the following taxpayer information is not disclosed:

9 (1) The names, addresses, and identification numbers
10 of the taxpayer, related entities, and employees.

11 (2) At the sole discretion of the Director, trade
12 secrets or other confidential information identified as
13 such by the taxpayer, no later than 30 days after receipt
14 of an administrative decision, by such means as the
15 Department shall provide by rule.

16 The Director shall determine the appropriate extent of the
17 deletions allowed in paragraph (2). In the event the taxpayer
18 does not submit deletions, the Director shall make only the
19 deletions specified in paragraph (1).

20 The Director shall make available for public inspection and
21 publication an administrative decision within 180 days after
22 the issuance of the administrative decision. The term
23 "administrative decision" has the same meaning as defined in
24 Section 3-101 of Article III of the Code of Civil Procedure.
25 Costs collected under this Section shall be paid into the Tax
26 Compliance and Administration Fund.

27 Nothing contained in this Act shall prevent the Director
28 from divulging information to any person pursuant to a request
29 or authorization made by the taxpayer or by an authorized
30 representative of the taxpayer.

31 (Source: P.A. 92-526, eff. 1-1-03.)

32 Section 75. The Downstate Forest Preserve District Act is
33 amended by re-enacting Section 18.6d as follows:

34 (70 ILCS 805/18.6d)

1 Sec. 18.6d. All real property owned by a forest preserve
2 district that has located upon it an operating sanitary
3 landfill, pollution control facility, or new pollution control
4 facility shall be exempt from real estate taxation under
5 Section 15-150 of the Property Tax Code. In addition, the
6 operation or ownership of any sanitary landfill, pollution
7 control facility, or new pollution control facility that is
8 located on land owned by a forest preserve district shall not
9 be subject, directly or indirectly, to any leasehold taxes
10 under Section 9-195 of the Property Tax Code.

11 (Source: P.A. 88-503; 88-669, eff. 11-29-94; 88-670, 12-2-94;
12 88-681, eff. 12-22-94; 89-235, eff. 8-4-95.)

13 Section 80. The Liquor Control Act of 1934 is amended by
14 re-enacting Section 8-9 as follows:

15 (235 ILCS 5/8-9) (from Ch. 43, par. 163e)

16 Sec. 8-9. Tax information; confidentiality. All
17 information received by the Department from returns filed under
18 this Act, or from any investigation conducted under this Act,
19 shall be confidential, except for official purposes, and any
20 person who divulges any such information in any manner, except
21 in accordance with a proper judicial order or as otherwise
22 provided by law, shall be guilty of a Class B misdemeanor.

23 Nothing in this Act prevents the Director of Revenue from
24 publishing or making available to the public the names and
25 addresses of persons filing returns under this Act, or
26 reasonable statistics concerning the operation of the tax by
27 grouping the contents of returns so that the information in any
28 individual return is not disclosed.

29 Nothing in this Act prevents the Director of Revenue from
30 divulging to the United States Government or the government of
31 any other state, or any officer or agency thereof, for
32 exclusively official purposes, information received by the
33 Department in administering this Act, provided that such other
34 governmental agency agrees to divulge requested tax

1 information to the Department.

2 The furnishing upon request of information obtained by the
3 Department from returns filed under this Act or investigations
4 conducted under this Act to the Illinois Liquor Control
5 Commission for official use is deemed to be an official purpose
6 within the meaning of this Section.

7 The furnishing upon request of the Auditor General, or his
8 authorized agents, for official use, of returns filed and
9 information related thereto under this Act is deemed to be an
10 official purpose within the meaning of this Section.

11 The furnishing of financial information to a home rule unit
12 with a population in excess of 2,000,000 that has imposed a tax
13 similar to that imposed by this Act under its home rule powers,
14 upon request of the Chief Executive of the home rule unit, is
15 an official purpose within the meaning of this Section,
16 provided the home rule unit agrees in writing to the
17 requirements of this Section. Information so provided is
18 subject to all confidentiality provisions of this Section. The
19 written agreement shall provide for reciprocity, limitations
20 on access, disclosure, and procedures for requesting
21 information.

22 Nothing contained in this Act shall prevent the Director
23 from divulging information to any person pursuant to a request
24 or authorization made by the taxpayer or by an authorized
25 representative of the taxpayer.

26 (Source: P.A. 90-491, eff. 1-1-98.)

27 Section 85. The Illinois Vehicle Code is amended by
28 re-enacting Sections 11-1419.01, 11-1419.02, and 11-1419.03 as
29 follows:

30 (625 ILCS 5/11-1419.01) (from Ch. 95 1/2, par. 11-1419.01)

31 Sec. 11-1419.01. Operating without a valid single trip
32 permit. If a single trip permit is required by Section 13a.5 of
33 the Motor Fuel Tax Law, a motor carrier shall not operate in
34 Illinois without a single trip permit issued by the Department

1 of Revenue or its agents.

2 If a commercial motor vehicle is found operating in
3 Illinois without displaying a required valid single trip
4 permit, the operator is guilty of a petty offense as provided
5 in Section 13a.6 of the Motor Fuel Tax Law.

6 (Source: P.A. 88-669, eff. 11-29-94; 89-399, eff. 8-20-95.)

7 (625 ILCS 5/11-1419.02) (from Ch. 95 1/2, par. 11-1419.02)

8 Sec. 11-1419.02. Failure to display a valid motor fuel use
9 tax license.

10 (a) If required by Section 13a.4 of the Motor Fuel Tax Law,
11 every valid motor fuel use tax license, or an authorized
12 reproduction, shall at all times be carried in the cab of the
13 vehicle. The operator shall display the license or reproduction
14 upon demand of a police officer or agent of the Department of
15 Revenue. An operator who fails to display a valid motor fuel
16 use tax license is guilty of a petty offense as provided in
17 Section 13a.6 of the Motor Fuel Tax Law.

18 (b) As used in this Section:

19 "Display" means the manual surrender of the motor fuel use
20 tax license into the hands of the demanding officer or agent
21 for inspection.

22 "Motor fuel use tax license" means a motor fuel use tax
23 license issued by the Department of Revenue or by any member
24 jurisdiction under the International Fuel Tax Agreement, or a
25 valid 30 day International Fuel Tax Agreement temporary permit.
26 (Source: P.A. 88-669, eff. 11-29-94; 89-399, eff. 8-20-95.)

27 (625 ILCS 5/11-1419.03)

28 Sec. 11-1419.03. Failure to Display Valid External Motor
29 Fuel Use Tax Decals.

30 (a) Except as provided in the Motor Fuel Tax Law, a motor
31 carrier shall not operate or cause to be operated a commercial
32 motor vehicle upon the highways of this State unless there is
33 properly affixed to that commercial vehicle 2 valid external
34 motor use tax decals required by Section 13a.4 of the Motor

1 Fuel Tax Law. An operator who operates a commercial motor
2 vehicle without 2 properly displayed valid external motor fuel
3 use tax decals is guilty of a petty offense as provided in
4 Section 13a.6 of the Motor Fuel Tax Law. A valid 30-day
5 International Fuel Tax Agreement temporary permit may be
6 displayed instead of decals during the temporary period
7 specified on the permit.

8 (b) As used in this Section:

9 "Properly displayed" means 2 motor fuel use tax decals, one
10 placed on each side of the exterior of the cab. In the case of
11 transporters, manufacturers, dealers, or driveaway operations,
12 the decals need not be permanently affixed but may be
13 temporarily displayed in a visible manner on the exterior sides
14 of the cab.

15 "Commercial motor vehicle" means a motor vehicle used,
16 designed, or maintained for the transportation of people or
17 property and either having 2 axles and a gross vehicle weight
18 or registered gross vehicle weight exceeding 26,000 pounds or
19 11,793 kilograms, or having 3 or more axles regardless of
20 weight, or that is used in combination, when the weight of the
21 combination exceeds 26,000 pounds or 11,793 kilograms gross
22 vehicle weight or registered gross vehicle weight except for
23 motor vehicles operated by this State or the United States,
24 recreational vehicles, school buses, and commercial motor
25 vehicles operated solely within this State for which all motor
26 fuel is purchased within this State.

27 "Motor carrier" means any person who operates or causes to
28 be operated any commercial motor vehicle on any highway within
29 this State.

30 (Source: P.A. 88-669, eff. 11-29-94; 89-399, eff. 8-20-95.)

31 Section 90. The State Mandates Act is amended by adding
32 Section 8.30 as follows:

33 (30 ILCS 805/8.30 new)

34 Sec. 8.30. Exempt mandate. Notwithstanding Sections 6 and 8

1 of this Act, no reimbursement by the State is required for the
2 implementation of any mandate created by this amendatory Act of
3 the 94th General Assembly.

4 Section 99. Effective date. This Act takes effect upon
5 becoming law.

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3	35 ILCS 5/203	from Ch. 120, par. 2-203
4	35 ILCS 5/502	from Ch. 120, par. 5-502
5	35 ILCS 5/506.5	
6	35 ILCS 5/917	from Ch. 120, par. 9-917
7	35 ILCS 5/1301	from Ch. 120, par. 13-1301
8	35 ILCS 105/2	from Ch. 120, par. 439.2
9	35 ILCS 105/9	from Ch. 120, par. 439.9
10	35 ILCS 110/9	from Ch. 120, par. 439.39
11	35 ILCS 115/9	from Ch. 120, par. 439.109
12	35 ILCS 120/3	from Ch. 120, par. 442
13	35 ILCS 120/11	from Ch. 120, par. 450
14	35 ILCS 130/10b	from Ch. 120, par. 453.10b
15	35 ILCS 135/20	from Ch. 120, par. 453.50
16	35 ILCS 200/15-172	
17	35 ILCS 250/20	
18	35 ILCS 505/1.16	from Ch. 120, par. 417.16
19	35 ILCS 505/13a.3	from Ch. 120, par. 429a3
20	35 ILCS 505/13a.4	from Ch. 120, par. 429a4
21	35 ILCS 505/13a.5	from Ch. 120, par. 429a5
22	35 ILCS 505/13a.6	from Ch. 120, par. 429a6
23	35 ILCS 505/15	from Ch. 120, par. 431
24	35 ILCS 505/16	from Ch. 120, par. 432
25	35 ILCS 610/11	from Ch. 120, par. 467.11
26	35 ILCS 615/11	from Ch. 120, par. 467.26
27	35 ILCS 620/11	from Ch. 120, par. 478
28	35 ILCS 630/15	from Ch. 120, par. 2015
29	70 ILCS 805/18.6d	
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