



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

SB2080

Introduced 2/25/2005, by Sen. Chris Lauzen

SYNOPSIS AS INTRODUCED:

20 ILCS 2505/2505-455 new	
35 ILCS 105/9	from Ch. 120, par. 439.9
35 ILCS 120/3	from Ch. 120, par. 442
35 ILCS 630/2	from Ch. 120, par. 2002
35 ILCS 630/3	from Ch. 120, par. 2003
35 ILCS 630/4	from Ch. 120, par. 2004

Amends the Department of Revenue Law of the Civil Administrative Code of Illinois. Requires the Department of Revenue to develop and implement a program to strengthen its collection of amounts due to the State under the Use Tax Act and the Retailers' Occupation Tax Act that are due to the State from sales of tangible personal property conducted over the Internet. Requires the Department to submit a report concerning the status of this program to the General Assembly and the Governor no later than January 1, 2006. Amends the Use Tax Act and the Retailers' Occupation Tax Act. Provides that 80% of the revenue received from retail sales conducted over the Internet must be deposited into the Common School Fund, and sets forth requirements for the deposit and use of the moneys. Amends the Telecommunications Excise Tax Act. Provides that, beginning July 1, 2005, digital subscriber line services are not considered telecommunications that are subject to the Act. Defines "digital subscriber line services". Effective immediately.

LRB094 11428 BDD 42338 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

1 AN ACT concerning the Internet.

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

4 Section 5. The Department of Revenue Law of the Civil
5 Administrative Code of Illinois is amended by adding Section
6 2505-455 as follows:

7 (20 ILCS 2505/2505-455 new)

8 Sec. 2505-455. Tax collection on Internet sales.

9 (a) The Department must develop and implement a program to
10 strengthen its collection of amounts due to the State under the
11 Use Tax Act and the Retailers' Occupation Tax Act from sales of
12 tangible personal property conducted over the Internet. This
13 program shall contain specific measures to correct the current
14 lack of enforcement of the Use Tax Act and the Retailers'
15 Occupation Tax Act as they now apply to Internet transactions.
16 This program shall not increase the tax rates or change the
17 definitions of properties that are subject to the Use Tax Act
18 and the Retailers' Occupation Tax Act.

19 (b) The Department must submit a report concerning the
20 status of this program to the General Assembly and the Governor
21 no later than January 1, 2006.

22 Section 10. The Use Tax Act is amended by changing Section
23 9 as follows:

24 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

25 Sec. 9. Except as to motor vehicles, watercraft, aircraft,
26 and trailers that are required to be registered with an agency
27 of this State, each retailer required or authorized to collect
28 the tax imposed by this Act shall pay to the Department the
29 amount of such tax (except as otherwise provided) at the time
30 when he is required to file his return for the period during

1 which such tax was collected, less a discount of 2.1% prior to
2 January 1, 1990, and 1.75% on and after January 1, 1990, or \$5
3 per calendar year, whichever is greater, which is allowed to
4 reimburse the retailer for expenses incurred in collecting the
5 tax, keeping records, preparing and filing returns, remitting
6 the tax and supplying data to the Department on request. In the
7 case of retailers who report and pay the tax on a transaction
8 by transaction basis, as provided in this Section, such
9 discount shall be taken with each such tax remittance instead
10 of when such retailer files his periodic return. A retailer
11 need not remit that part of any tax collected by him to the
12 extent that he is required to remit and does remit the tax
13 imposed by the Retailers' Occupation Tax Act, with respect to
14 the sale of the same property.

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

25 Except as provided in this Section, on or before the
26 twentieth day of each calendar month, such retailer shall file
27 a return for the preceding calendar month. Such return shall be
28 filed on forms prescribed by the Department and shall furnish
29 such information as the Department may reasonably require.

30 The Department may require returns to be filed on a
31 quarterly basis. If so required, a return for each calendar
32 quarter shall be filed on or before the twentieth day of the
33 calendar month following the end of such calendar quarter. The
34 taxpayer shall also file a return with the Department for each
35 of the first two months of each calendar quarter, on or before
36 the twentieth day of the following calendar month, stating:

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

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

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

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

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

14 Any taxpayer not required to make payments by electronic
15 funds transfer may make payments by electronic funds transfer
16 with the permission of the Department.

17 All taxpayers required to make payment by electronic funds
18 transfer and any taxpayers authorized to voluntarily make
19 payments by electronic funds transfer shall make those payments
20 in the manner authorized by the Department.

21 The Department shall adopt such rules as are necessary to
22 effectuate a program of electronic funds transfer and the
23 requirements of this Section.

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

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

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

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

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

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

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

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

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

28 In addition, with respect to motor vehicles, watercraft,
29 aircraft, and trailers that are required to be registered with
30 an agency of this State, every retailer selling this kind of
31 tangible personal property shall file, with the Department,
32 upon a form to be prescribed and supplied by the Department, a
33 separate return for each such item of tangible personal
34 property which the retailer sells, except that if, in the same
35 transaction, (i) a retailer of aircraft, watercraft, motor
36 vehicles or trailers transfers more than one aircraft,

1 watercraft, motor vehicle or trailer to another aircraft,
2 watercraft, motor vehicle or trailer retailer for the purpose
3 of resale or (ii) a retailer of aircraft, watercraft, motor
4 vehicles, or trailers transfers more than one aircraft,
5 watercraft, motor vehicle, or trailer to a purchaser for use as
6 a qualifying rolling stock as provided in Section 3-55 of this
7 Act, then that seller may report the transfer of all the
8 aircraft, watercraft, motor vehicles or trailers involved in
9 that transaction to the Department on the same uniform
10 invoice-transaction reporting return form. For purposes of
11 this Section, "watercraft" means a Class 2, Class 3, or Class 4
12 watercraft as defined in Section 3-2 of the Boat Registration
13 and Safety Act, a personal watercraft, or any boat equipped
14 with an inboard motor.

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

36 The transaction reporting return in the case of watercraft

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

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

28 With each such transaction reporting return, the retailer
29 shall remit the proper amount of tax due (or shall submit
30 satisfactory evidence that the sale is not taxable if that is
31 the case), to the Department or its agents, whereupon the
32 Department shall issue, in the purchaser's name, a tax receipt
33 (or a certificate of exemption if the Department is satisfied
34 that the particular sale is tax exempt) which such purchaser
35 may submit to the agency with which, or State officer with
36 whom, he must title or register the tangible personal property

1 that is involved (if titling or registration is required) in
2 support of such purchaser's application for an Illinois
3 certificate or other evidence of title or registration to such
4 tangible personal property.

5 No retailer's failure or refusal to remit tax under this
6 Act precludes a user, who has paid the proper tax to the
7 retailer, from obtaining his certificate of title or other
8 evidence of title or registration (if titling or registration
9 is required) upon satisfying the Department that such user has
10 paid the proper tax (if tax is due) to the retailer. The
11 Department shall adopt appropriate rules to carry out the
12 mandate of this paragraph.

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

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

1 his return for the period in which he refunds such tax to the
2 purchaser, the retailer may deduct the amount of the tax so
3 refunded by him to the purchaser from any other use tax which
4 such retailer may be required to pay or remit to the
5 Department, as shown by such return, if the amount of the tax
6 to be deducted was previously remitted to the Department by
7 such retailer. If the retailer has not previously remitted the
8 amount of such tax to the Department, he is entitled to no
9 deduction under this Act upon refunding such tax to the
10 purchaser.

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

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

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

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

1 consumption) and prescription and nonprescription medicines,
2 drugs, medical appliances and insulin, urine testing
3 materials, syringes and needles used by diabetics.

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

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

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

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

30 Beginning on August 1, 2005, each month the Department
31 shall pay into the Common School Fund 80% of the revenue
32 realized for the preceding month from the 6.25% general rate
33 from transactions of tangible personal property purchased at
34 retail at a sale conducted over the Internet, which: (i) must
35 be used to increase the foundation level under Section 18-8.05
36 of the School Code; and (ii) must be identified as a separate

1 funding source for education, in order to ensure that these
2 moneys are an addition to the annual appropriation and not a
3 substitute for other established funding sources.

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

1 Specified Amount for such fiscal year; and, further provided,
2 that the amounts payable into the Build Illinois Fund under
3 this clause (b) shall be payable only until such time as the
4 aggregate amount on deposit under each trust indenture securing
5 Bonds issued and outstanding pursuant to the Build Illinois
6 Bond Act is sufficient, taking into account any future
7 investment income, to fully provide, in accordance with such
8 indenture, for the defeasance of or the payment of the
9 principal of, premium, if any, and interest on the Bonds
10 secured by such indenture and on any Bonds expected to be
11 issued thereafter and all fees and costs payable with respect
12 thereto, all as certified by the Director of the Bureau of the
13 Budget (now Governor's Office of Management and Budget). If on
14 the last business day of any month in which Bonds are
15 outstanding pursuant to the Build Illinois Bond Act, the
16 aggregate of the moneys deposited in the Build Illinois Bond
17 Account in the Build Illinois Fund in such month shall be less
18 than the amount required to be transferred in such month from
19 the Build Illinois Bond Account to the Build Illinois Bond
20 Retirement and Interest Fund pursuant to Section 13 of the
21 Build Illinois Bond Act, an amount equal to such deficiency
22 shall be immediately paid from other moneys received by the
23 Department pursuant to the Tax Acts to the Build Illinois Fund;
24 provided, however, that any amounts paid to the Build Illinois
25 Fund in any fiscal year pursuant to this sentence shall be
26 deemed to constitute payments pursuant to clause (b) of the
27 preceding sentence and shall reduce the amount otherwise
28 payable for such fiscal year pursuant to clause (b) of the
29 preceding sentence. The moneys received by the Department
30 pursuant to this Act and required to be deposited into the
31 Build Illinois Fund are subject to the pledge, claim and charge
32 set forth in Section 12 of the Build Illinois Bond 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 the 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 Community
10 ~~Affairs~~ Law of the 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 As soon as possible after the first day of each month, upon
18 certification of the Department of Revenue, the Comptroller
19 shall order transferred and the Treasurer shall transfer from
20 the General Revenue Fund to the Motor Fuel Tax Fund an amount
21 equal to 1.7% of 80% of the net revenue realized under this Act
22 for the second preceding month. Beginning April 1, 2000, this
23 transfer is no longer required and shall not be made.

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

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

35 (Source: P.A. 91-37, eff. 7-1-99; 91-51, eff. 6-30-99; 91-101,
36 eff. 7-12-99; 91-541, eff. 8-13-99; 91-872, eff. 7-1-00;

1 91-901, eff. 1-1-01; 92-12, eff. 7-1-01; 92-16, eff. 6-28-01;
2 92-208, eff. 8-2-01; 92-492, eff. 1-1-02; 92-600, eff. 6-28-02;
3 92-651, eff. 7-11-02; revised 10-15-03.)

4 Section 15. The Retailers' Occupation Tax Act is amended by
5 changing Section 3 as follows:

6 (35 ILCS 120/3) (from Ch. 120, par. 442)

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

12 1. The name of the seller;

13 2. His residence address and the address of his
14 principal place of business and the address of the
15 principal place of business (if that is a different
16 address) from which he engages in the business of selling
17 tangible personal property at retail in this State;

18 3. Total amount of receipts received by him during the
19 preceding calendar month or quarter, as the case may be,
20 from sales of tangible personal property, and from services
21 furnished, by him during such preceding calendar month or
22 quarter;

23 4. Total amount received by him during the preceding
24 calendar month or quarter on charge and time sales of
25 tangible personal property, and from services furnished,
26 by him prior to the month or quarter for which the return
27 is filed;

28 5. Deductions allowed by law;

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

32 7. The amount of credit provided in Section 2d of this
33 Act;

34 8. The amount of tax due;

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

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

8 Each return shall be accompanied by the statement of
9 prepaid tax issued pursuant to Section 2e for which credit is
10 claimed.

11 Prior to October 1, 2003, and on and after September 1,
12 2004 a retailer may accept a Manufacturer's Purchase Credit
13 certification from a purchaser in satisfaction of Use Tax as
14 provided in Section 3-85 of the Use Tax Act if the purchaser
15 provides the appropriate documentation as required by Section
16 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit
17 certification, accepted by a retailer prior to October 1, 2003
18 and on and after September 1, 2004 as provided in Section 3-85
19 of the Use Tax Act, may be used by that retailer to satisfy
20 Retailers' Occupation Tax liability in the amount claimed in
21 the certification, not to exceed 6.25% of the receipts subject
22 to tax from a qualifying purchase. A Manufacturer's Purchase
23 Credit reported on any original or amended return filed under
24 this Act after October 20, 2003 for reporting periods prior to
25 September 1, 2004 shall be disallowed. Manufacturer's
26 Purchaser Credit reported on annual returns due on or after
27 January 1, 2005 will be disallowed for periods prior to
28 September 1, 2004. No Manufacturer's Purchase Credit may be
29 used after September 30, 2003 through August 31, 2004 to
30 satisfy any tax liability imposed under this Act, including any
31 audit liability.

32 The Department may require returns to be filed on a
33 quarterly basis. If so required, a return for each calendar
34 quarter shall be filed on or before the twentieth day of the
35 calendar month following the end of such calendar quarter. The
36 taxpayer shall also file a return with the Department for each

1 of the first two months of each calendar quarter, on or before
2 the twentieth day of the following calendar month, stating:

3 1. The name of the seller;

4 2. The address of the principal place of business from
5 which he engages in the business of selling tangible
6 personal property at retail in this State;

7 3. The total amount of taxable receipts received by him
8 during the preceding calendar month from sales of tangible
9 personal property by him during such preceding calendar
10 month, including receipts from charge and time sales, but
11 less all deductions allowed by law;

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

14 5. The amount of tax due; and

15 6. Such other reasonable information as the Department
16 may require.

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

31 Beginning on October 1, 2003, every distributor, importing
32 distributor, and manufacturer of alcoholic liquor as defined in
33 the Liquor Control Act of 1934, shall file a statement with the
34 Department of Revenue, no later than the 10th day of the month
35 for the preceding month during which transactions occurred, by
36 electronic means, showing the total amount of gross receipts

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

23 If a total amount of less than \$1 is payable, refundable or
24 creditable, such amount shall be disregarded if it is less than
25 50 cents and shall be increased to \$1 if it is 50 cents or more.

26 Beginning October 1, 1993, a taxpayer who has an average
27 monthly tax liability of \$150,000 or more shall make all
28 payments required by rules of the Department by electronic
29 funds transfer. Beginning October 1, 1994, a taxpayer who has
30 an average monthly tax liability of \$100,000 or more shall make
31 all payments required by rules of the Department by electronic
32 funds transfer. Beginning October 1, 1995, a taxpayer who has
33 an average monthly tax liability of \$50,000 or more shall make
34 all payments required by rules of the Department by electronic
35 funds transfer. Beginning October 1, 2000, a taxpayer who has
36 an annual tax liability of \$200,000 or more shall make all

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

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

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

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

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

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

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

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

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

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

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

33 In addition, with respect to motor vehicles, watercraft,
34 aircraft, and trailers that are required to be registered with
35 an agency of this State, every retailer selling this kind of
36 tangible personal property shall file, with the Department,

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

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

28 The transaction reporting return, in the case of motor
29 vehicles or trailers that are required to be registered with an
30 agency of this State, shall be the same document as the Uniform
31 Invoice referred to in Section 5-402 of The Illinois Vehicle
32 Code and must show the name and address of the seller; the name
33 and address of the purchaser; the amount of the selling price
34 including the amount allowed by the retailer for traded-in
35 property, if any; the amount allowed by the retailer for the
36 traded-in tangible personal property, if any, to the extent to

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

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

29 Such transaction reporting return shall be filed not later
30 than 20 days after the day of delivery of the item that is
31 being sold, but may be filed by the retailer at any time sooner
32 than that if he chooses to do so. The transaction reporting
33 return and tax remittance or proof of exemption from the
34 Illinois use tax may be transmitted to the Department by way of
35 the State agency with which, or State officer with whom the
36 tangible personal property must be titled or registered (if

1 titling or registration is required) if the Department and such
2 agency or State officer determine that this procedure will
3 expedite the processing of applications for title or
4 registration.

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

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

26 If the user who would otherwise pay tax to the retailer
27 wants the transaction reporting return filed and the payment of
28 the tax or proof of exemption made to the Department before the
29 retailer is willing to take these actions and such user has not
30 paid the tax to the retailer, such user may certify to the fact
31 of such delay by the retailer and may (upon the Department
32 being satisfied of the truth of such certification) transmit
33 the information required by the transaction reporting return
34 and the remittance for tax or proof of exemption directly to
35 the Department and obtain his tax receipt or exemption
36 determination, in which event the transaction reporting return

1 and tax remittance (if a tax payment was required) shall be
2 credited by the Department to the proper retailer's account
3 with the Department, but without the 2.1% or 1.75% discount
4 provided for in this Section being allowed. When the user pays
5 the tax directly to the Department, he shall pay the tax in the
6 same amount and in the same form in which it would be remitted
7 if the tax had been remitted to the Department by the retailer.

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

16 Where the seller is a corporation, the return filed on
17 behalf of such corporation shall be signed by the president,
18 vice-president, secretary or treasurer or by the properly
19 accredited agent of such corporation.

20 Where the seller is a limited liability company, the return
21 filed on behalf of the limited liability company shall be
22 signed by a manager, member, or properly accredited agent of
23 the limited liability company.

24 Except as provided in this Section, the retailer filing the
25 return under this Section shall, at the time of filing such
26 return, pay to the Department the amount of tax imposed by this
27 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%
28 on and after January 1, 1990, or \$5 per calendar year,
29 whichever is greater, which is allowed to reimburse the
30 retailer for the expenses incurred in keeping records,
31 preparing and filing returns, remitting the tax and supplying
32 data to the Department on request. Any prepayment made pursuant
33 to Section 2d of this Act shall be included in the amount on
34 which such 2.1% or 1.75% discount is computed. In the case of
35 retailers who report and pay the tax on a transaction by
36 transaction basis, as provided in this Section, such discount

1 shall be taken with each such tax remittance instead of when
2 such retailer files his periodic return.

3 Before October 1, 2000, if the taxpayer's average monthly
4 tax liability to the Department under this Act, the Use Tax
5 Act, the Service Occupation Tax Act, and the Service Use Tax
6 Act, excluding any liability for prepaid sales tax to be
7 remitted in accordance with Section 2d of this Act, was \$10,000
8 or more during the preceding 4 complete calendar quarters, he
9 shall file a return with the Department each month by the 20th
10 day of the month next following the month during which such tax
11 liability is incurred and shall make payments to the Department
12 on or before the 7th, 15th, 22nd and last day of the month
13 during which such liability is incurred. On and after October
14 1, 2000, if the taxpayer's average monthly tax liability to the
15 Department under this Act, the Use Tax Act, the Service
16 Occupation Tax Act, and the Service Use Tax Act, excluding any
17 liability for prepaid sales tax to be remitted in accordance
18 with Section 2d of this Act, was \$20,000 or more during the
19 preceding 4 complete calendar quarters, he shall file a return
20 with the Department each month by the 20th day of the month
21 next following the month during which such tax liability is
22 incurred and shall make payment to the Department on or before
23 the 7th, 15th, 22nd and last day of the month during which such
24 liability is incurred. If the month during which such tax
25 liability is incurred began prior to January 1, 1985, each
26 payment shall be in an amount equal to 1/4 of the taxpayer's
27 actual liability for the month or an amount set by the
28 Department not to exceed 1/4 of the average monthly liability
29 of the taxpayer to the Department for the preceding 4 complete
30 calendar quarters (excluding the month of highest liability and
31 the month of lowest liability in such 4 quarter period). If the
32 month during which such tax liability is incurred begins on or
33 after January 1, 1985 and prior to January 1, 1987, each
34 payment shall be in an amount equal to 22.5% of the taxpayer's
35 actual liability for the month or 27.5% of the taxpayer's
36 liability for the same calendar month of the preceding year. If

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

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

32 The provisions of this paragraph apply before October 1,
33 2001. Without regard to whether a taxpayer is required to make
34 quarter monthly payments as specified above, any taxpayer who
35 is required by Section 2d of this Act to collect and remit
36 prepaid taxes and has collected prepaid taxes which average in

1 excess of \$25,000 per month during the preceding 2 complete
2 calendar quarters, shall file a return with the Department as
3 required by Section 2f and shall make payments to the
4 Department on or before the 7th, 15th, 22nd and last day of the
5 month during which such liability is incurred. If the month
6 during which such tax liability is incurred began prior to the
7 effective date of this amendatory Act of 1985, each payment
8 shall be in an amount not less than 22.5% of the taxpayer's
9 actual liability under Section 2d. If the month during which
10 such tax liability is incurred begins on or after January 1,
11 1986, each payment shall be in an amount equal to 22.5% of the
12 taxpayer's actual liability for the month or 27.5% of the
13 taxpayer's liability for the same calendar month of the
14 preceding calendar year. If the month during which such tax
15 liability is incurred begins on or after January 1, 1987, each
16 payment shall be in an amount equal to 22.5% of the taxpayer's
17 actual liability for the month or 26.25% of the taxpayer's
18 liability for the same calendar month of the preceding year.
19 The amount of such quarter monthly payments shall be credited
20 against the final tax liability of the taxpayer's return for
21 that month filed under this Section or Section 2f, as the case
22 may be. Once applicable, the requirement of the making of
23 quarter monthly payments to the Department pursuant to this
24 paragraph shall continue until such taxpayer's average monthly
25 prepaid tax collections during the preceding 2 complete
26 calendar quarters is \$25,000 or less. If any such quarter
27 monthly payment is not paid at the time or in the amount
28 required, the taxpayer shall be liable for penalties and
29 interest on such difference, except insofar as the taxpayer has
30 previously made payments for that month in excess of the
31 minimum payments previously due.

32 The provisions of this paragraph apply on and after October
33 1, 2001. Without regard to whether a taxpayer is required to
34 make quarter monthly payments as specified above, any taxpayer
35 who is required by Section 2d of this Act to collect and remit
36 prepaid taxes and has collected prepaid taxes that average in

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

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

1 taxpayer may credit such excess payment against tax liability
2 subsequently to be remitted to the Department under this Act,
3 the Use Tax Act, the Service Occupation Tax Act or the Service
4 Use Tax Act, in accordance with reasonable rules and
5 regulations prescribed by the Department. If the Department
6 subsequently determined that all or any part of the credit
7 taken was not actually due to the taxpayer, the taxpayer's 2.1%
8 and 1.75% vendor's discount shall be reduced by 2.1% or 1.75%
9 of the difference between the credit taken and that actually
10 due, and that taxpayer shall be liable for penalties and
11 interest on such difference.

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

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

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

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

36 Beginning January 1, 1990, each month the Department shall

1 pay into the Local Government Tax Fund 16% of the net revenue
2 realized for the preceding month from the 6.25% general rate on
3 the selling price of tangible personal property.

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

8 Beginning on August 1, 2005, each month the Department
9 shall pay into the Common School Fund 80% of the revenue
10 realized for the preceding month from the 6.25% general rate
11 from transactions of tangible personal property purchased at
12 retail at a sale conducted over the Internet, which: (i) must
13 be used to increase the foundation level under Section 18-8.05
14 of the School Code; and (ii) must be identified as a separate
15 funding source for education, in order to ensure that these
16 moneys are an addition to the annual appropriation and not a
17 substitute for other established funding sources.

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 this Act,
26 Section 9 of the Use Tax Act, Section 9 of the Service Use Tax
27 Act, and Section 9 of the Service Occupation Tax Act, such Acts
28 being hereinafter called the "Tax Acts" and such aggregate of
29 2.2% or 3.8%, as the case may be, of moneys being hereinafter
30 called the "Tax Act Amount", and (2) the amount transferred to
31 the Build Illinois Fund from the State and Local Sales Tax
32 Reform Fund shall be less than the Annual Specified Amount (as
33 hereinafter defined), an amount equal to the difference shall
34 be immediately paid into the Build Illinois Fund from other
35 moneys received by the Department pursuant to the Tax Acts; the
36 "Annual Specified Amount" means the amounts specified below for

1 fiscal years 1986 through 1993:

2	Fiscal Year	Annual Specified Amount
3	1986	\$54,800,000
4	1987	\$76,650,000
5	1988	\$80,480,000
6	1989	\$88,510,000
7	1990	\$115,330,000
8	1991	\$145,470,000
9	1992	\$182,730,000
10	1993	\$206,520,000;

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

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

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

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

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

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

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

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

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

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

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

32 If the annual information return required by this Section
33 is not filed when and as required, the taxpayer shall be liable
34 as follows:

35 (i) Until January 1, 1994, the taxpayer shall be liable
36 for a penalty equal to 1/6 of 1% of the tax due from such

1 taxpayer under this Act during the period to be covered by
2 the annual return for each month or fraction of a month
3 until such return is filed as required, the penalty to be
4 assessed and collected in the same manner as any other
5 penalty provided for in this Act.

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

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

17 The provisions of this Section concerning the filing of an
18 annual information return do not apply to a retailer who is not
19 required to file an income tax return with the United States
20 Government.

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

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

32 For greater simplicity of administration, manufacturers,
33 importers and wholesalers whose products are sold at retail in
34 Illinois by numerous retailers, and who wish to do so, may
35 assume the responsibility for accounting and paying to the
36 Department all tax accruing under this Act with respect to such

1 sales, if the retailers who are affected do not make written
2 objection to the Department to this arrangement.

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

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

1 this requirement. In the absence of notification by the
2 Department, the concessionaires and other sellers shall file
3 their returns as otherwise required in this Section.

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

9 Section 20. The Telecommunications Excise Tax Act is
10 amended by changing Sections 2, 3, and 4 as follows:

11 (35 ILCS 630/2) (from Ch. 120, par. 2002)

12 Sec. 2. As used in this Article, unless the context clearly
13 requires otherwise:

14 (a) "Gross charge" means the amount paid for the act or
15 privilege of originating or receiving telecommunications in
16 this State and for all services and equipment provided in
17 connection therewith by a retailer, valued in money whether
18 paid in money or otherwise, including cash, credits, services
19 and property of every kind or nature, and shall be determined
20 without any deduction on account of the cost of such
21 telecommunications, the cost of materials used, labor or
22 service costs or any other expense whatsoever. In case credit
23 is extended, the amount thereof shall be included only as and
24 when paid. "Gross charges" for private line service shall
25 include charges imposed at each channel termination point
26 within this State, charges for the channel mileage between each
27 channel termination point within this State, and charges for
28 that portion of the interstate inter-office channel provided
29 within Illinois. Charges for that portion of the interstate
30 inter-office channel provided in Illinois shall be determined
31 by the retailer as follows: (i) for interstate inter-office
32 channels having 2 channel termination points, only one of which
33 is in Illinois, 50% of the total charge imposed; or (ii) for
34 interstate inter-office channels having more than 2 channel

1 termination points, one or more of which are in Illinois, an
2 amount equal to the total charge multiplied by a fraction, the
3 numerator of which is the number of channel termination points
4 within Illinois and the denominator of which is the total
5 number of channel termination points. Prior to January 1, 2004,
6 any method consistent with this paragraph or other method that
7 reasonably apportions the total charges for interstate
8 inter-office channels among the states in which channel
9 terminations points are located shall be accepted as a
10 reasonable method to determine the charges for that portion of
11 the interstate inter-office channel provided within Illinois
12 for that period. However, "gross charges" shall not include any
13 of the following:

14 (1) Any amounts added to a purchaser's bill because of
15 a charge made pursuant to (i) the tax imposed by this
16 Article; (ii) charges added to customers' bills pursuant to
17 the provisions of Sections 9-221 or 9-222 of the Public
18 Utilities Act, as amended, or any similar charges added to
19 customers' bills by retailers who are not subject to rate
20 regulation by the Illinois Commerce Commission for the
21 purpose of recovering any of the tax liabilities or other
22 amounts specified in such provisions of such Act; (iii) the
23 tax imposed by Section 4251 of the Internal Revenue Code;
24 (iv) 911 surcharges; or (v) the tax imposed by the
25 Simplified Municipal Telecommunications Tax Act.

26 (2) Charges for a sent collect telecommunication
27 received outside of the State.

28 (3) Charges for leased time on equipment or charges for
29 the storage of data or information for subsequent retrieval
30 or the processing of data or information intended to change
31 its form or content. Such equipment includes, but is not
32 limited to, the use of calculators, computers, data
33 processing equipment, tabulating equipment or accounting
34 equipment and also includes the usage of computers under a
35 time-sharing agreement.

36 (4) Charges for customer equipment, including such

1 equipment that is leased or rented by the customer from any
2 source, wherein such charges are disaggregated and
3 separately identified from other charges.

4 (5) Charges to business enterprises certified under
5 Section 9-222.1 of the Public Utilities Act, as amended, to
6 the extent of such exemption and during the period of time
7 specified by the Department of Commerce and Economic
8 Opportunity ~~Community Affairs~~.

9 (6) Charges for telecommunications and all services
10 and equipment provided in connection therewith between a
11 parent corporation and its wholly owned subsidiaries or
12 between wholly owned subsidiaries when the tax imposed
13 under this Article has already been paid to a retailer and
14 only to the extent that the charges between the parent
15 corporation and wholly owned subsidiaries or between
16 wholly owned subsidiaries represent expense allocation
17 between the corporations and not the generation of profit
18 for the corporation rendering such service.

19 (7) Bad debts. Bad debt means any portion of a debt
20 that is related to a sale at retail for which gross charges
21 are not otherwise deductible or excludable that has become
22 worthless or uncollectable, as determined under applicable
23 federal income tax standards. If the portion of the debt
24 deemed to be bad is subsequently paid, the retailer shall
25 report and pay the tax on that portion during the reporting
26 period in which the payment is made.

27 (8) Charges paid by inserting coins in coin-operated
28 telecommunication devices.

29 (9) Amounts paid by telecommunications retailers under
30 the Telecommunications Municipal Infrastructure
31 Maintenance Fee Act.

32 (10) Charges for nontaxable services or
33 telecommunications if (i) those charges are aggregated
34 with other charges for telecommunications that are
35 taxable, (ii) those charges are not separately stated on
36 the customer bill or invoice, and (iii) the retailer can

1 reasonably identify the nontaxable charges on the
2 retailer's books and records kept in the regular course of
3 business. If the nontaxable charges cannot reasonably be
4 identified, the gross charge from the sale of both taxable
5 and nontaxable services or telecommunications billed on a
6 combined basis shall be attributed to the taxable services
7 or telecommunications. The burden of proving nontaxable
8 charges shall be on the retailer of the telecommunications.

9 (b) "Amount paid" means the amount charged to the
10 taxpayer's service address in this State regardless of where
11 such amount is billed or paid.

12 (c) "Telecommunications", in addition to the meaning
13 ordinarily and popularly ascribed to it, includes, without
14 limitation, messages or information transmitted through use of
15 local, toll and wide area telephone service; private line
16 services; channel services; telegraph services;
17 teletypewriter; computer exchange services; cellular mobile
18 telecommunications service; specialized mobile radio;
19 stationary two way radio; paging service; or any other form of
20 mobile and portable one-way or two-way communications; or any
21 other transmission of messages or information by electronic or
22 similar means, between or among points by wire, cable,
23 fiber-optics, laser, microwave, radio, satellite or similar
24 facilities. As used in this Act, "private line" means a
25 dedicated non-traffic sensitive service for a single customer,
26 that entitles the customer to exclusive or priority use of a
27 communications channel or group of channels, from one or more
28 specified locations to one or more other specified locations.
29 The definition of "telecommunications" shall not include value
30 added services in which computer processing applications are
31 used to act on the form, content, code and protocol of the
32 information for purposes other than transmission.
33 "Telecommunications" shall not include purchases of
34 telecommunications by a telecommunications service provider
35 for use as a component part of the service provided by him to
36 the ultimate retail consumer who originates or terminates the

1 taxable end-to-end communications. Carrier access charges,
2 right of access charges, charges for use of inter-company
3 facilities, and all telecommunications resold in the
4 subsequent provision of, used as a component of, or integrated
5 into end-to-end telecommunications service shall be
6 non-taxable as sales for resale.

7 (d) "Interstate telecommunications" means all
8 telecommunications that either originate or terminate outside
9 this State.

10 (e) "Intrastate telecommunications" means all
11 telecommunications that originate and terminate within this
12 State.

13 (f) "Department" means the Department of Revenue of the
14 State of Illinois.

15 (g) "Director" means the Director of Revenue for the
16 Department of Revenue of the State of Illinois.

17 (h) "Taxpayer" means a person who individually or through
18 his agents, employees or permittees engages in the act or
19 privilege of originating or receiving telecommunications in
20 this State and who incurs a tax liability under this Article.

21 (i) "Person" means any natural individual, firm, trust,
22 estate, partnership, association, joint stock company, joint
23 venture, corporation, limited liability company, or a
24 receiver, trustee, guardian or other representative appointed
25 by order of any court, the Federal and State governments,
26 including State universities created by statute or any city,
27 town, county or other political subdivision of this State.

28 (j) "Purchase at retail" means the acquisition,
29 consumption or use of telecommunication through a sale at
30 retail.

31 (k) "Sale at retail" means the transmitting, supplying or
32 furnishing of telecommunications and all services and
33 equipment provided in connection therewith for a consideration
34 to persons other than the Federal and State governments, and
35 State universities created by statute and other than between a
36 parent corporation and its wholly owned subsidiaries or between

1 wholly owned subsidiaries for their use or consumption and not
2 for resale.

3 (l) "Retailer" means and includes every person engaged in
4 the business of making sales at retail as defined in this
5 Article. The Department may, in its discretion, upon
6 application, authorize the collection of the tax hereby imposed
7 by any retailer not maintaining a place of business within this
8 State, who, to the satisfaction of the Department, furnishes
9 adequate security to insure collection and payment of the tax.
10 Such retailer shall be issued, without charge, a permit to
11 collect such tax. When so authorized, it shall be the duty of
12 such retailer to collect the tax upon all of the gross charges
13 for telecommunications in this State in the same manner and
14 subject to the same requirements as a retailer maintaining a
15 place of business within this State. The permit may be revoked
16 by the Department at its discretion.

17 (m) "Retailer maintaining a place of business in this
18 State", or any like term, means and includes any retailer
19 having or maintaining within this State, directly or by a
20 subsidiary, an office, distribution facilities, transmission
21 facilities, sales office, warehouse or other place of business,
22 or any agent or other representative operating within this
23 State under the authority of the retailer or its subsidiary,
24 irrespective of whether such place of business or agent or
25 other representative is located here permanently or
26 temporarily, or whether such retailer or subsidiary is licensed
27 to do business in this State.

28 (n) "Service address" means the location of
29 telecommunications equipment from which the telecommunications
30 services are originated or at which telecommunications
31 services are received by a taxpayer. In the event this may not
32 be a defined location, as in the case of mobile phones, paging
33 systems, maritime systems, service address means the
34 customer's place of primary use as defined in the Mobile
35 Telecommunications Sourcing Conformity Act. For air-to-ground
36 systems and the like, service address shall mean the location

1 of a taxpayer's primary use of the telecommunications equipment
2 as defined by telephone number, authorization code, or location
3 in Illinois where bills are sent.

4 (o) "Prepaid telephone calling arrangements" mean the
5 right to exclusively purchase telephone or telecommunications
6 services that must be paid for in advance and enable the
7 origination of one or more intrastate, interstate, or
8 international telephone calls or other telecommunications
9 using an access number, an authorization code, or both, whether
10 manually or electronically dialed, for which payment to a
11 retailer must be made in advance, provided that, unless
12 recharged, no further service is provided once that prepaid
13 amount of service has been consumed. Prepaid telephone calling
14 arrangements include the recharge of a prepaid calling
15 arrangement. For purposes of this subsection, "recharge" means
16 the purchase of additional prepaid telephone or
17 telecommunications services whether or not the purchaser
18 acquires a different access number or authorization code.
19 "Prepaid telephone calling arrangement" does not include an
20 arrangement whereby a customer purchases a payment card and
21 pursuant to which the service provider reflects the amount of
22 such purchase as a credit on an invoice issued to that customer
23 under an existing subscription plan.

24 (p) "Digital subscriber line services" means services
25 concerning a local loop access technology that provides
26 high-speed connections over copper wire to deliver data, voice,
27 and video information over a dedicated digital network.

28 (Source: P.A. 92-474, eff. 8-1-02; 92-526, eff. 1-1-03; 92-878,
29 eff. 1-1-04; 93-286, 1-1-04; revised 12-6-03.)

30 (35 ILCS 630/3) (from Ch. 120, par. 2003)

31 Sec. 3. Until December 31, 1997, a tax is imposed upon the
32 act or privilege of originating or receiving intrastate
33 telecommunications by a person in this State at the rate of 5%
34 of the gross charge for such telecommunications purchased at
35 retail from a retailer by such person. Beginning January 1,

1 1998, a tax is imposed upon the act or privilege of originating
2 in this State or receiving in this State intrastate
3 telecommunications by a person in this State at the rate of 7%
4 of the gross charge for such telecommunications purchased at
5 retail from a retailer by such person. However, such tax is not
6 imposed on the act or privilege to the extent such act or
7 privilege may not, under the Constitution and statutes of the
8 United States, be made the subject of taxation by the State.
9 Beginning January 1, 2001, prepaid telephone calling
10 arrangements shall not be considered telecommunications
11 subject to the tax imposed under this Act. Beginning July 1,
12 2005, digital subscriber line services are not considered
13 telecommunications that are subject to this Act.

14 (Source: P.A. 90-548, eff. 12-4-97; 91-870, eff. 6-22-00.)

15 (35 ILCS 630/4) (from Ch. 120, par. 2004)

16 Sec. 4. Until December 31, 1997, a tax is imposed upon the
17 act or privilege of originating in this State or receiving in
18 this State interstate telecommunications by a person in this
19 State at the rate of 5% of the gross charge for such
20 telecommunications purchased at retail from a retailer by such
21 person. Beginning January 1, 1998, a tax is imposed upon the
22 act or privilege of originating in this State or receiving in
23 this State interstate telecommunications by a person in this
24 State at the rate of 7% of the gross charge for such
25 telecommunications purchased at retail from a retailer by such
26 person. To prevent actual multi-state taxation of the act or
27 privilege that is subject to taxation under this paragraph, any
28 taxpayer, upon proof that that taxpayer has paid a tax in
29 another state on such event, shall be allowed a credit against
30 the tax imposed in this Section 4 to the extent of the amount
31 of such tax properly due and paid in such other state. However,
32 such tax is not imposed on the act or privilege to the extent
33 such act or privilege may not, under the Constitution and
34 statutes of the United States, be made the subject of taxation
35 by the State. Beginning on January 1, 2001, prepaid telephone

1 calling arrangements shall not be considered
2 telecommunications subject to the tax imposed under this Act.
3 Beginning July 1, 2005, digital subscriber line services are
4 not considered telecommunications that are subject to this Act.
5 (Source: P.A. 90-548, eff. 12-4-97; 91-870, eff. 6-22-00.)

6 Section 99. Effective date. This Act takes effect upon
7 becoming law.