



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB5286

Introduced 01/25/06, by Rep. Rosemary Mulligan

SYNOPSIS AS INTRODUCED:

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

Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Provides that the tax under the Acts with respect to motor fuel and gasohol is imposed at a rate that is the lesser of (i) \$0.10 per gallon or (ii) 6.25% of the selling price. Amends the State Finance Act to provide for the distribution of the tax of \$0.10 per gallon on motor fuel. Effective immediately.

LRB094 17213 BDD 52502 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning revenue.

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

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

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

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

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

1 A portion of the money paid into the Local Government Tax
2 Fund from the 6.25% general rate (and, beginning July 1, 2000
3 and through December 31, 2000, the 1.25% rate on motor fuel and
4 gasohol and, beginning July 1, 2006, if applicable, the rate of
5 \$0.10 per gallon on motor fuel and gasohol) on sales subject to
6 taxation under the Retailers' Occupation Tax Act and the
7 Service Occupation Tax Act, which occurred in municipalities,
8 shall be distributed to each municipality, based upon the sales
9 which occurred in that municipality. The remainder shall be
10 distributed to each county, based upon the sales which occurred
11 in the unincorporated area of such county.

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

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

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

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

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

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

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

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

1 eff. 7-1-00.)

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

3 Sec. 6z-20. Of the money received from the 6.25% general
4 rate (and, beginning July 1, 2000 and through December 31,
5 2000, the 1.25% rate on motor fuel and gasohol and, beginning
6 July 1, 2006, if applicable, the rate of \$0.10 per gallon on
7 motor fuel and gasohol) on sales subject to taxation under the
8 Retailers' Occupation Tax Act and Service Occupation Tax Act
9 and paid into the County and Mass Transit District Fund,
10 distribution to the Regional Transportation Authority tax
11 fund, created pursuant to Section 4.03 of the Regional
12 Transportation Authority Act, for deposit therein shall be made
13 based upon the retail sales occurring in a county having more
14 than 3,000,000 inhabitants. The remainder shall be distributed
15 to each county having 3,000,000 or fewer inhabitants based upon
16 the retail sales occurring in each such county.

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

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

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

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

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

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

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

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

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

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

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

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

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

23 Beginning on July 1, 2006, with respect to motor fuel, as
24 defined in Section 1.1 of the Motor Fuel Tax Law, and gasohol,
25 as defined in Section 3-40 of the Use Tax Act, the tax is
26 imposed at the rate that is the lesser of (i) \$0.10 per gallon
27 or (ii) 6.25% of the selling price.

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

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

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

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

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

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

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

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

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

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

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

23 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

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

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

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

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

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

- 31 1. The name of the seller;
- 32 2. The address of the principal place of business from
33 which he engages in the business of selling tangible
34 personal property at retail in this State;
- 35 3. The total amount of taxable receipts received by him
36 during the preceding calendar month from sales of tangible

1 personal property by him during such preceding calendar
2 month, including receipts from charge and time sales, but
3 less all deductions allowed by law;

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

6 5. The amount of tax due;

7 5-5. The signature of the taxpayer; and

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

1 all payments required by rules of the Department by electronic
2 funds transfer.

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

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

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

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

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

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

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

1 rules and regulations to govern the quarter monthly payment
2 amount and quarter monthly payment dates for taxpayers who file
3 on other than a calendar monthly basis.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

25 Where a retailer collects the tax with respect to the
26 selling price of tangible personal property which he sells and
27 the purchaser thereafter returns such tangible personal
28 property and the retailer refunds the selling price thereof to
29 the purchaser, such retailer shall also refund, to the
30 purchaser, the tax so collected from the purchaser. When filing
31 his return for the period in which he refunds such tax to the
32 purchaser, the retailer may deduct the amount of the tax so
33 refunded by him to the purchaser from any other use tax which
34 such retailer may be required to pay or remit to the
35 Department, as shown by such return, if the amount of the tax
36 to be deducted was previously remitted to the Department by

1 such retailer. If the retailer has not previously remitted the
2 amount of such tax to the Department, he is entitled to no
3 deduction under this Act upon refunding such tax to the
4 purchaser.

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

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

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

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

34 Beginning January 1, 1990, each month the Department shall
35 pay into the County and Mass Transit District Fund 4% of the
36 net revenue realized for the preceding month from the 6.25%

1 general rate on the selling price of tangible personal property
2 which is purchased outside Illinois at retail from a retailer
3 and which is titled or registered by an agency of this State's
4 government.

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

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

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

24 Beginning July 1, 2006, each month the Department shall pay
25 into the State and Local Sales Tax Reform Fund 100% of the net
26 revenue realized for the preceding month from the rate of \$0.10
27 per gallon on motor fuel and gasohol.

28 Of the remainder of the moneys received by the Department
29 pursuant to this Act, (a) 1.75% thereof shall be paid into the
30 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
31 and after July 1, 1989, 3.8% thereof shall be paid into the
32 Build Illinois Fund; provided, however, that if in any fiscal
33 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
34 may be, of the moneys received by the Department and required
35 to be paid into the Build Illinois Fund pursuant to Section 3
36 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax

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

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

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

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

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

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

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

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

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

35 Of the remainder of the moneys received by the Department
36 pursuant to this Act, 75% thereof shall be paid into the State

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

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

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

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

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

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

30 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

31 Sec. 3-10. Rate of tax. Unless otherwise provided in this
32 Section, the tax imposed by this Act is at the rate of 6.25% of
33 the selling price of tangible personal property transferred as
34 an incident to the sale of service, but, for the purpose of

1 computing this tax, in no event shall the selling price be less
2 than the cost price of the property to the serviceman.

3 Beginning on July 1, 2006, with respect to motor fuel, as
4 defined in Section 1.1 of the Motor Fuel Tax Law, and gasohol,
5 as defined in Section 3-40 of the Use Tax Act, the tax is
6 imposed at the rate that is the lesser of (i) \$0.10 per gallon
7 or (ii) 6.25% of the selling price.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

20 1. The name of the seller;

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

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

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

29 5. The amount of tax due;

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

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

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

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

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

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

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

1 in the manner authorized by the Department.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14 Beginning July 1, 2006, each month the Department shall pay
15 into the State and Local Sales Tax Reform Fund 100% of the net
16 revenue realized for the preceding month from the rate of \$0.10
17 per gallon on motor fuel and gasohol.

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

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

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

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

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

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

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

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

1 Fund, until the full amount requested for the fiscal year, but
2 not in excess of the amount specified above as "Total Deposit",
3 has been deposited.

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

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

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

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

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

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

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

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

8 (35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

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

27 Beginning on July 1, 2006, with respect to motor fuel, as
28 defined in Section 1.1 of the Motor Fuel Tax Law, and gasohol,
29 as defined in Section 3-40 of the Use Tax Act, the tax is
30 imposed at the rate that is the lesser of (i) \$0.10 per gallon
31 or (ii) 6.25% of the selling price.

32 Beginning on July 1, 2000 and through December 31, 2000,
33 with respect to motor fuel, as defined in Section 1.1 of the
34 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of

1 the Use Tax Act, the tax is imposed at the rate of 1.25%.

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

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

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

31 With respect to 100% biodiesel, as defined in the Use Tax
32 Act, and biodiesel blends, as defined in the Use Tax Act, with
33 more than 10% but no more than 99% biodiesel material, the tax
34 imposed by this Act does not apply to the proceeds of the
35 selling price of property transferred as an incident to the
36 sale of service on or after July 1, 2003 and on or before

1 December 31, 2013 but applies to 100% of the selling price
2 thereafter.

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

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

1 containing 50% or more natural fruit or vegetable juice.

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

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

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

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

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

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 of Revenue. Such return shall be
33 filed on a form prescribed by the Department and shall contain
34 such information as the Department may reasonably require.

35 The Department may require returns to be filed on a

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

7 1. The name of the seller;

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

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

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

16 5. The amount of tax due;

17 5-5. The signature of the taxpayer; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 needles used by diabetics.

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

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

10 Beginning July 1, 2006, each month the Department shall pay
11 into the County and Mass Transit District Fund 20% of the net
12 revenue realized for the preceding month from the rate of \$0.10
13 per gallon on motor fuel and gasohol.

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

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

22 Beginning July 1, 2006, each month the Department shall pay
23 into the Local Government Tax Fund 80% of the net revenue
24 realized for the preceding month from the rate of \$0.10 per
25 gallon on motor fuel and gasohol.

26 Of the remainder of the moneys received by the Department
27 pursuant to this Act, (a) 1.75% thereof shall be paid into the
28 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
29 and after July 1, 1989, 3.8% thereof shall be paid into the
30 Build Illinois Fund; provided, however, that if in any fiscal
31 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
32 may be, of the moneys received by the Department and required
33 to be paid into the Build Illinois Fund pursuant to Section 3
34 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax
35 Act, Section 9 of the Service Use Tax Act, and Section 9 of the
36 Service Occupation Tax Act, such Acts being hereinafter called

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

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

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

31	Fiscal Year	Total
		Deposit
32	1993	\$0
33	1994	53,000,000
34	1995	58,000,000
35	1996	61,000,000

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

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

35 Beginning July 20, 1993 and in each month of each fiscal
 36 year thereafter, one-eighth of the amount requested in the

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

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

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

33 Remaining moneys received by the Department pursuant to
34 this Act shall be paid into the General Revenue Fund of the
35 State Treasury.

36 The Department may, upon separate written notice to a

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

23 If the annual information return required by this Section
24 is not filed when and as required, the taxpayer shall be liable
25 as follows:

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

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

36 The chief executive officer, proprietor, owner or highest

1 ranking manager shall sign the annual return to certify the
2 accuracy of the information contained therein. Any person who
3 willfully signs the annual return containing false or
4 inaccurate information shall be guilty of perjury and punished
5 accordingly. The annual return form prescribed by the
6 Department shall include a warning that the person signing the
7 return may be liable for perjury.

8 The foregoing portion of this Section concerning the filing
9 of an annual information return shall not apply to a serviceman
10 who is not required to file an income tax return with the
11 United States Government.

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

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

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

1 (35 ILCS 120/2-10) (from Ch. 120, par. 441-10)

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

6 Beginning on July 1, 2006, with respect to motor fuel, as
7 defined in Section 1.1 of the Motor Fuel Tax Law, and gasohol,
8 as defined in Section 3-40 of the Use Tax Act, the tax is
9 imposed at the rate that is the lesser of (i) \$0.10 per gallon
10 or (ii) 6.25% of the selling price.

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

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

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

1 however, the tax under this Act on sales of gasohol, as defined
2 in the Use Tax Act, is imposed at the rate of 1.25%, then the
3 tax imposed by this Act applies to 100% of the proceeds of
4 sales of gasohol made during that time.

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

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

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

27 With respect to food for human consumption that is to be
28 consumed off the premises where it is sold (other than
29 alcoholic beverages, soft drinks, and food that has been
30 prepared for immediate consumption) and prescription and
31 nonprescription medicines, drugs, medical appliances,
32 modifications to a motor vehicle for the purpose of rendering
33 it usable by a disabled person, and insulin, urine testing
34 materials, syringes, and needles used by diabetics, for human
35 use, the tax is imposed at the rate of 1%. For the purposes of
36 this Section, the term "soft drinks" means any complete,

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

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

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

18 (35 ILCS 120/3) (from Ch. 120, par. 442)

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

24 1. The name of the seller;

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

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

35 4. Total amount received by him during the preceding

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

5 5. Deductions allowed by law;

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

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

11 8. The amount of tax due;

12 9. The signature of the taxpayer; and

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

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

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

22 Prior to October 1, 2003, and on and after September 1,
23 2004 a retailer may accept a Manufacturer's Purchase Credit
24 certification from a purchaser in satisfaction of Use Tax as
25 provided in Section 3-85 of the Use Tax Act if the purchaser
26 provides the appropriate documentation as required by Section
27 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit
28 certification, accepted by a retailer prior to October 1, 2003
29 and on and after September 1, 2004 as provided in Section 3-85
30 of the Use Tax Act, may be used by that retailer to satisfy
31 Retailers' Occupation Tax liability in the amount claimed in
32 the certification, not to exceed 6.25% of the receipts subject
33 to tax from a qualifying purchase. A Manufacturer's Purchase
34 Credit reported on any original or amended return filed under
35 this Act after October 20, 2003 for reporting periods prior to
36 September 1, 2004 shall be disallowed. Manufacturer's

1 Purchaser Credit reported on annual returns due on or after
2 January 1, 2005 will be disallowed for periods prior to
3 September 1, 2004. No Manufacturer's Purchase Credit may be
4 used after September 30, 2003 through August 31, 2004 to
5 satisfy any tax liability imposed under this Act, including any
6 audit liability.

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

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

28 Beginning on October 1, 2003, any person who is not a
29 licensed distributor, importing distributor, or manufacturer,
30 as defined in the Liquor Control Act of 1934, but is engaged in
31 the business of selling, at retail, alcoholic liquor shall file
32 a statement with the Department of Revenue, in a format and at
33 a time prescribed by the Department, showing the total amount
34 paid for alcoholic liquor purchased during the preceding month
35 and such other information as is reasonably required by the
36 Department. The Department may adopt rules to require that this

1 statement be filed in an electronic or telephonic format. Such
2 rules may provide for exceptions from the filing requirements
3 of this paragraph. For the purposes of this paragraph, the term
4 "alcoholic liquor" shall have the meaning prescribed in the
5 Liquor Control Act of 1934.

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

34 If a total amount of less than \$1 is payable, refundable or
35 creditable, such amount shall be disregarded if it is less than
36 50 cents and shall be increased to \$1 if it is 50 cents or more.

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" shall be the sum of
18 the 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 Any amount which is required to be shown or reported on any
6 return or other document under this Act shall, if such amount
7 is not a whole-dollar amount, be increased to the nearest
8 whole-dollar amount in any case where the fractional part of a
9 dollar is 50 cents or more, and decreased to the nearest
10 whole-dollar amount where the fractional part of a dollar is
11 less than 50 cents.

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

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

29 Such quarter annual and annual returns, as to form and
30 substance, shall be subject to the same requirements as monthly
31 returns.

32 Notwithstanding any other provision in this Act concerning
33 the time within which a retailer may file his return, in the
34 case of any retailer who ceases to engage in a kind of business
35 which makes him responsible for filing returns under this Act,
36 such retailer shall file a final return under this Act with the

1 Department not more than one month after discontinuing such
2 business.

3 Where the same person has more than one business registered
4 with the Department under separate registrations under this
5 Act, such person may not file each return that is due as a
6 single return covering all such registered businesses, but
7 shall file separate returns for each such registered business.

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

31 Any retailer who sells only motor vehicles, watercraft,
32 aircraft, or trailers that are required to be registered with
33 an agency of this State, so that all retailers' occupation tax
34 liability is required to be reported, and is reported, on such
35 transaction reporting returns and who is not otherwise required
36 to file monthly or quarterly returns, need not file monthly or

1 quarterly returns. However, those retailers shall be required
2 to file returns on an annual basis.

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

24 The transaction reporting return in the case of watercraft
25 or aircraft must show the name and address of the seller; the
26 name and address of the purchaser; the amount of the selling
27 price including the amount allowed by the retailer for
28 traded-in property, if any; the amount allowed by the retailer
29 for the traded-in tangible personal property, if any, to the
30 extent to which Section 1 of this Act allows an exemption for
31 the value of traded-in property; the balance payable after
32 deducting such trade-in allowance from the total selling price;
33 the amount of tax due from the retailer with respect to such
34 transaction; the amount of tax collected from the purchaser by
35 the retailer on such transaction (or satisfactory evidence that
36 such tax is not due in that particular instance, if that is

1 claimed to be the fact); the place and date of the sale, a
2 sufficient identification of the property sold, and such other
3 information as the Department may reasonably require.

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

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

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

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

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

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

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

35 Except as provided in this Section, the retailer filing the
36 return under this Section shall, at the time of filing such

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

14 Before October 1, 2000, if the taxpayer's average monthly
15 tax liability to the Department under this Act, the Use Tax
16 Act, the Service Occupation Tax Act, and the Service Use Tax
17 Act, excluding any liability for prepaid sales tax to be
18 remitted in accordance with Section 2d of this Act, was \$10,000
19 or more during the preceding 4 complete calendar quarters, he
20 shall file a return with the Department each month by the 20th
21 day of the month next following the month during which such tax
22 liability is incurred and shall make payments to the Department
23 on or before the 7th, 15th, 22nd and last day of the month
24 during which such liability is incurred. On and after October
25 1, 2000, if the taxpayer's average monthly tax liability to the
26 Department under this Act, the Use Tax Act, the Service
27 Occupation Tax Act, and the Service Use Tax Act, excluding any
28 liability for prepaid sales tax to be remitted in accordance
29 with Section 2d of this Act, was \$20,000 or more during the
30 preceding 4 complete calendar quarters, he shall file a return
31 with the Department each month by the 20th day of the month
32 next following the month during which such tax liability is
33 incurred and shall make payment to the Department on or before
34 the 7th, 15th, 22nd and last day of the month during which such
35 liability is incurred. If the month during which such tax
36 liability is incurred began prior to January 1, 1985, each

1 payment shall be in an amount equal to 1/4 of the taxpayer's
2 actual liability for the month or an amount set by the
3 Department not to exceed 1/4 of the average monthly liability
4 of the taxpayer to the Department for the preceding 4 complete
5 calendar quarters (excluding the month of highest liability and
6 the month of lowest liability in such 4 quarter period). If the
7 month during which such tax liability is incurred begins on or
8 after January 1, 1985 and prior to January 1, 1987, each
9 payment shall be in an amount equal to 22.5% of the taxpayer's
10 actual liability for the month or 27.5% of the taxpayer's
11 liability for the same calendar month of the preceding year. If
12 the month during which such tax liability is incurred begins on
13 or after January 1, 1987 and prior to January 1, 1988, each
14 payment shall be in an amount equal to 22.5% of the taxpayer's
15 actual liability for the month or 26.25% of the taxpayer's
16 liability for the same calendar month of the preceding year. If
17 the month during which such tax liability is incurred begins on
18 or after January 1, 1988, and prior to January 1, 1989, or
19 begins on or after January 1, 1996, each payment shall be in an
20 amount equal to 22.5% of the taxpayer's actual liability for
21 the month or 25% of the taxpayer's liability for the same
22 calendar month of the preceding year. If the month during which
23 such tax liability is incurred begins on or after January 1,
24 1989, and prior to January 1, 1996, each payment shall be in an
25 amount equal to 22.5% of the taxpayer's actual liability for
26 the month or 25% of the taxpayer's liability for the same
27 calendar month of the preceding year or 100% of the taxpayer's
28 actual liability for the quarter monthly reporting period. The
29 amount of such quarter monthly payments shall be credited
30 against the final tax liability of the taxpayer's return for
31 that month. Before October 1, 2000, once applicable, the
32 requirement of the making of quarter monthly payments to the
33 Department by taxpayers having an average monthly tax liability
34 of \$10,000 or more as determined in the manner provided above
35 shall continue until such taxpayer's average monthly liability
36 to the Department during the preceding 4 complete calendar

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

1 payments for that month to the Department in excess of the
2 minimum payments previously due as provided in this Section.
3 The Department shall make reasonable rules and regulations to
4 govern the quarter monthly payment amount and quarter monthly
5 payment dates for taxpayers who file on other than a calendar
6 monthly basis.

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

1 calendar quarters is \$25,000 or less. If any such quarter
2 monthly payment is not paid at the time or in the amount
3 required, the taxpayer shall be liable for penalties and
4 interest on such difference, except insofar as the taxpayer has
5 previously made payments for that month in excess of the
6 minimum payments previously due.

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

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

23 If a retailer of motor fuel is entitled to a credit under
24 Section 2d of this Act which exceeds the taxpayer's liability
25 to the Department under this Act for the month which the
26 taxpayer is filing a return, the Department shall issue the
27 taxpayer a credit memorandum for the excess.

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

1 materials, syringes and needles used by diabetics.

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

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

11 Beginning July 1, 2006, each month the Department shall pay
12 into the County and Mass Transit District Fund 20% of the net
13 revenue realized for the preceding month from the rate of \$0.10
14 per gallon on motor fuel and gasohol.

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

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

23 Beginning July 1, 2006, each month the Department shall pay
24 into the Local Government Tax Fund 80% of the net revenue
25 realized for the preceding month from the rate of \$0.10 per
26 gallon on motor fuel and gasohol.

27 Of the remainder of the moneys received by the Department
28 pursuant to this Act, (a) 1.75% thereof shall be paid into the
29 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
30 and after July 1, 1989, 3.8% thereof shall be paid into the
31 Build Illinois Fund; provided, however, that if in any fiscal
32 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
33 may be, of the moneys received by the Department and required
34 to be paid into the Build Illinois Fund pursuant to this Act,
35 Section 9 of the Use Tax Act, Section 9 of the Service Use Tax
36 Act, and Section 9 of the Service Occupation Tax Act, such Acts

1 being hereinafter called the "Tax Acts" and such aggregate of
 2 2.2% or 3.8%, as the case may be, of moneys being hereinafter
 3 called the "Tax Act Amount", and (2) the amount transferred to
 4 the Build Illinois Fund from the State and Local Sales Tax
 5 Reform Fund shall be less than the Annual Specified Amount (as
 6 hereinafter defined), an amount equal to the difference shall
 7 be immediately paid into the Build Illinois Fund from other
 8 moneys received by the Department pursuant to the Tax Acts; the
 9 "Annual Specified Amount" means the amounts specified below for
 10 fiscal years 1986 through 1993:

11	Fiscal Year	Annual Specified Amount
12	1986	\$54,800,000
13	1987	\$76,650,000
14	1988	\$80,480,000
15	1989	\$88,510,000
16	1990	\$115,330,000
17	1991	\$145,470,000
18	1992	\$182,730,000
19	1993	\$206,520,000;

20 and means the Certified Annual Debt Service Requirement (as
 21 defined in Section 13 of the Build Illinois Bond Act) or the
 22 Tax Act Amount, whichever is greater, for fiscal year 1994 and
 23 each fiscal year thereafter; and further provided, that if on
 24 the last business day of any month the sum of (1) the Tax Act
 25 Amount required to be deposited into the Build Illinois Bond
 26 Account in the Build Illinois Fund during such month and (2)
 27 the amount transferred to the Build Illinois Fund from the
 28 State and Local Sales Tax Reform Fund shall have been less than
 29 1/12 of the Annual Specified Amount, an amount equal to the
 30 difference shall be immediately paid into the Build Illinois
 31 Fund from other moneys received by the Department pursuant to
 32 the Tax Acts; and, further provided, that in no event shall the
 33 payments required under the preceding proviso result in
 34 aggregate payments into the Build Illinois Fund pursuant to
 35 this clause (b) for any fiscal year in excess of the greater of
 36 (i) the Tax Act Amount or (ii) the Annual Specified Amount for

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

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

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

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

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

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

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

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

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

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

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

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

1 helpful in determining the accuracy of the monthly, quarterly
2 or annual returns filed by such retailer as provided for in
3 this Section.

4 If the annual information return required by this Section
5 is not filed when and as required, the taxpayer shall be liable
6 as follows:

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

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

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

25 The provisions of this Section concerning the filing of an
26 annual information return do not apply to a retailer who is not
27 required to file an income tax return with the United States
28 Government.

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

36 Net revenue realized for a month shall be the revenue

1 collected by the State pursuant to this Act, less the amount
2 paid out during that month as refunds to taxpayers for
3 overpayment of liability.

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

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

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

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

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

17 Section 99. Effective date. This Act takes effect upon
18 becoming law.