



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

SB2696

Introduced 1/20/2006, by Sen. Chris Lauzen

SYNOPSIS AS INTRODUCED:

New Act

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 200/15-173 new	
35 ILCS 200/18-115	
35 ILCS 200/18-140	
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
65 ILCS 5/11-12-5.1	from Ch. 24, par. 11-12-5.1
65 ILCS 5/11-15.1-6 new	
30 ILCS 805/8.30 new	

Creates the School Land and Capital Facilities Assessment Act. Sets forth procedures by which school districts may impose school impact fees. Prohibits other units of local government from imposing school impact fees. Preempts homerule powers. Provides that the Act does not apply to the Chicago school district. Amends the Property Tax Code, the Counties Code, and the Illinois Municipal Code to make corresponding changes. Amends the Property Tax Code. Creates the Citizens' Assessment Freeze Exemption, which is a homestead exemption in an amount equal to certain increases in the assessed value of real property. Sets forth procedures and requirements for the exemption. 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. 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. Exempts digital subscriber line services from the definition of telecommunications that are subject to the Act. Defines "digital subscriber line services". Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB094 18784 BDD 54186 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

1 AN ACT concerning taxes and fees.

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

4 Article 1. General Provisions

5 Section 1-1. Short title. This Act may be cited as the
6 School Land and Capital Facilities Assessment Act.

7 Section 1-5. Statement of purpose and intent.

8 (a) The General Assembly declares that the purposes of this
9 Act are to establish a mechanism for Illinois school districts
10 to pay or finance costs they anticipate incurring in acquiring
11 and improving school lands and in constructing school
12 facilities to serve new development, to ensure that the burden
13 of paying for needed school lands and school facilities is
14 determined and allocated in a fair and equitable manner among
15 the owners of newly constructed homes so that such owners carry
16 no more than their fair share of the burden of providing such
17 lands and facilities, and to maintain the affordability of
18 housing opportunities in the State.

19 (b) The General Assembly further finds that it is the
20 General Assembly's intent:

21 (1) to promote orderly economic growth and development
22 throughout the State while ensuring that owners of newly
23 constructed homes pay their fair share, but no more than
24 their fair share, of the cost of acquiring and improving
25 needed school lands and of constructing needed school
26 facilities;

27 (2) to ensure that the owners of newly constructed
28 homes who pay their fair share of the costs are able to pay
29 such costs over time so that the cost of constructing their
30 homes remains affordable;

31 (3) to ensure that adequate school lands and school

1 facilities are available to serve the student populations
2 that will be generated by the construction of new homes;

3 (4) to establish fair and equitable procedures and
4 standards for school districts to employ in creating and
5 implementing school land and capital facilities plans and
6 in assessing and expending school land and capital
7 facilities assessment fees; and

8 (5) to prevent the assessment of unfair and
9 inconsistent fees for the acquisition and improvement of
10 school lands and the construction of new school facilities.

11 Section 1-10. Definitions.

12 "Assessment period" means a 10-year period that is to
13 commence not later than 12 months following the date of
14 adoption of a land and capital facilities plan. A school
15 district that adopts a land and capital facilities plan shall
16 have the right to extend an assessment period for an additional
17 10-year period if the school district makes specific findings
18 of fact, after public hearing, to the effect that market
19 conditions have precluded the school district from achieving
20 the objectives of the plan within the initial 10-year period.

21 "Bonds or other evidence of indebtedness" means bonds or
22 other evidence of indebtedness as defined in Section 1 of the
23 Bond Authorization Act.

24 "Capital facilities costs" means the reasonable costs
25 incurred by a school district in constructing school capital
26 facilities and in acquiring buildings that are to be devoted to
27 use as school buildings. Capital facilities costs may include
28 the reasonable planning, design, engineering, architectural,
29 and legal costs incurred by a school district in connection
30 with the preparation and consideration of a capital facilities
31 needs assessment, the formulation and adoption of a land and
32 capital facilities plan, and the construction of school capital
33 facilities, except that not more than 10% of the total costs
34 anticipated to be incurred in constructing the school capital
35 facilities shall be used to pay such planning, design,

1 engineering, architectural, and legal costs and further that,
2 if the construction or acquisition of the school capital
3 facilities for which architectural, engineering, and legal
4 costs were incurred is not commenced or consummated within 6
5 years after the date those costs were incurred, the school
6 district shall reimburse the applicable assessment fee fund for
7 the costs so incurred from other revenue sources. "Capital
8 facilities costs" does not include any costs that are incurred
9 or to be incurred as land acquisition and improvement costs.

10 "Capital facilities needs assessment" means an assessment
11 of a school district's need for new school capital facilities
12 as described in Section 5-10 of this Act.

13 "Dwelling unit" means an attached or detached
14 single-family or multiple-family residence, apartment, or
15 condominium. Residences within new developments that are
16 nursing homes, congregate care facilities, assisted living
17 facilities, housing that is intended for and solely occupied by
18 persons 62 years of age or older under 42 U.S.C. 3607
19 (b) (2) (B), and housing intended for and occupied by persons 55
20 years of age and older under 42 U.S.C. 3607 (b) (2) (C) shall not
21 be deemed dwelling units under this Act.

22 "Encumber" means to use or commit to use collected land and
23 capital facilities assessment fees by legal obligation,
24 appropriation, or other official action by a school district.

25 "Fee payer" means an owner of a dwelling unit that is
26 required to pay or that does pay a land and capital facilities
27 assessment fee.

28 "Land and capital facilities plan" means a plan adopted by
29 a school district pursuant to Article 10 of this Act.

30 "Land acquisition and improvement costs" means the
31 reasonable costs a school district incurs in acquiring or
32 improving needed school lands. "Land acquisition and
33 improvement costs" may include the reasonable planning,
34 design, title, survey, brokerage, environmental investigation,
35 and legal costs incurred or to be incurred by a school district
36 in preparing and considering a land needs assessment, in

1 formulating and adopting a land and capital facilities plan,
2 and in acquiring and improving school lands, except that not
3 more than 10% of the total costs anticipated to be incurred in
4 preparing and considering a land needs assessment, in
5 formulating and adopting a land and capital facilities plan,
6 and in acquiring and improving school lands shall be used to
7 pay such planning, design, engineering, architectural, title,
8 survey, brokerage, environmental investigation, and legal
9 costs and further that, if the school lands for which
10 architectural, engineering, title, survey, brokerage,
11 environmental investigation, and legal costs were incurred are
12 not acquired or improved within 6 years after the date adoption
13 of the land and capital facilities plan for which such costs
14 were incurred, the school district shall reimburse the
15 applicable assessment fee fund for the costs so incurred from
16 other revenue sources. For purposes of this definition, the
17 word "improving" or "improvement" means the reasonable costs a
18 school district incurs or anticipates it will incur: (i) in
19 constructing sanitary sewer, storm sewer, water, sidewalk, and
20 roadway improvements to school lands or on lands that are
21 adjacent to school lands to meet the demands of new
22 development; (ii) in undertaking grading and landscaping
23 improvements on school lands and adjacent ways; (iii) in
24 constructing parking lot improvements on school lands; (iv) in
25 constructing athletic fields and tennis courts in conjunction
26 with the construction of new school buildings or permanent
27 additions to existing school buildings; (v) in furnishing and
28 installing for the first time fixed playground apparatus; and
29 (vi) in undertaking required demolition work. Land acquisition
30 and improvement costs shall not include any costs that are
31 incurred or to be incurred as capital facilities costs.

32 "Land and capital facilities assessment fee" means a fee
33 established by a school district pursuant to a land and capital
34 facilities plan.

35 "Land needs assessment" means an assessment of a school
36 district's need for new school lands as described in Section

1 5-5 of this Act.

2 "New development" means development containing dwelling
3 units that is being newly constructed or that is projected to
4 be constructed.

5 "Proportionate share" means that portion of the land
6 acquisition and improvement costs and capital facilities costs
7 that is specifically and uniquely attributable to new
8 development.

9 "School buildings" means roofed and walled structures
10 built for permanent use that are: (i) leased or owned or to be
11 leased or owned by a school district; and (ii) used or to be
12 used for public school purposes. A classification of school
13 buildings means elementary, junior high, or high school
14 buildings.

15 "School capacity" means the maximum student enrollment
16 capacity of an existing school building determined on the basis
17 of the space and physical standards recommended by the regional
18 superintendent of schools and taking into account the then
19 current State and federal special education and accessibility
20 facility mandates.

21 "School capital facilities" means and is limited to the
22 following improvements to school lands: newly constructed
23 school buildings; newly constructed structural improvements to
24 school buildings and permanent additions to school buildings;
25 systems that are being installed within newly constructed
26 school buildings or within permanent additions to school
27 buildings, including without limitation electrical systems,
28 plumbing systems, fire protection systems, and heating,
29 ventilation, and air conditioning systems; and additions to or
30 replacements of systems within existing school buildings to the
31 extent necessary to meet the demands of new development.

32 "School district" means any public elementary, high
33 school, or unit school district.

34 "School lands" means lands that are: (i) leased or owned or
35 to be leased or owned by a school district; and (ii) used, to
36 be used, or capable of being used for school purposes.

1 "Unit of local government" means a unit of local government
2 included in the definition of "units of local government" under
3 Article VII, Section 1 of the Illinois Constitution, including
4 all home rule units.

5 Section 1-15. Authorization.

6 (a) Only school districts situated in whole or in part in
7 counties having a population in excess of 250,000 have the
8 authority to adopt a land and capital facilities plan and
9 assess and collect land and capital facilities assessment fees.
10 The provisions of this Act do not apply to school districts
11 situated in municipalities having a population in excess of
12 1,000,000.

13 (b) Only school districts that have undertaken a land needs
14 assessment and concluded that they will need to acquire and
15 improve new school lands over an assessment period are
16 authorized to include within a proposed land and capital
17 facilities assessment fee a component for land acquisition and
18 improvement costs.

19 (c) Only school districts that have undertaken a capital
20 facilities needs assessment and concluded that they will need
21 to construct new school capital facilities are authorized to
22 include within a proposed land and capital facilities
23 assessment fee a component for capital facilities costs.

24 Section 1-20. Limitations.

25 (a) No unit of local government other than the school
26 districts described in subsection (a) of Section 1-15 of this
27 Act has the authority to adopt a land and capital facilities
28 plan and assess land and capital facilities assessment fees.

29 (b) The assessment, imposition, and collection of land and
30 capital facilities assessment fees pursuant to this Act shall
31 be the sole and exclusive means by which units of local
32 government and school districts may assess, impose, and collect
33 fees against new development for purposes of satisfying and
34 financing the costs of acquiring and improving school lands and

1 of constructing school capital facilities to meet the demands
2 and needs of new development.

3 (c) No school district authorized by this Act to assess and
4 impose land and capital facilities assessment fees may impose
5 fees for the acquisition and improvement of school lands or for
6 the construction of school capital facilities in a manner that
7 is inconsistent with the provisions of this Act.

8 (d) No annexation agreement entered into by a unit of local
9 government pursuant to the provisions of Article 11 of Division
10 15.1 of the Illinois Municipal Code may require payment of fees
11 for the acquisition and improvement of school lands or for the
12 construction of school capital facilities other than land and
13 capital facilities assessment fees that have been established
14 by a school district pursuant to the provisions of this Act. If
15 a unit of local government seeks to enter into an annexation
16 agreement with a developer of a new development, such
17 annexation agreement shall provide for the payment of land and
18 capital facilities assessment fees as and to the extent the
19 school districts within whose jurisdiction the new development
20 is to be constructed have adopted a land and capital facilities
21 plan and established a land and capital facilities assessment
22 fee schedule.

23 (e) A home rule unit may not regulate subjects governed
24 under this Act in a manner more restrictive than the regulation
25 by the State of those subjects under this Act. This Act is a
26 limitation under subsection (i) of Section 6 of Article VII of
27 the Illinois Constitution on the concurrent exercise by home
28 rule units of local government of powers and functions
29 exercised by the State.

30 Article 5. Needs Assessment

31 Section 5-5. Land needs assessment.

32 (a) No school district may adopt a land and capital
33 facilities plan that provides for the acquisition or
34 improvement of new school lands or for the incurring of any

1 land acquisition and improvement costs to meet the needs of new
2 development unless it first undertakes a land needs assessment
3 that concludes that new school lands will need to be acquired
4 or improved over the planned for assessment period to meet the
5 needs of new development. The land needs assessment shall set
6 forth with particularity the proportionate share of the new
7 school lands or of the land acquisition and improvement costs
8 that is attributable to the new development. A land needs
9 assessment must not be more than one year old at the time of
10 adoption of a land and capital facilities plan.

11 (b) A land needs assessment shall contain the following for
12 each classification of school building that exists within the
13 school district:

14 (1) a description of the existing school lands within
15 the school district;

16 (2) an identification of the school capacity of each
17 school building within the school district and of the
18 number of students then enrolled in each school building;

19 (3) a projection of the character and location of new
20 development that is expected to occur within the school
21 district over the succeeding 2-year, 5-year, and 10-year
22 periods;

23 (4) an estimate of the amount of school lands that will
24 be needed over the then planned for assessment period to
25 accommodate the demands of the projected new development;

26 (5) a projection of the land acquisition and
27 improvement costs that the school district will incur in
28 improving already owned school lands and in improving and
29 acquiring new school lands; and

30 (6) a projected timetable for the acquisition or
31 improvement of the school lands.

32 (c) If a land needs assessment is not undertaken for a
33 given classification of school lands, then the school district
34 may not include within a proposed land and capital facilities
35 plan and proposed land and capital facilities assessment fee a
36 component for the acquisition or improvement of new school

1 lands or for the incurring of any land acquisition and
2 improvement costs for such classification of school buildings.
3 Once a school district has satisfied its need for school lands
4 for a given classification of school buildings, as established
5 by the approved land needs assessment, it may not impose
6 further land and capital facilities assessment fees against new
7 development for school lands or for land acquisition and
8 improvement costs for that classification of school buildings.

9 Section 5-10. Capital facilities needs assessment.

10 (a) No school district may adopt a land and capital
11 facilities plan that provides for the construction or
12 acquisition of new school capital facilities or for the
13 incurring of any capital facilities costs to meet the needs of
14 new development unless it first undertakes a capital facilities
15 needs assessment that concludes that new school capital
16 facilities will need to be constructed or acquired over the
17 planned for assessment period to meet the needs of new
18 development. The capital facilities needs assessment shall set
19 forth with particularity the proportionate share of the capital
20 facilities costs that is attributable to the new development. A
21 capital facilities needs assessment must not be more than one
22 year old at the time of adoption of a land and capital
23 facilities plan.

24 (b) A capital facilities needs assessment shall contain all
25 of the following for each classification of school building
26 that exists within the school district:

27 (1) A description of the existing school buildings
28 within the school district.

29 (2) An identification of the school capacity of each
30 school building within the school district and of the
31 number of students then enrolled in each school building.

32 (3) A projection of the character and location of new
33 development that is expected to occur within the school
34 district over the succeeding 10-year period.

35 (4) An estimate of the amount of school capital

1 facilities that will be needed over the then planned for
2 assessment period to accommodate the demands of the
3 projected new development.

4 (5) a projection of the capital facilities costs that
5 the school district will incur in acquiring or constructing
6 the school capital facilities.

7 (6) a projected timetable for the acquisition or
8 construction of the school capital facilities.

9 (c) If a capital facilities needs assessment is not
10 undertaken for a given classification of school buildings, then
11 the school district may not include within a proposed land and
12 capital facilities plan and proposed land and capital
13 facilities assessment fee a component for the acquisition or
14 construction of new school buildings or for the incurring of
15 any capital facilities costs for the classification of school
16 buildings. Once a school district has satisfied its need for
17 school buildings for a given classification of school
18 buildings, as established by the approved capital facilities
19 needs assessment, it shall not impose further land and capital
20 facilities assessment fees against new development for school
21 buildings or for capital facilities costs for that
22 classification of school buildings.

23 Article 10. Adoption of Plan; Public Hearing

24 Section 10-5. Requirement to adopt plan; passage of
25 resolution. A school district that seeks to assess land and
26 capital facilities assessment fees against new development
27 shall first adopt a land and capital facilities plan in the
28 manner provided by this Act. Adoption of such a plan shall be
29 effected by the passage of a resolution by a two-thirds vote of
30 the school district's board members then holding office. No
31 school board may consider and act on such a resolution unless
32 it has first received the report and recommendations of the
33 school district's superintendent as provided for in Section
34 10-10 of this Act.

1 Section 10-10. Preparation of superintendent's report and
2 recommendations. Before a school district adopts a land and
3 capital facilities plan, its superintendent shall prepare a
4 report that contains all of the following:

5 (1) A land needs assessment for the school district.

6 (2) A capital facilities needs assessment for the
7 school district.

8 (3) The funding sources available to the school
9 district to pay the land acquisition and improvement costs
10 and capital facilities costs the school district will incur
11 in acquiring or improving needed school lands and in
12 acquiring or constructing needed school capital
13 facilities.

14 (4) A recommended land and capital facilities plan.

15 (5) A recommended schedule of land and capital
16 facilities assessment fees that are to be paid by the
17 owners of dwelling units within the new developments that
18 are projected to be constructed within the school district
19 over the planned for assessment period.

20 The report shall divide the school district into
21 sub-districts for analysis and planning purposes. The
22 boundaries of such sub-districts shall be consistent with the
23 boundaries of the areas being served by the various school
24 buildings existing or planned for within the school district.
25 The report shall identify a school district's need for new
26 school lands and new school capital facilities for each
27 separate classification of school buildings.

28 Section 10-15. Public hearings by superintendent. The
29 school district superintendent shall conduct a public hearing
30 on his or her report and recommendations and, after taking into
31 account the testimony he or she receives at the public hearing,
32 issue a final report and set of recommendations to the school
33 board. The superintendent shall issue the report and
34 recommendations within 60 days after the close after the public

1 hearing. Notice of the public hearing shall be published at
2 least once in a newspaper of general circulation within the
3 school district not less than 21 days and not more than 45 days
4 prior to the date scheduled for the public hearing. The
5 superintendent shall also give notice of the public hearing by
6 certified mail, within the same time period, to any person or
7 entity that has registered with the school district in
8 accordance with the school district's adopted procedures as
9 desiring to receive such notice.

10 Section 10-20. Public hearing by the school board. After
11 the school board receives the superintendent's report and
12 recommendations, it shall conduct its own public hearing on the
13 report and recommendations. The public hearing shall be
14 conducted in the same manner as the public hearing on the
15 superintendent's report and recommendations. At the conclusion
16 of the public hearing, the school board shall either accept the
17 superintendent's report and recommendations in their entirety
18 or accept and modify the superintendent's report and
19 recommendations and proceed to adopt a land and capital
20 facilities plan and establish a land and capital facilities
21 assessment fee schedule, as provided in Section 10-5 of this
22 Act, or it shall reject the superintendent's report and
23 recommendations, in which event no land and capital facilities
24 plan shall be adopted and no land and capital facilities
25 assessment fee schedule shall be established. If the school
26 board seeks to adopt a land and capital facilities plan or
27 establish a land and capital facilities assessment fee schedule
28 that is materially inconsistent with the conclusions of the
29 superintendent's report or the superintendent's
30 recommendations, it shall remand the superintendent's report
31 and recommendations back to the superintendent for additional
32 consideration at a newly convened public hearing held in the
33 manner required for the initially conducted public hearing.

34 Section 15-5. Assessment of land and capital facilities

1 assessment fees. Once a school district has adopted a land and
2 capital facilities plan and established a land and capital
3 facilities assessment fee schedule, it shall have the authority
4 and obligation to assess the fees against the owners of all
5 dwelling units that are thereafter constructed within new
6 developments that are constructed in the school district. Land
7 and capital facilities assessment fees for dwelling units
8 constructed with a new development shall be due and payable
9 from and after the date of issuance of a certificate of
10 occupancy for the dwelling unit.

11 Section 15-10. Standard for assessment of land and capital
12 facilities assessment fees. A new development that is required
13 to pay land and capital facilities assessment fees pursuant to
14 this Act must not be required to pay more than the new
15 development's proportionate share of the land acquisition and
16 improvement costs and capital facilities costs that a school
17 district anticipates incurring over the planned for assessment
18 period, as set forth in the approved land needs assessment and
19 capital facilities needs assessments, which proportionate
20 share shall take into account the donation of any lands that
21 the developer of that new development may have theretofore
22 donated to the school district.

23 Section 15-15. Exclusion of new development increases in
24 assessed value and from certain property tax extensions. If a
25 school district adopts a land and capital facilities plan and
26 establishes a land and capital facilities assessment fee
27 schedule, the tax rates for the school district's existing or
28 subsequently issued bonds or other evidence of indebtedness, to
29 the extent issued to cover the school district's land
30 acquisition and improvement costs or capital facilities costs,
31 and the school district's tax rate for capital improvements
32 established under subdivision (4) of Section 17-2 of the School
33 Code must not be extended to new development increases in the
34 assessed value of property within the school district for the

1 assessment period set forth in the plan, notwithstanding the
2 provisions of Section 18-115 and Section 18-140 of the Property
3 Tax Code.

4 Section 15-20. Issuance of assessment fee anticipation
5 warrants, notes, bonds, and other evidence of indebtedness.

6 (a) A school district that has adopted a land and capital
7 facilities plan may issue assessment fee anticipation
8 warrants, notes, bonds, or other evidence of indebtedness to
9 defray land acquisition and improvement costs and capital
10 facilities costs that the school district anticipates
11 incurring to meet the needs of new development to the extent of
12 85% of the amount of land and capital facilities assessment
13 fees that it anticipates collecting over the planned for
14 assessment period. Moneys borrowed by a school district in this
15 manner shall be applied to the purposes for which they were
16 obtained and no other purpose. All moneys so borrowed shall be
17 repaid exclusively from land and capital facilities assessment
18 fees within 60 days after the assessment fees have been
19 received by the school district.

20 (b) Borrowing authorized under this Section shall bear
21 interest at a rate not to exceed the maximum rate authorized by
22 the Bond Authorization Act from the date of issuance until
23 paid.

24 (c) Prior to the school district borrowing or establishing
25 a line of credit under this Section, the school board shall
26 authorize, by resolution, the borrowing or line of credit. The
27 resolution shall set forth facts demonstrating the need for the
28 borrowing or line of credit, state the amount to be borrowed,
29 establish a maximum interest rate limit not to exceed that set
30 forth in subsection (b) of this Section, and provide a date by
31 which the borrowed funds shall be repaid. The resolution shall
32 direct the relevant officials to make arrangements to set apart
33 and hold the fees, as received, that will be used to repay the
34 borrowing. In addition, the resolution may authorize the
35 relevant officials to make partial repayments of the borrowing

1 as the fees become available and may contain any other terms,
2 restrictions, or limitations not inconsistent with the
3 provisions of this Section.

4 Section 15-25. Collection of land and capital facilities
5 assessment fees. A school district assessing land acquisition
6 and capital facilities assessment fees against the owners of
7 newly constructed dwelling units pursuant to this Act shall
8 bill all fee payers for the payment of the fees on a twice a
9 year basis in a manner similarly to that employed by the county
10 collector in the collection of property taxes under the
11 Property Tax Code.

12 Section 15-30. Collection; lien rights. The school
13 district shall have the right to place a lien on the property
14 of any fee payer that is subject to the payment of a land and
15 capital facilities assessment fee if the fee payer fails to pay
16 the fee as and when required by the adopted land and capital
17 facilities plan and by law. The school district shall have the
18 right to foreclose such lien in the same manner as is provided
19 by law for the foreclosure of mortgage liens.

20 Section 15-35. Annual certification by superintendent. The
21 school district superintendent shall annually submit to the
22 school district school board and to the regional superintendent
23 of schools, within 30 days after expiration of the school
24 district's fiscal year, a certification made under oath to the
25 effect that, to the best of his or her knowledge and after
26 undertaking a good faith investigation, land and capital
27 facilities assessment fees imposed pursuant to the school
28 district's adopted land and capital facilities plan have been
29 imposed, held, and used in the manner required by this Act and
30 by the adopted land and capital facilities plan.

31

Article 20. Contests

1 Section 20-5. Right to contest. A fee payer or any other
2 party whose property is or will be subject to the assessment of
3 a land and capital facilities assessment fee shall have the
4 right to contest the school district's adoption of a land and
5 capital facilities plan or the school district's assessment,
6 collection, or use of land and capital facilities assessment
7 fees. The resolution adopting a land and capital facilities
8 plan shall provide for the consideration of such contest by the
9 regional superintendent of schools and for the prevailing party
10 in such challenge to recover from the non-prevailing party the
11 attorney's fees and costs that the prevailing party has
12 reasonably incurred in pursuing or defending the contest. The
13 regional superintendent of schools shall have the authority to
14 determine whether a school district's adopted land and capital
15 facilities plan and established schedule of land and capital
16 facilities assessment fees are consistent with the manifest
17 weight of the evidence presented at the public hearings
18 required under Sections 10-15 and 10-20 of this Act or are
19 otherwise contrary to law and whether the school district has
20 imposed, collected, and used land and capital facilities
21 assessment fees in accordance with the adopted land and capital
22 facilities plan and the requirements of law. The ruling of the
23 regional superintendent of schools is subject to judicial
24 review in the circuit court under the provisions of the
25 Administrative Review Law.

26 Section 20-10. Limitation on challenges.

27 (a) No proceeding to contest an adopted land and capital
28 facilities plan or an established land and capital facilities
29 assessment fee schedule shall be commenced by a fee payer or
30 any other party later than one year after the date of adoption
31 of the plan and the establishment of the schedule.

32 (b) No proceeding to contest the use of collected land and
33 capital facilities assessment fees may be commenced later than
34 one year after the date of payment of the fees, except that an
35 action seeking the refund of a land and capital facilities

1 assessment fee that has not been encumbered by a school
2 district as and when required by the adopted plan and by this
3 Act may be commenced by a fee payer more than one year after
4 the date of its payment provided it is commenced by the fee
5 payer no later than one year after the expiration of the period
6 within which the fee was to have been encumbered.

7 Article 25. Transition

8 Section 25-5. Repeal of existing ordinances. Any unit of
9 local government that has adopted an ordinance that provides
10 for the assessment and payment of fees to satisfy land
11 acquisition and improvement costs or capital facilities costs
12 for school districts operating within its boundaries shall
13 repeal the ordinance to the extent such school districts adopt
14 a land and capital facilities plan and establish a land and
15 capital facilities assessment fee. The unit of local government
16 shall undertake such repeal within 120 days after the date of
17 adoption of the land and capital facilities plan.

18 Section 25-10. Exemption of new developments. New
19 developments that, as of the date of a school district's
20 passage of a resolution adopting a land and capital facilities,
21 are the subject of an agreement with the school district or
22 unit of local government that provides for the payment of fees
23 to the school district or unit of local government to pay land
24 acquisition and improvement costs or capital facilities costs
25 the school district anticipates incurring to meet the needs of
26 new development must not be included within the school
27 district's plan or subject to the school district's subsequent
28 imposition of land and capital facilities assessment fees.

29 Article 90. Amendatory Provisions

30 Section 90-5. The Department of Revenue Law of the Civil
31 Administrative Code of Illinois is amended by adding Section

1 2505-455 as follows:

2 (20 ILCS 2505/2505-455 new)

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

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

14 (b) The Department must submit a report concerning the
15 status of this program to the General Assembly and the Governor
16 no later than January 1, 2007.

17 Section 90-10. The Use Tax Act is amended by changing
18 Section 9 as follows:

19 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

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

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

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

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

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

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

1 less all deductions allowed by law;

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

4 5. The amount of tax due;

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

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

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

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

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

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

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

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

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

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

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

1 on other than a calendar monthly basis.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 deduction under this Act upon refunding such tax to the
2 purchaser.

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

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

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

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

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

1 and which is titled or registered by an agency of this State's
2 government.

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

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

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

22 Beginning on August 1, 2006, each month the Department
23 shall pay into the Common School Fund 80% of the revenue
24 realized for the preceding month from the 6.25% general rate
25 from transactions of tangible personal property purchased at
26 retail at a sale conducted over the Internet, which: (i) must
27 be used to increase the foundation level under Section 18-8.05
28 of the School Code; and (ii) must be identified as a separate
29 funding source for education, in order to ensure that these
30 moneys are an addition to the annual appropriation and not a
31 substitute for other established funding sources.

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

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

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

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

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

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

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

27 (Source: P.A. 91-37, eff. 7-1-99; 91-51, eff. 6-30-99; 91-101,
28 eff. 7-12-99; 91-541, eff. 8-13-99; 91-872, eff. 7-1-00;
29 91-901, eff. 1-1-01; 92-12, eff. 7-1-01; 92-16, eff. 6-28-01;
30 92-208, eff. 8-2-01; 92-492, eff. 1-1-02; 92-600, eff. 6-28-02;
31 92-651, eff. 7-11-02; revised 10-15-03.)

32 Section 90-15. The Retailers' Occupation Tax Act is amended
33 by changing Section 3 as follows:

34 (35 ILCS 120/3) (from Ch. 120, par. 442)

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

6 1. The name of the seller;

7 2. His residence address and the address of his
8 principal place of business and the address of the
9 principal place of business (if that is a different
10 address) from which he engages in the business of selling
11 tangible personal property at retail in this State;

12 3. Total amount of receipts received by him during the
13 preceding calendar month or quarter, as the case may be,
14 from sales of tangible personal property, and from services
15 furnished, by him during such preceding calendar month or
16 quarter;

17 4. Total amount received by him during the preceding
18 calendar month or quarter on charge and time sales of
19 tangible personal property, and from services furnished,
20 by him prior to the month or quarter for which the return
21 is filed;

22 5. Deductions allowed by law;

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

26 7. The amount of credit provided in Section 2d of this
27 Act;

28 8. The amount of tax due;

29 9. The signature of the taxpayer; and

30 10. Such other reasonable information as the
31 Department may require.

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

36 Each return shall be accompanied by the statement of

1 prepaid tax issued pursuant to Section 2e for which credit is
2 claimed.

3 Prior to October 1, 2003, and on and after September 1,
4 2004 a retailer may accept a Manufacturer's Purchase Credit
5 certification from a purchaser in satisfaction of Use Tax as
6 provided in Section 3-85 of the Use Tax Act if the purchaser
7 provides the appropriate documentation as required by Section
8 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit
9 certification, accepted by a retailer prior to October 1, 2003
10 and on and after September 1, 2004 as provided in Section 3-85
11 of the Use Tax Act, may be used by that retailer to satisfy
12 Retailers' Occupation Tax liability in the amount claimed in
13 the certification, not to exceed 6.25% of the receipts subject
14 to tax from a qualifying purchase. A Manufacturer's Purchase
15 Credit reported on any original or amended return filed under
16 this Act after October 20, 2003 for reporting periods prior to
17 September 1, 2004 shall be disallowed. Manufacturer's
18 Purchaser Credit reported on annual returns due on or after
19 January 1, 2005 will be disallowed for periods prior to
20 September 1, 2004. No Manufacturer's Purchase Credit may be
21 used after September 30, 2003 through August 31, 2004 to
22 satisfy any tax liability imposed under this Act, including any
23 audit liability.

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

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

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

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

6 5. The amount of tax due; and

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

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

23 Beginning on October 1, 2003, every distributor, importing
24 distributor, and manufacturer of alcoholic liquor as defined in
25 the Liquor Control Act of 1934, shall file a statement with the
26 Department of Revenue, no later than the 10th day of the month
27 for the preceding month during which transactions occurred, by
28 electronic means, showing the total amount of gross receipts
29 from the sale of alcoholic liquor sold or distributed during
30 the preceding month to purchasers; identifying the purchaser to
31 whom it was sold or distributed; the purchaser's tax
32 registration number; and such other information reasonably
33 required by the Department. A distributor, importing
34 distributor, or manufacturer of alcoholic liquor must
35 personally deliver, mail, or provide by electronic means to
36 each retailer listed on the monthly statement a report

1 containing a cumulative total of that distributor's, importing
2 distributor's, or manufacturer's total sales of alcoholic
3 liquor to that retailer no later than the 10th day of the month
4 for the preceding month during which the transaction occurred.
5 The distributor, importing distributor, or manufacturer shall
6 notify the retailer as to the method by which the distributor,
7 importing distributor, or manufacturer will provide the sales
8 information. If the retailer is unable to receive the sales
9 information by electronic means, the distributor, importing
10 distributor, or manufacturer shall furnish the sales
11 information by personal delivery or by mail. For purposes of
12 this paragraph, the term "electronic means" includes, but is
13 not limited to, the use of a secure Internet website, e-mail,
14 or facsimile.

15 If a total amount of less than \$1 is payable, refundable or
16 creditable, such amount shall be disregarded if it is less than
17 50 cents and shall be increased to \$1 if it is 50 cents or more.

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

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

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

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

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

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

22 Any amount which is required to be shown or reported on any
23 return or other document under this Act shall, if such amount
24 is not a whole-dollar amount, be increased to the nearest
25 whole-dollar amount in any case where the fractional part of a
26 dollar is 50 cents or more, and decreased to the nearest
27 whole-dollar amount where the fractional part of a dollar is
28 less than 50 cents.

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

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

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

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

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

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

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

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

12 Any retailer who sells only motor vehicles, watercraft,
13 aircraft, or trailers that are required to be registered with
14 an agency of this State, so that all retailers' occupation tax
15 liability is required to be reported, and is reported, on such
16 transaction reporting returns and who is not otherwise required
17 to file monthly or quarterly returns, need not file monthly or
18 quarterly returns. However, those retailers shall be required
19 to file returns on an annual basis.

20 The transaction reporting return, in the case of motor
21 vehicles or trailers that are required to be registered with an
22 agency of this State, shall be the same document as the Uniform
23 Invoice referred to in Section 5-402 of The Illinois Vehicle
24 Code and must show the name and address of the seller; the name
25 and address of the purchaser; the amount of the selling price
26 including the amount allowed by the retailer for traded-in
27 property, if any; the amount allowed by the retailer for the
28 traded-in tangible personal property, if any, to the extent to
29 which Section 1 of this Act allows an exemption for the value
30 of traded-in property; the balance payable after deducting such
31 trade-in allowance from the total selling price; the amount of
32 tax due from the retailer with respect to such transaction; the
33 amount of tax collected from the purchaser by the retailer on
34 such transaction (or satisfactory evidence that such tax is not
35 due in that particular instance, if that is claimed to be the
36 fact); the place and date of the sale; a sufficient

1 identification of the property sold; such other information as
2 is required in Section 5-402 of The Illinois Vehicle Code, and
3 such other information as the Department may reasonably
4 require.

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

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

33 With each such transaction reporting return, the retailer
34 shall remit the proper amount of tax due (or shall submit
35 satisfactory evidence that the sale is not taxable if that is
36 the case), to the Department or its agents, whereupon the

1 Department shall issue, in the purchaser's name, a use tax
2 receipt (or a certificate of exemption if the Department is
3 satisfied that the particular sale is tax exempt) which such
4 purchaser may submit to the agency with which, or State officer
5 with whom, he must title or register the tangible personal
6 property that is involved (if titling or registration is
7 required) in support of such purchaser's application for an
8 Illinois certificate or other evidence of title or registration
9 to such tangible personal property.

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

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

36 Refunds made by the seller during the preceding return

1 period to purchasers, on account of tangible personal property
2 returned to the seller, shall be allowed as a deduction under
3 subdivision 5 of his monthly or quarterly return, as the case
4 may be, in case the seller had theretofore included the
5 receipts from the sale of such tangible personal property in a
6 return filed by him and had paid the tax imposed by this Act
7 with respect to such receipts.

8 Where the seller is a corporation, the return filed on
9 behalf of such corporation shall be signed by the president,
10 vice-president, secretary or treasurer or by the properly
11 accredited agent of such corporation.

12 Where the seller is a limited liability company, the return
13 filed on behalf of the limited liability company shall be
14 signed by a manager, member, or properly accredited agent of
15 the limited liability company.

16 Except as provided in this Section, the retailer filing the
17 return under this Section shall, at the time of filing such
18 return, pay to the Department the amount of tax imposed by this
19 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%
20 on and after January 1, 1990, or \$5 per calendar year,
21 whichever is greater, which is allowed to reimburse the
22 retailer for the expenses incurred in keeping records,
23 preparing and filing returns, remitting the tax and supplying
24 data to the Department on request. Any prepayment made pursuant
25 to Section 2d of this Act shall be included in the amount on
26 which such 2.1% or 1.75% discount is computed. In the case of
27 retailers who report and pay the tax on a transaction by
28 transaction basis, as provided in this Section, such discount
29 shall be taken with each such tax remittance instead of when
30 such retailer files his periodic return.

31 Before October 1, 2000, if the taxpayer's average monthly
32 tax liability to the Department under this Act, the Use Tax
33 Act, the Service Occupation Tax Act, and the Service Use Tax
34 Act, excluding any liability for prepaid sales tax to be
35 remitted in accordance with Section 2d of this Act, was \$10,000
36 or more during the preceding 4 complete calendar quarters, he

1 shall file a return with the Department each month by the 20th
2 day of the month next following the month during which such tax
3 liability is incurred and shall make payments to the Department
4 on or before the 7th, 15th, 22nd and last day of the month
5 during which such liability is incurred. On and after October
6 1, 2000, if the taxpayer's average monthly tax liability to the
7 Department under this Act, the Use Tax Act, the Service
8 Occupation Tax Act, and the Service Use Tax Act, excluding any
9 liability for prepaid sales tax to be remitted in accordance
10 with Section 2d of this Act, was \$20,000 or more during the
11 preceding 4 complete calendar quarters, he shall file a return
12 with the Department each month by the 20th day of the month
13 next following the month during which such tax liability is
14 incurred and shall make payment to the Department on or before
15 the 7th, 15th, 22nd and last day of the month during which such
16 liability is incurred. If the month during which such tax
17 liability is incurred began prior to January 1, 1985, each
18 payment shall be in an amount equal to 1/4 of the taxpayer's
19 actual liability for the month or an amount set by the
20 Department not to exceed 1/4 of the average monthly liability
21 of the taxpayer to the Department for the preceding 4 complete
22 calendar quarters (excluding the month of highest liability and
23 the month of lowest liability in such 4 quarter period). If the
24 month during which such tax liability is incurred begins on or
25 after January 1, 1985 and prior to January 1, 1987, each
26 payment shall be in an amount equal to 22.5% of the taxpayer's
27 actual liability for the month or 27.5% of the taxpayer's
28 liability for the same calendar month of the preceding year. If
29 the month during which such tax liability is incurred begins on
30 or after January 1, 1987 and prior to January 1, 1988, each
31 payment shall be in an amount equal to 22.5% of the taxpayer's
32 actual liability for the month or 26.25% of the taxpayer's
33 liability for the same calendar month of the preceding year. If
34 the month during which such tax liability is incurred begins on
35 or after January 1, 1988, and prior to January 1, 1989, or
36 begins on or after January 1, 1996, each payment shall be in an

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

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

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

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

24 The provisions of this paragraph apply on and after October
25 1, 2001. Without regard to whether a taxpayer is required to
26 make quarter monthly payments as specified above, any taxpayer
27 who is required by Section 2d of this Act to collect and remit
28 prepaid taxes and has collected prepaid taxes that average in
29 excess of \$20,000 per month during the preceding 4 complete
30 calendar quarters shall file a return with the Department as
31 required by Section 2f and shall make payments to the
32 Department on or before the 7th, 15th, 22nd and last day of the
33 month during which the liability is incurred. Each payment
34 shall be in an amount equal to 22.5% of the taxpayer's actual
35 liability for the month or 25% of the taxpayer's liability for
36 the same calendar month of the preceding year. The amount of

1 the quarter monthly payments shall be credited against the
2 final tax liability of the taxpayer's return for that month
3 filed under this Section or Section 2f, as the case may be.
4 Once applicable, the requirement of the making of quarter
5 monthly payments to the Department pursuant to this paragraph
6 shall continue until the taxpayer's average monthly prepaid tax
7 collections during the preceding 4 complete calendar quarters
8 (excluding the month of highest liability and the month of
9 lowest liability) is less than \$19,000 or until such taxpayer's
10 average monthly liability to the Department as computed for
11 each calendar quarter of the 4 preceding complete calendar
12 quarters is less than \$20,000. If any such quarter monthly
13 payment is not paid at the time or in the amount required, the
14 taxpayer shall be liable for penalties and interest on such
15 difference, except insofar as the taxpayer has previously made
16 payments for that month in excess of the minimum payments
17 previously due.

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

1 of the difference between the credit taken and that actually
2 due, and that taxpayer shall be liable for penalties and
3 interest on such difference.

4 If a retailer of motor fuel is entitled to a credit under
5 Section 2d of this Act which exceeds the taxpayer's liability
6 to the Department under this Act for the month which the
7 taxpayer is filing a return, the Department shall issue the
8 taxpayer a credit memorandum for the excess.

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

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

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

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

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

36 Beginning on August 1, 2006, each month the Department

1 shall pay into the Common School Fund 80% of the revenue
 2 realized for the preceding month from the 6.25% general rate
 3 from transactions of tangible personal property purchased at
 4 retail at a sale conducted over the Internet, which: (i) must
 5 be used to increase the foundation level under Section 18-8.05
 6 of the School Code; and (ii) must be identified as a separate
 7 funding source for education, in order to ensure that these
 8 moneys are an addition to the annual appropriation and not a
 9 substitute for other established funding sources.

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

30	Fiscal Year	Annual Specified Amount
31	1986	\$54,800,000
32	1987	\$76,650,000
33	1988	\$80,480,000
34	1989	\$88,510,000
35	1990	\$115,330,000
36	1991	\$145,470,000

1	1992	\$182,730,000
2	1993	\$206,520,000;

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

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

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

	Fiscal Year	Total Deposit
29	1993	\$0
30	1994	53,000,000
31	1995	58,000,000
32	1996	61,000,000
33	1997	64,000,000
34	1998	68,000,000
35	1999	71,000,000

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

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

32 Beginning July 20, 1993 and in each month of each fiscal
33 year thereafter, one-eighth of the amount requested in the
34 certificate of the Chairman of the Metropolitan Pier and
35 Exposition Authority for that fiscal year, less the amount
36 deposited into the McCormick Place Expansion Project Fund by

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

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

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

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

36 The Department may, upon separate written notice to a

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

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

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

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

36 The chief executive officer, proprietor, owner or highest

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

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

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

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

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

30 Any person who promotes, organizes, provides retail
31 selling space for concessionaires or other types of sellers at
32 the Illinois State Fair, DuQuoin State Fair, county fairs,
33 local fairs, art shows, flea markets and similar exhibitions or
34 events, including any transient merchant as defined by Section
35 2 of the Transient Merchant Act of 1987, is required to file a
36 report with the Department providing the name of the merchant's

1 business, the name of the person or persons engaged in
2 merchant's business, the permanent address and Illinois
3 Retailers Occupation Tax Registration Number of the merchant,
4 the dates and location of the event and other reasonable
5 information that the Department may require. The report must be
6 filed not later than the 20th day of the month next following
7 the month during which the event with retail sales was held.
8 Any person who fails to file a report required by this Section
9 commits a business offense and is subject to a fine not to
10 exceed \$250.

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

31 (Source: P.A. 92-12, eff. 7-1-01; 92-16, eff. 6-28-01; 92-208,
32 eff. 8-2-01; 92-484, eff. 8-23-01; 92-492, eff. 1-1-02; 92-600,
33 eff. 6-28-02; 92-651, eff. 7-11-02; 93-22, eff. 6-20-03; 93-24,
34 eff. 6-20-03; 93-840, eff. 7-30-04; 93-926, eff. 8-12-04;
35 93-1057, eff. 12-2-04; revised 12-6-04.)

1 Section 90-20. The Property Tax Code is amended by changing
2 Sections 18-115 and 18-140 and by adding Section 15-173 as
3 follows:

4 (35 ILCS 200/15-173 new)

5 Sec. 15-173. Citizens' Assessment Freeze Exemption.

6 (a) This Section may be cited as the Citizens' Assessment
7 Freeze Exemption.

8 (b) As used in this Section:

9 "Applicant" means an individual who has filed an
10 application under this Section.

11 "Base amount" means the base year equalized assessed value
12 of the property plus the first year's equalized assessed value
13 of any added improvements that increased the assessed value of
14 the property after the base year.

15 "Base year" means the taxable year prior to the taxable
16 year for which the applicant first qualifies and applies for
17 the exemption. If in any subsequent taxable year for which the
18 applicant applies and qualifies for the exemption the equalized
19 assessed value of the property is less than the equalized
20 assessed value in the existing base year (provided that the
21 equalized assessed value is not based on an assessed value that
22 results from a temporary irregularity in the property that
23 reduces the assessed value for one or more taxable years), then
24 that subsequent taxable year shall become the base year until a
25 new base year is established under the terms of this paragraph.
26 For property that is used for residential or farm purposes, a
27 new base year shall be established when the applicant sells or
28 transfers the property. For all other property, a new base year
29 shall be established at the earlier of (i) 10 years or (ii) the
30 sale or transfer of the property.

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

33 "Taxable year" means the calendar year during which ad
34 valorem property taxes payable in the next succeeding year are
35 levied.

1 (c) Beginning in taxable year 2006, an assessment freeze
2 exemption is granted for real property that is owned by an
3 Illinois taxpayer. This assessment freeze exemption also
4 applies to a leasehold interest in a parcel of property if the
5 lessee is an Illinois taxpayer who has a legal or equitable
6 ownership interest in the property as lessee and is liable for
7 the payment of real property taxes on that property.

8 The amount of this exemption is the equalized assessed
9 value of the property in the taxable year for which application
10 is made minus the base amount.

11 Each year, at the time the assessment books are certified
12 to the county clerk, the Board of Review or Board of Appeals
13 must give to the county clerk a list of the assessed values of
14 improvements on each parcel qualifying for this exemption that
15 were added after the base year for this parcel and that
16 increased the assessed value of the property.

17 In counties having 3,000,000 or more inhabitants, to
18 receive the exemption, a person may submit an application to
19 the chief county assessment officer of the county in which the
20 property is located during such period as may be specified by
21 the chief county assessment officer. The chief county
22 assessment officer in counties of 3,000,000 or more inhabitants
23 shall annually give notice of the application period by mail or
24 by publication.

25 In counties having less than 3,000,000 inhabitants, to
26 receive the exemption, a person must submit an application by
27 July 1 of each taxable year to the chief county assessment
28 officer of the county in which the property is located. A
29 county may, by ordinance, establish a date for submission of
30 applications that is different than July 1. The applicant shall
31 submit with the application an affidavit of the applicant's
32 legal or equitable ownership interest in the property as owner
33 or lessee. The applications shall be clearly marked as
34 applications for the Citizens' Assessment Freeze Exemption.

35 (d) Each chief county assessment officer shall annually
36 publish a notice of availability of the exemption provided

1 under this Section. The notice shall be published at least 60
2 days but no more than 75 days prior to the date on which the
3 application must be submitted to the chief county assessment
4 officer of the county in which the property is located. The
5 notice shall appear in a newspaper of general circulation in
6 the county.

7 (e) Notwithstanding Sections 6 and 8 of the State Mandates
8 Act, no reimbursement by the State is required for the
9 implementation of any mandate created by this Section.

10 (35 ILCS 200/18-115)

11 Sec. 18-115. Use of equalized assessed valuation. The
12 equalized assessed value of all property, as determined under
13 this Code, after equalization by the Department, shall be the
14 assessed valuation for all purposes of taxation, limitation of
15 taxation, and limitation of indebtedness prescribed in any
16 statute. This Section is subject to the School Land and Capital
17 Facilities Assessment Act.

18 (Source: P.A. 86-233; 86-953; 86-957; 86-1475; 87-17; 87-477;
19 87-895; 88-455.)

20 (35 ILCS 200/18-140)

21 Sec. 18-140. Extension upon equalized assessment of
22 current levy year. All taxes shall be extended by each county
23 clerk upon the valuation produced by the equalization and
24 assessment of property by the Department for the levy year. In
25 the computation of rates, a fraction of a mill shall be
26 extended as the next higher mill. Each installment of taxes
27 shall be extended in a separate column. Installments shall be
28 equal and as to each installment a fraction of a cent shall be
29 extended as one cent. This Section is subject to the School
30 Land and Capital Facilities Assessment Act.

31 (Source: P.A. 87-17; 88-455.)

32 Section 90-25. The Telecommunications Excise Tax Act is
33 amended by changing Sections 2, 3, and 4 as follows:

1 (35 ILCS 630/2) (from Ch. 120, par. 2002)

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

4 (a) "Gross charge" means the amount paid for the act or
5 privilege of originating or receiving telecommunications in
6 this State and for all services and equipment provided in
7 connection therewith by a retailer, valued in money whether
8 paid in money or otherwise, including cash, credits, services
9 and property of every kind or nature, and shall be determined
10 without any deduction on account of the cost of such
11 telecommunications, the cost of materials used, labor or
12 service costs or any other expense whatsoever. In case credit
13 is extended, the amount thereof shall be included only as and
14 when paid. "Gross charges" for private line service shall
15 include charges imposed at each channel termination point
16 within this State, charges for the channel mileage between each
17 channel termination point within this State, and charges for
18 that portion of the interstate inter-office channel provided
19 within Illinois. Charges for that portion of the interstate
20 inter-office channel provided in Illinois shall be determined
21 by the retailer as follows: (i) for interstate inter-office
22 channels having 2 channel termination points, only one of which
23 is in Illinois, 50% of the total charge imposed; or (ii) for
24 interstate inter-office channels having more than 2 channel
25 termination points, one or more of which are in Illinois, an
26 amount equal to the total charge multiplied by a fraction, the
27 numerator of which is the number of channel termination points
28 within Illinois and the denominator of which is the total
29 number of channel termination points. Prior to January 1, 2004,
30 any method consistent with this paragraph or other method that
31 reasonably apportions the total charges for interstate
32 inter-office channels among the states in which channel
33 terminations points are located shall be accepted as a
34 reasonable method to determine the charges for that portion of
35 the interstate inter-office channel provided within Illinois

1 for that period. However, "gross charges" shall not include any
2 of the following:

3 (1) Any amounts added to a purchaser's bill because of
4 a charge made pursuant to (i) the tax imposed by this
5 Article; (ii) charges added to customers' bills pursuant to
6 the provisions of Sections 9-221 or 9-222 of the Public
7 Utilities Act, as amended, or any similar charges added to
8 customers' bills by retailers who are not subject to rate
9 regulation by the Illinois Commerce Commission for the
10 purpose of recovering any of the tax liabilities or other
11 amounts specified in such provisions of such Act; (iii) the
12 tax imposed by Section 4251 of the Internal Revenue Code;
13 (iv) 911 surcharges; or (v) the tax imposed by the
14 Simplified Municipal Telecommunications Tax Act.

15 (2) Charges for a sent collect telecommunication
16 received outside of the State.

17 (3) Charges for leased time on equipment or charges for
18 the storage of data or information for subsequent retrieval
19 or the processing of data or information intended to change
20 its form or content. Such equipment includes, but is not
21 limited to, the use of calculators, computers, data
22 processing equipment, tabulating equipment or accounting
23 equipment and also includes the usage of computers under a
24 time-sharing agreement.

25 (4) Charges for customer equipment, including such
26 equipment that is leased or rented by the customer from any
27 source, wherein such charges are disaggregated and
28 separately identified from other charges.

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

34 (6) Charges for telecommunications and all services
35 and equipment provided in connection therewith between a
36 parent corporation and its wholly owned subsidiaries or

1 between wholly owned subsidiaries when the tax imposed
2 under this Article has already been paid to a retailer and
3 only to the extent that the charges between the parent
4 corporation and wholly owned subsidiaries or between
5 wholly owned subsidiaries represent expense allocation
6 between the corporations and not the generation of profit
7 for the corporation rendering such service.

8 (7) Bad debts. Bad debt means any portion of a debt
9 that is related to a sale at retail for which gross charges
10 are not otherwise deductible or excludable that has become
11 worthless or uncollectable, as determined under applicable
12 federal income tax standards. If the portion of the debt
13 deemed to be bad is subsequently paid, the retailer shall
14 report and pay the tax on that portion during the reporting
15 period in which the payment is made.

16 (8) Charges paid by inserting coins in coin-operated
17 telecommunication devices.

18 (9) Amounts paid by telecommunications retailers under
19 the Telecommunications Municipal Infrastructure
20 Maintenance Fee Act.

21 (10) Charges for nontaxable services or
22 telecommunications if (i) those charges are aggregated
23 with other charges for telecommunications that are
24 taxable, (ii) those charges are not separately stated on
25 the customer bill or invoice, and (iii) the retailer can
26 reasonably identify the nontaxable charges on the
27 retailer's books and records kept in the regular course of
28 business. If the nontaxable charges cannot reasonably be
29 identified, the gross charge from the sale of both taxable
30 and nontaxable services or telecommunications billed on a
31 combined basis shall be attributed to the taxable services
32 or telecommunications. The burden of proving nontaxable
33 charges shall be on the retailer of the telecommunications.

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

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

32 (d) "Interstate telecommunications" means all
33 telecommunications that either originate or terminate outside
34 this State.

35 (e) "Intrastate telecommunications" means all
36 telecommunications that originate and terminate within this

1 State.

2 (f) "Department" means the Department of Revenue of the
3 State of Illinois.

4 (g) "Director" means the Director of Revenue for the
5 Department of Revenue of the State of Illinois.

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

10 (i) "Person" means any natural individual, firm, trust,
11 estate, partnership, association, joint stock company, joint
12 venture, corporation, limited liability company, or a
13 receiver, trustee, guardian or other representative appointed
14 by order of any court, the Federal and State governments,
15 including State universities created by statute or any city,
16 town, county or other political subdivision of this State.

17 (j) "Purchase at retail" means the acquisition,
18 consumption or use of telecommunication through a sale at
19 retail.

20 (k) "Sale at retail" means the transmitting, supplying or
21 furnishing of telecommunications and all services and
22 equipment provided in connection therewith for a consideration
23 to persons other than the Federal and State governments, and
24 State universities created by statute and other than between a
25 parent corporation and its wholly owned subsidiaries or between
26 wholly owned subsidiaries for their use or consumption and not
27 for resale.

28 (l) "Retailer" means and includes every person engaged in
29 the business of making sales at retail as defined in this
30 Article. The Department may, in its discretion, upon
31 application, authorize the collection of the tax hereby imposed
32 by any retailer not maintaining a place of business within this
33 State, who, to the satisfaction of the Department, furnishes
34 adequate security to insure collection and payment of the tax.
35 Such retailer shall be issued, without charge, a permit to
36 collect such tax. When so authorized, it shall be the duty of

1 such retailer to collect the tax upon all of the gross charges
2 for telecommunications in this State in the same manner and
3 subject to the same requirements as a retailer maintaining a
4 place of business within this State. The permit may be revoked
5 by the Department at its discretion.

6 (m) "Retailer maintaining a place of business in this
7 State", or any like term, means and includes any retailer
8 having or maintaining within this State, directly or by a
9 subsidiary, an office, distribution facilities, transmission
10 facilities, sales office, warehouse or other place of business,
11 or any agent or other representative operating within this
12 State under the authority of the retailer or its subsidiary,
13 irrespective of whether such place of business or agent or
14 other representative is located here permanently or
15 temporarily, or whether such retailer or subsidiary is licensed
16 to do business in this State.

17 (n) "Service address" means the location of
18 telecommunications equipment from which the telecommunications
19 services are originated or at which telecommunications
20 services are received by a taxpayer. In the event this may not
21 be a defined location, as in the case of mobile phones, paging
22 systems, maritime systems, service address means the
23 customer's place of primary use as defined in the Mobile
24 Telecommunications Sourcing Conformity Act. For air-to-ground
25 systems and the like, service address shall mean the location
26 of a taxpayer's primary use of the telecommunications equipment
27 as defined by telephone number, authorization code, or location
28 in Illinois where bills are sent.

29 (o) "Prepaid telephone calling arrangements" mean the
30 right to exclusively purchase telephone or telecommunications
31 services that must be paid for in advance and enable the
32 origination of one or more intrastate, interstate, or
33 international telephone calls or other telecommunications
34 using an access number, an authorization code, or both, whether
35 manually or electronically dialed, for which payment to a
36 retailer must be made in advance, provided that, unless

1 recharged, no further service is provided once that prepaid
2 amount of service has been consumed. Prepaid telephone calling
3 arrangements include the recharge of a prepaid calling
4 arrangement. For purposes of this subsection, "recharge" means
5 the purchase of additional prepaid telephone or
6 telecommunications services whether or not the purchaser
7 acquires a different access number or authorization code.
8 "Prepaid telephone calling arrangement" does not include an
9 arrangement whereby a customer purchases a payment card and
10 pursuant to which the service provider reflects the amount of
11 such purchase as a credit on an invoice issued to that customer
12 under an existing subscription plan.

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

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

19 (35 ILCS 630/3) (from Ch. 120, par. 2003)

20 Sec. 3. Until December 31, 1997, a tax is imposed upon the
21 act or privilege of originating or receiving intrastate
22 telecommunications by a person in this State at the rate of 5%
23 of the gross charge for such telecommunications purchased at
24 retail from a retailer by such person. Beginning January 1,
25 1998, a tax is imposed upon the act or privilege of originating
26 in this State or receiving in this State intrastate
27 telecommunications by a person in this State at the rate of 7%
28 of the gross charge for such telecommunications purchased at
29 retail from a retailer by such person. However, such tax is not
30 imposed on the act or privilege to the extent such act or
31 privilege may not, under the Constitution and statutes of the
32 United States, be made the subject of taxation by the State.
33 Beginning January 1, 2001, prepaid telephone calling
34 arrangements shall not be considered telecommunications
35 subject to the tax imposed under this Act. Beginning July 1,

1 2006, digital subscriber line services are not considered
2 telecommunications that are subject to this Act.

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

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

5 Sec. 4. Until December 31, 1997, a tax is imposed upon the
6 act or privilege of originating in this State or receiving in
7 this State interstate telecommunications by a person in this
8 State at the rate of 5% of the gross charge for such
9 telecommunications purchased at retail from a retailer by such
10 person. Beginning January 1, 1998, a tax is imposed upon the
11 act or privilege of originating in this State or receiving in
12 this State interstate telecommunications by a person in this
13 State at the rate of 7% of the gross charge for such
14 telecommunications purchased at retail from a retailer by such
15 person. To prevent actual multi-state taxation of the act or
16 privilege that is subject to taxation under this paragraph, any
17 taxpayer, upon proof that that taxpayer has paid a tax in
18 another state on such event, shall be allowed a credit against
19 the tax imposed in this Section 4 to the extent of the amount
20 of such tax properly due and paid in such other state. However,
21 such tax is not imposed on the act or privilege to the extent
22 such act or privilege may not, under the Constitution and
23 statutes of the United States, be made the subject of taxation
24 by the State. Beginning on January 1, 2001, prepaid telephone
25 calling arrangements shall not be considered
26 telecommunications subject to the tax imposed under this Act.
27 Beginning July 1, 2006, digital subscriber line services are
28 not considered telecommunications that are subject to this Act.

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

30 Section 90-30. The Illinois Municipal Code is amended by
31 changing Section 11-12-5.1 and by adding Section 11-15.1-6 as
32 follows:

33 (65 ILCS 5/11-12-5.1) (from Ch. 24, par. 11-12-5.1)

1 Sec. 11-12-5.1. School land donations. The governing board
2 of a school district may submit to the corporate authorities of
3 a municipality having a population of less than 500,000 which
4 is served by the school district a written request that a
5 meeting be held to discuss school land donations from a
6 developer of a subdivision or resubdivision of land included
7 within the area served by the school district. For the purposes
8 of this Section, "school land donation" means a donation of
9 land for public school purposes or a cash contribution in lieu
10 thereof, or a combination of both. This Section is subject to
11 the School Land and Capital Facilities Assessment Act.

12 (Source: P.A. 86-1023; 86-1039.)

13 (65 ILCS 5/11-15.1-6 new)

14 Sec. 11-15.1-6. This Division is subject to the School Land
15 and Capital Facilities Assessment Act.

16 Section 90-90. The State Mandates Act is amended by adding
17 Section 8.30 as follows:

18 (30 ILCS 805/8.30 new)

19 Sec. 8.30. Exempt mandate. Notwithstanding Sections 6 and 8
20 of this Act, no reimbursement by the State is required for the
21 implementation of any mandate created by this amendatory Act of
22 the 94th General Assembly.

23 Section 90-99. Effective date. This Act takes effect upon
24 becoming law.