



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB3502

Introduced 2/28/2007, by Rep. Dave Winters

SYNOPSIS AS INTRODUCED:

35 ILCS 105/3-10	from Ch. 120, par. 439.3-10
35 ILCS 105/9	from Ch. 120, par. 439.9
35 ILCS 110/3-10	from Ch. 120, par. 439.33-10
35 ILCS 110/9	from Ch. 120, par. 439.39
35 ILCS 115/3-10	from Ch. 120, par. 439.103-10
35 ILCS 115/9	from Ch. 120, par. 439.109
35 ILCS 120/2-10	from Ch. 120, par. 441-10
35 ILCS 120/3	from Ch. 120, par. 442

Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Provides that, beginning on January 1, 2008, with respect to motor vehicles of the first division manufactured in model year 2008 and thereafter, the rate of tax under the Acts depends on the vehicles' annual fuel-cost rating within the class of vehicle to which it belongs, as determined by the U.S. Department of Energy and the U.S. Environmental Protection Agency. Requires the Department of Revenue to post information on its Internet website concerning the tax rates. Provides that the annual fuel-cost rating for a flexible-fuel vehicle is determined by its annual fuel cost when operated on gasoline, rather than by its annual fuel cost when operated on a mixture of gasoline and ethanol. Makes corresponding changes in provisions concerning the distribution of the tax proceeds. Makes other changes.

LRB095 11295 BDD 31914 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

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

4 Section 5. The Use Tax Act is amended by changing Sections
5 3-10 and 9 as follows:

6 (35 ILCS 105/3-10) (from Ch. 120, par. 439.3-10)
7 Sec. 3-10. Rate of tax.

8 (a) Unless otherwise provided in this Section, the tax
9 imposed by this Act is at the rate of 6.25% of either the
10 selling price or the fair market value, if any, of the tangible
11 personal property. In all cases where property functionally
12 used or consumed is the same as the property that was purchased
13 at retail, then the tax is imposed on the selling price of the
14 property. In all cases where property functionally used or
15 consumed is a by-product or waste product that has been
16 refined, manufactured, or produced from property purchased at
17 retail, then the tax is imposed on the lower of the fair market
18 value, if any, of the specific property so used in this State
19 or on the selling price of the property purchased at retail.
20 For purposes of this Section "fair market value" means the
21 price at which property would change hands between a willing
22 buyer and a willing seller, neither being under any compulsion
23 to buy or sell and both having reasonable knowledge of the

1 relevant facts. The fair market value shall be established by
2 Illinois sales by the taxpayer of the same property as that
3 functionally used or consumed, or if there are no such sales by
4 the taxpayer, then comparable sales or purchases of property of
5 like kind and character in Illinois.

6 (b) Beginning on July 1, 2000 and through December 31,
7 2000, with respect to motor fuel, as defined in Section 1.1 of
8 the Motor Fuel Tax Law, and gasohol, as defined in Section 3-40
9 of the Use Tax Act, the tax is imposed at the rate of 1.25%.

10 (c) With respect to gasohol, the tax imposed by this Act
11 applies to (i) 70% of the proceeds of sales made on or after
12 January 1, 1990, and before July 1, 2003, (ii) 80% of the
13 proceeds of sales made on or after July 1, 2003 and on or
14 before December 31, 2013, and (iii) 100% of the proceeds of
15 sales made thereafter. If, at any time, however, the tax under
16 this Act on sales of gasohol is imposed at the rate of 1.25%,
17 then the tax imposed by this Act applies to 100% of the
18 proceeds of sales of gasohol made during that time.

19 With respect to majority blended ethanol fuel, the tax
20 imposed by this Act does not apply to the proceeds of sales
21 made on or after July 1, 2003 and on or before December 31,
22 2013 but applies to 100% of the proceeds of sales made
23 thereafter.

24 With respect to biodiesel blends with no less than 1% and
25 no more than 10% biodiesel, the tax imposed by this Act applies
26 to (i) 80% of the proceeds of sales made on or after July 1,

1 2003 and on or before December 31, 2013 and (ii) 100% of the
2 proceeds of sales made thereafter. If, at any time, however,
3 the tax under this Act on sales of biodiesel blends with no
4 less than 1% and no more than 10% biodiesel is imposed at the
5 rate of 1.25%, then the tax imposed by this Act applies to 100%
6 of the proceeds of sales of biodiesel blends with no less than
7 1% and no more than 10% biodiesel made during that time.

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

13 (d) With respect to food for human consumption that is to
14 be consumed off the premises where it is sold (other than
15 alcoholic beverages, soft drinks, and food that has been
16 prepared for immediate consumption) and prescription and
17 nonprescription medicines, drugs, medical appliances,
18 modifications to a motor vehicle for the purpose of rendering
19 it usable by a disabled person, and insulin, urine testing
20 materials, syringes, and needles used by diabetics, for human
21 use, the tax is imposed at the rate of 1%. For the purposes of
22 this Section, the term "soft drinks" means any complete,
23 finished, ready-to-use, non-alcoholic drink, whether
24 carbonated or not, including but not limited to soda water,
25 cola, fruit juice, vegetable juice, carbonated water, and all
26 other preparations commonly known as soft drinks of whatever

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

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

13 (e) Beginning on January 1, 2008, with respect to motor
14 vehicles of the first division manufactured in model year 2008
15 and thereafter, other than motorcycles, motor driven cycles,
16 and pedalcycles, the rate of tax imposed under this Act is as
17 follows:

18 (1) For motor vehicles within each vehicle class that
19 are rated within the top third of the annual fuel-cost
20 ratings for that class, as determined by the Department of
21 Energy and the U.S. Environmental Protection Agency, the
22 rate of tax is 5.25%.

23 (2) For motor vehicles within each vehicle class that
24 are rated within the middle third of the annual fuel-cost
25 ratings for that class, as determined by the Department of
26 Energy and the U.S. Environmental Protection Agency, the

1 rate of tax is 6.25%.

2 (3) For motor vehicles within each vehicle class that
3 are rated within the bottom third of the annual fuel-cost
4 ratings for that class, as determined by the Department of
5 Energy and the U.S. Environmental Protection Agency, the
6 rate of tax is 7.25%.

7 The Department must post on its website the fuel-economy
8 rating, as determined by the U.S. Department of Energy and the
9 U.S. Environmental Protection Agency, for each make and model
10 of motor vehicle to which this Section applies and the
11 applicable rate of tax for those motor vehicles in accordance
12 with this Section.

13 The annual fuel-cost rating for a flexible-fuel vehicle is
14 determined by its annual fuel cost when operated on gasoline,
15 rather than by its annual fuel cost when operated on a mixture
16 of gasoline and ethanol.

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

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

25 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

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

21 Where such tangible personal property is sold under a
22 conditional sales contract, or under any other form of sale
23 wherein the payment of the principal sum, or a part thereof, is
24 extended beyond the close of the period for which the return is
25 filed, the retailer, in collecting the tax (except as to motor
26 vehicles, watercraft, aircraft, and trailers that are required

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

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

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

- 17 1. The name of the seller;
- 18 2. The address of the principal place of business from
19 which he engages in the business of selling tangible
20 personal property at retail in this State;
- 21 3. The total amount of taxable receipts received by him
22 during the preceding calendar month from sales of tangible
23 personal property by him during such preceding calendar
24 month, including receipts from charge and time sales, but
25 less all deductions allowed by law;
- 26 4. The amount of credit provided in Section 2d of this

1 Act;

2 5. The amount of tax due;

3 5-5. The signature of the taxpayer; and

4 6. Such other reasonable information as the Department
5 may require.

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

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

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

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

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

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

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

24 Before October 1, 2000, if the taxpayer's average monthly
25 tax liability to the Department under this Act, the Retailers'
26 Occupation Tax Act, the Service Occupation Tax Act, the Service

1 Use Tax Act was \$10,000 or more during the preceding 4 complete
2 calendar quarters, he shall file a return with the Department
3 each month by the 20th day of the month next following the
4 month during which such tax liability is incurred and shall
5 make payments to the Department on or before the 7th, 15th,
6 22nd and last day of the month during which such liability is
7 incurred. On and after October 1, 2000, if the taxpayer's
8 average monthly tax liability to the Department under this Act,
9 the Retailers' Occupation Tax Act, the Service Occupation Tax
10 Act, and the Service Use Tax 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

1 actual liability for the month or 27.5% of the taxpayer's
2 liability for the same calendar month of the preceding year. If
3 the month during which such tax liability is incurred begins on
4 or after January 1, 1987, and prior to January 1, 1988, each
5 payment shall be in an amount equal to 22.5% of the taxpayer's
6 actual liability for the month or 26.25% of the taxpayer's
7 liability for the same calendar month of the preceding year. If
8 the month during which such tax liability is incurred begins on
9 or after January 1, 1988, and prior to January 1, 1989, or
10 begins on or after January 1, 1996, each payment shall be in an
11 amount equal to 22.5% of the taxpayer's actual liability for
12 the month or 25% of the taxpayer's liability for the same
13 calendar month of the preceding year. If the month during which
14 such tax liability is incurred begins on or after January 1,
15 1989, and prior to January 1, 1996, each payment shall be in an
16 amount equal to 22.5% of the taxpayer's actual liability for
17 the month or 25% of the taxpayer's liability for the same
18 calendar month of the preceding year or 100% of the taxpayer's
19 actual liability for the quarter monthly reporting period. The
20 amount of such quarter monthly payments shall be credited
21 against the final tax liability of the taxpayer's return for
22 that month. Before October 1, 2000, once applicable, the
23 requirement of the making of quarter monthly payments to the
24 Department shall continue until such taxpayer's average
25 monthly liability to the Department during the preceding 4
26 complete calendar quarters (excluding the month of highest

1 liability and the month of lowest liability) is less than
2 \$9,000, or until such taxpayer's average monthly liability to
3 the Department as computed for each calendar quarter of the 4
4 preceding complete calendar quarter period is less than
5 \$10,000. However, if a taxpayer can show the Department that a
6 substantial change in the taxpayer's business has occurred
7 which causes the taxpayer to anticipate that his average
8 monthly tax liability for the reasonably foreseeable future
9 will fall below the \$10,000 threshold stated above, then such
10 taxpayer may petition the Department for change in such
11 taxpayer's reporting status. On and after October 1, 2000, once
12 applicable, the requirement of the making of quarter monthly
13 payments to the Department shall continue until such taxpayer's
14 average monthly liability to the Department during the
15 preceding 4 complete calendar quarters (excluding the month of
16 highest liability and the month of lowest liability) is less
17 than \$19,000 or until such taxpayer's average monthly liability
18 to the Department as computed for each calendar quarter of the
19 4 preceding complete calendar quarter period is less than
20 \$20,000. However, if a taxpayer can show the Department that a
21 substantial change in the taxpayer's business has occurred
22 which causes the taxpayer to anticipate that his average
23 monthly tax liability for the reasonably foreseeable future
24 will fall below the \$20,000 threshold stated above, then such
25 taxpayer may petition the Department for a change in such
26 taxpayer's reporting status. The Department shall change such

1 taxpayer's reporting status unless it finds that such change is
2 seasonal in nature and not likely to be long term. If any such
3 quarter monthly payment is not paid at the time or in the
4 amount required by this Section, then the taxpayer shall be
5 liable for penalties and interest on the difference between the
6 minimum amount due and the amount of such quarter monthly
7 payment actually and timely paid, except insofar as the
8 taxpayer has previously made payments for that month to the
9 Department in excess of the minimum payments previously due as
10 provided in this Section. The Department shall make reasonable
11 rules and regulations to govern the quarter monthly payment
12 amount and quarter monthly payment dates for taxpayers who file
13 on other than a calendar monthly basis.

14 If any such payment provided for in this Section exceeds
15 the taxpayer's liabilities under this Act, the Retailers'
16 Occupation Tax Act, the Service Occupation Tax Act and the
17 Service Use Tax Act, as shown by an original monthly return,
18 the Department shall issue to the taxpayer a credit memorandum
19 no later than 30 days after the date of payment, which
20 memorandum may be submitted by the taxpayer to the Department
21 in payment of tax liability subsequently to be remitted by the
22 taxpayer to the Department or be assigned by the taxpayer to a
23 similar taxpayer under this Act, the Retailers' Occupation Tax
24 Act, the Service Occupation Tax Act or the Service Use Tax Act,
25 in accordance with reasonable rules and regulations to be
26 prescribed by the Department, except that if such excess

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

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

26 If the retailer is otherwise required to file a monthly or

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

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

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

16 In addition, with respect to motor vehicles, watercraft,
17 aircraft, and trailers that are required to be registered with
18 an agency of this State, every retailer selling this kind of
19 tangible personal property shall file, with the Department,
20 upon a form to be prescribed and supplied by the Department, a
21 separate return for each such item of tangible personal
22 property which the retailer sells, except that if, in the same
23 transaction, (i) a retailer of aircraft, watercraft, motor
24 vehicles or trailers transfers more than one aircraft,
25 watercraft, motor vehicle or trailer to another aircraft,
26 watercraft, motor vehicle or trailer retailer for the purpose

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

13 The transaction reporting return in the case of motor
14 vehicles or trailers that are required to be registered with an
15 agency of this State, shall be the same document as the Uniform
16 Invoice referred to in Section 5-402 of the Illinois Vehicle
17 Code and must show the name and address of the seller; the name
18 and address of the purchaser; the amount of the selling price
19 including the amount allowed by the retailer for traded-in
20 property, if any; the amount allowed by the retailer for the
21 traded-in tangible personal property, if any, to the extent to
22 which Section 2 of this Act allows an exemption for the value
23 of traded-in property; the balance payable after deducting such
24 trade-in allowance from the total selling price; the amount of
25 tax due from the retailer with respect to such transaction; the
26 amount of tax collected from the purchaser by the retailer on

1 such transaction (or satisfactory evidence that such tax is not
2 due in that particular instance, if that is claimed to be the
3 fact); the place and date of the sale; a sufficient
4 identification of the property sold; such other information as
5 is required in Section 5-402 of the Illinois Vehicle Code, and
6 such other information as the Department may reasonably
7 require.

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

24 Such transaction reporting return shall be filed not later
25 than 20 days after the date of delivery of the item that is
26 being sold, but may be filed by the retailer at any time sooner

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

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

23 No retailer's failure or refusal to remit tax under this
24 Act precludes a user, who has paid the proper tax to the
25 retailer, from obtaining his certificate of title or other
26 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

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

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

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

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

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

16 Beginning January 1, 1990, each month the Department shall
17 pay into the County and Mass Transit District Fund 4% of the
18 net revenue realized for the preceding month from: (i) the
19 6.25% general rate on the selling price of tangible personal
20 property which is purchased outside Illinois at retail from a
21 retailer and which is titled or registered by an agency of this
22 State's government; or (ii) the applicable rate on the selling
23 price of motor vehicles under subsection (e) of Section 3-10
24 that are purchased outside Illinois at retail from a retailer
25 and that are titled or registered by an agency of this State's
26 government.

1 Beginning January 1, 1990, each month the Department shall
2 pay into the State and Local Sales Tax Reform Fund, a special
3 fund in the State Treasury, 20% of the net revenue realized for
4 the preceding month from: (i) the 6.25% general rate on the
5 selling price of tangible personal property, other than
6 tangible personal property which is purchased outside Illinois
7 at retail from a retailer and which is titled or registered by
8 an agency of this State's government; or (ii) the applicable
9 rate on the selling price of motor vehicles under subsection
10 (e) of Section 3-10 that are purchased outside Illinois at
11 retail from a retailer and that are titled or registered by an
12 agency of this State's government.

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

17 Beginning January 1, 1990, each month the Department shall
18 pay into the Local Government Tax Fund 16% of the net revenue
19 realized for the preceding month from: (i) the 6.25% general
20 rate on the selling price of tangible personal property which
21 is purchased outside Illinois at retail from a retailer and
22 which is titled or registered by an agency of this State's
23 government; or (ii) the applicable rate on the selling price of
24 motor vehicles under subsection (e) of Section 3-10 that are
25 purchased outside Illinois at retail from a retailer and that
26 are titled or registered by an agency of this State's

1 government.

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

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

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

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

		Total
	Fiscal Year	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

1	2017	199,000,000
2	2018	210,000,000
3	2019	221,000,000
4	2020	233,000,000
5	2021	246,000,000
6	2022	260,000,000
7	2023 and	275,000,000

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

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

1 has been deposited.

2 Subject to payment of amounts into the Build Illinois Fund
3 and the McCormick Place Expansion Project Fund pursuant to the
4 preceding paragraphs or in any amendments thereto hereafter
5 enacted, beginning July 1, 1993, the Department shall each
6 month pay into the Illinois Tax Increment Fund 0.27% of 80% of
7 the net revenue realized for the preceding month from the 6.25%
8 general rate on the selling price of tangible personal property
9 or the applicable rate on the selling price of motor vehicles
10 under subsection (e) of Section 3-10.

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

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

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

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

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

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

22 (Source: P.A. 94-793, eff. 5-19-06; 94-1074, eff. 12-26-06.)

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

1 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

2 Sec. 3-10. Rate of tax.

3 (a) Unless otherwise provided in this Section, the tax
4 imposed by this Act is at the rate of 6.25% of the selling
5 price of tangible personal property transferred as an incident
6 to the sale of service, but, for the purpose of computing this
7 tax, in no event shall the selling price be less than the cost
8 price of the property to the serviceman.

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

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

25 With respect to majority blended ethanol fuel, as defined
26 in the Use Tax Act, the tax imposed by this Act does not apply

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

5 With respect to biodiesel blends, as defined in the Use Tax
6 Act, with no less than 1% and no more than 10% biodiesel, the
7 tax imposed by this Act applies to (i) 80% of the selling price
8 of property transferred as an incident to the sale of service
9 on or after July 1, 2003 and on or before December 31, 2013 and
10 (ii) 100% of the proceeds of the selling price thereafter. If,
11 at any time, however, the tax under this Act on sales of
12 biodiesel blends, as defined in the Use Tax Act, with no less
13 than 1% and no more than 10% biodiesel is imposed at the rate
14 of 1.25%, then the tax imposed by this Act applies to 100% of
15 the proceeds of sales of biodiesel blends with no less than 1%
16 and no more than 10% biodiesel made during that time.

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

24 (d) At the election of any registered serviceman made for
25 each fiscal year, sales of service in which the aggregate
26 annual cost price of tangible personal property transferred as

1 an incident to the sales of service is less than 35%, or 75% in
2 the case of servicemen transferring prescription drugs or
3 servicemen engaged in graphic arts production, of the aggregate
4 annual total gross receipts from all sales of service, the tax
5 imposed by this Act shall be based on the serviceman's cost
6 price of the tangible personal property transferred as an
7 incident to the sale of those services.

8 (e) The tax shall be imposed at the rate of 1% on food
9 prepared for immediate consumption and transferred incident to
10 a sale of service subject to this Act or the Service Occupation
11 Tax Act by an entity licensed under the Hospital Licensing Act,
12 the Nursing Home Care Act, or the Child Care Act of 1969. The
13 tax shall also be imposed at the rate of 1% on food for human
14 consumption that is to be consumed off the premises where it is
15 sold (other than alcoholic beverages, soft drinks, and food
16 that has been prepared for immediate consumption and is not
17 otherwise included in this paragraph) and prescription and
18 nonprescription medicines, drugs, medical appliances,
19 modifications to a motor vehicle for the purpose of rendering
20 it usable by a disabled person, and insulin, urine testing
21 materials, syringes, and needles used by diabetics, for human
22 use. For the purposes of this Section, the term "soft drinks"
23 means any complete, finished, ready-to-use, non-alcoholic
24 drink, whether carbonated or not, including but not limited to
25 soda water, cola, fruit juice, vegetable juice, carbonated
26 water, and all other preparations commonly known as soft drinks

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

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

14 (f) Beginning on January 1, 2008, with respect to motor
15 vehicles of the first division manufactured in model year 2008
16 and thereafter, other than motorcycles, motor driven cycles,
17 and pedalcycles, the rate of tax imposed under this Act is as
18 follows:

19 (1) For motor vehicles within each vehicle class that
20 are rated within the top third of the annual fuel-cost
21 ratings for that class, as determined by the Department of
22 Energy and the U.S. Environmental Protection Agency, the
23 rate of tax is 5.25%.

24 (2) For motor vehicles within each vehicle class that
25 are rated within the middle third of the annual fuel-cost
26 ratings for that class, as determined by the Department of

1 Energy and the U.S. Environmental Protection Agency, the
2 rate of tax is 6.25%.

3 (3) For motor vehicles within each vehicle class that
4 are rated within the bottom third of the annual fuel-cost
5 ratings for that class, as determined by the Department of
6 Energy and the U.S. Environmental Protection Agency, the
7 rate of tax is 7.25%.

8 The Department must post on its website the fuel-economy
9 rating, as determined by the U.S. Department of Energy and the
10 U.S. Environmental Protection Agency, for each make and model
11 of motor vehicle to which this Section applies and the
12 applicable rate of tax for those motor vehicles in accordance
13 with this Section.

14 The annual fuel-cost rating for a flexible-fuel vehicle is
15 determined by its annual fuel cost when operated on gasoline,
16 rather than by its annual fuel cost when operated on a mixture
17 of gasoline and ethanol.

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

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

1 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

2 Sec. 9. Each serviceman required or authorized to collect
3 the tax herein imposed shall pay to the Department the amount
4 of such tax (except as otherwise provided) at the time when he
5 is required to file his return for the period during which such
6 tax was collected, less a discount of 2.1% prior to January 1,
7 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar
8 year, whichever is greater, which is allowed to reimburse the
9 serviceman for expenses incurred in collecting the tax, keeping
10 records, preparing and filing returns, remitting the tax and
11 supplying data to the Department on request. A serviceman need
12 not remit that part of any tax collected by him to the extent
13 that he is required to pay and does pay the tax imposed by the
14 Service Occupation Tax Act with respect to his sale of service
15 involving the incidental transfer by him of the same property.

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

23 The Department may require returns to be filed on a
24 quarterly basis. If so required, a return for each calendar
25 quarter shall be filed on or before the twentieth day of the
26 calendar month following the end of such calendar quarter. The

1 taxpayer shall also file a return with the Department for each
2 of the first two months of each calendar quarter, on or before
3 the twentieth day of the following calendar month, stating:

4 1. The name of the seller;

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

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

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

13 5. The amount of tax due;

14 5-5. The signature of the taxpayer; and

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

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

21 Beginning October 1, 1993, a taxpayer who has an average
22 monthly tax liability of \$150,000 or more shall make all
23 payments required by rules of the Department by electronic
24 funds transfer. Beginning October 1, 1994, a taxpayer who has
25 an average monthly tax liability of \$100,000 or more shall make
26 all payments required by rules of the Department by electronic

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

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

25 Any taxpayer not required to make payments by electronic
26 funds transfer may make payments by electronic funds transfer

1 with the permission of the Department.

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

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

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

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

26 Such quarter annual and annual returns, as to form and

1 substance, shall be subject to the same requirements as monthly
2 returns.

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

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

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

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

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

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

1 Beginning January 1, 1990, each month the Department shall
2 pay into the State and Local Sales Tax Reform Fund 20% of the
3 net revenue realized for the preceding month from: (i) the
4 6.25% general rate on transfers of tangible personal property,
5 other than tangible personal property which is purchased
6 outside Illinois at retail from a retailer and which is titled
7 or registered by an agency of this State's government; or (ii)
8 the applicable rate on the selling price of motor vehicles
9 under subsection (f) of Section 3-10 that are purchased outside
10 Illinois at retail from a retailer and that are titled or
11 registered by an agency of this State's government.

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

16 Of the remainder of the moneys received by the Department
17 pursuant to this Act, (a) 1.75% thereof shall be paid into the
18 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
19 and after July 1, 1989, 3.8% thereof shall be paid into the
20 Build Illinois Fund; provided, however, that if in any fiscal
21 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
22 may be, of the moneys received by the Department and required
23 to be paid into the Build Illinois Fund pursuant to Section 3
24 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax
25 Act, Section 9 of the Service Use Tax Act, and Section 9 of the
26 Service Occupation Tax Act, such Acts being hereinafter called

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

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

1 Build Illinois Fund are subject to the pledge, claim and charge
 2 set forth in Section 12 of the Build Illinois Bond Act.

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

15	Fiscal Year	Total
		Deposit
16	1993	\$0
17	1994	53,000,000
18	1995	58,000,000
19	1996	61,000,000
20	1997	64,000,000
21	1998	68,000,000
22	1999	71,000,000
23	2000	75,000,000
24	2001	80,000,000
25	2002	93,000,000

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

22 each fiscal year
23 thereafter that bonds
24 are outstanding under
25 Section 13.2 of the
26 Metropolitan Pier and

1 Exposition Authority Act,
2 but not after fiscal year 2042.

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

16 Subject to payment of amounts into the Build Illinois Fund
17 and the McCormick Place Expansion Project Fund pursuant to the
18 preceding paragraphs or in any amendments thereto hereafter
19 enacted, beginning July 1, 1993, the Department shall each
20 month pay into the Illinois Tax Increment Fund 0.27% of 80% of
21 the net revenue realized for the preceding month from the 6.25%
22 general rate on the selling price of tangible personal property
23 or the applicable rate on the selling price of motor vehicles
24 under subsection (f) of Section 3-10.

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

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

12 All remaining moneys received by the Department pursuant to
13 this Act shall be paid into the General Revenue Fund of the
14 State Treasury.

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

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

26 (Source: P.A. 94-793, eff. 5-19-06; 94-1074, eff. 12-26-06.)

1 Section 15. The Service Occupation Tax Act is amended by
2 changing Sections 3-10 and 9 as follows:

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

4 Sec. 3-10. Rate of tax.

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

23 (b) Beginning on July 1, 2000 and through December 31,
24 2000, with respect to motor fuel, as defined in Section 1.1 of

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

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

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

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

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

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

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

24 (e) The tax shall be imposed at the rate of 1% on food
25 prepared for immediate consumption and transferred incident to
26 a sale of service subject to this Act or the Service Occupation

1 Tax Act by an entity licensed under the Hospital Licensing Act,
2 the Nursing Home Care Act, or the Child Care Act of 1969. The
3 tax shall also be imposed at the rate of 1% on food for human
4 consumption that is to be consumed off the premises where it is
5 sold (other than alcoholic beverages, soft drinks, and food
6 that has been prepared for immediate consumption and is not
7 otherwise included in this paragraph) and prescription and
8 nonprescription medicines, drugs, medical appliances,
9 modifications to a motor vehicle for the purpose of rendering
10 it usable by a disabled person, and insulin, urine testing
11 materials, syringes, and needles used by diabetics, for human
12 use. For the purposes of this Section, the term "soft drinks"
13 means any complete, finished, ready-to-use, non-alcoholic
14 drink, whether carbonated or not, including but not limited to
15 soda water, cola, fruit juice, vegetable juice, carbonated
16 water, and all other preparations commonly known as soft drinks
17 of whatever kind or description that are contained in any
18 closed or sealed can, carton, or container, regardless of size.
19 "Soft drinks" does not include coffee, tea, non-carbonated
20 water, infant formula, milk or milk products as defined in the
21 Grade A Pasteurized Milk and Milk Products Act, or drinks
22 containing 50% or more natural fruit or vegetable juice.

23 Notwithstanding any other provisions of this Act, "food for
24 human consumption that is to be consumed off the premises where
25 it is sold" includes all food sold through a vending machine,
26 except soft drinks and food products that are dispensed hot

1 from a vending machine, regardless of the location of the
2 vending machine.

3 (f) Beginning on January 1, 2008, with respect to motor
4 vehicles of the first division manufactured in model year 2008
5 and thereafter, other than motorcycles, motor driven cycles,
6 and pedalcycles, the rate of tax imposed under this Act is as
7 follows:

8 (1) For motor vehicles within each vehicle class that
9 are rated within the top third of the annual fuel-cost
10 ratings for that class, as determined by the Department of
11 Energy and the U.S. Environmental Protection Agency, the
12 rate of tax is 5.25%.

13 (2) For motor vehicles within each vehicle class that
14 are rated within the middle third of the annual fuel-cost
15 ratings for that class, as determined by the Department of
16 Energy and the U.S. Environmental Protection Agency, the
17 rate of tax is 6.25%.

18 (3) For motor vehicles within each vehicle class that
19 are rated within the bottom third of the annual fuel-cost
20 ratings for that class, as determined by the Department of
21 Energy and the U.S. Environmental Protection Agency, the
22 rate of tax is 7.25%.

23 The Department must post on its website the fuel-economy
24 rating, as determined by the U.S. Department of Energy and the
25 U.S. Environmental Protection Agency, for each make and model
26 of motor vehicle to which this Section applies and the

1 applicable rate of tax for those motor vehicles in accordance
2 with this Section.

3 The annual fuel-cost rating for a flexible-fuel vehicle is
4 determined by its annual fuel cost when operated on gasoline,
5 rather than by its annual fuel cost when operated on a mixture
6 of gasoline and ethanol.

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

8 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

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

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

1 period.

2 Except as provided hereinafter in this Section, on or
3 before the twentieth day of each calendar month, such
4 serviceman shall file a return for the preceding calendar month
5 in accordance with reasonable rules and regulations to be
6 promulgated by the Department of Revenue. Such return shall be
7 filed on a form prescribed by the Department and shall contain
8 such information as the Department may reasonably require.

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

- 16 1. The name of the seller;
- 17 2. The address of the principal place of business from
18 which he engages in business as a serviceman in this State;
- 19 3. The total amount of taxable receipts received by him
20 during the preceding calendar month, including receipts
21 from charge and time sales, but less all deductions allowed
22 by law;
- 23 4. The amount of credit provided in Section 2d of this
24 Act;
- 25 5. The amount of tax due;
- 26 5-5. The signature of the taxpayer; and

1 6. Such other reasonable information as the Department
2 may require.

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

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

1 imposed under this Act, including any audit liability.

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

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

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

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

26 Beginning October 1, 1993, a taxpayer who has an average

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

25 Before August 1 of each year beginning in 1993, the
26 Department shall notify all taxpayers required to make payments

1 by electronic funds transfer. All taxpayers required to make
2 payments by electronic funds transfer shall make those payments
3 for a minimum of one year beginning on October 1.

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

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

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

14 Where a serviceman collects the tax with respect to the
15 selling price of tangible personal property which he sells and
16 the purchaser thereafter returns such tangible personal
17 property and the serviceman refunds the selling price thereof
18 to the purchaser, such serviceman shall also refund, to the
19 purchaser, the tax so collected from the purchaser. When filing
20 his return for the period in which he refunds such tax to the
21 purchaser, the serviceman may deduct the amount of the tax so
22 refunded by him to the purchaser from any other Service
23 Occupation Tax, Service Use Tax, Retailers' Occupation Tax or
24 Use Tax which such serviceman may be required to pay or remit
25 to the Department, as shown by such return, provided that the
26 amount of the tax to be deducted shall previously have been

1 remitted to the Department by such serviceman. If the
2 serviceman shall not previously have remitted the amount of
3 such tax to the Department, he shall be entitled to no
4 deduction hereunder upon refunding such tax to the purchaser.

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

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

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

25 Beginning January 1, 1990, each month the Department shall
26 pay into the County and Mass Transit District Fund 4% of the

1 revenue realized for the preceding month from the 6.25% general
2 rate or from the applicable rate for motor vehicles under
3 subsection (f) of Section 3-10.

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

8 Beginning January 1, 1990, each month the Department shall
9 pay into the Local Government Tax Fund 16% of the revenue
10 realized for the preceding month from the 6.25% general rate on
11 transfers of tangible personal property or from the applicable
12 rate for motor vehicles under subsection (f) of Section 3-10.

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

17 Of the remainder of the moneys received by the Department
18 pursuant to this Act, (a) 1.75% thereof shall be paid into the
19 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
20 and after July 1, 1989, 3.8% thereof shall be paid into the
21 Build Illinois Fund; provided, however, that if in any fiscal
22 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
23 may be, of the moneys received by the Department and required
24 to be paid into the Build Illinois Fund pursuant to Section 3
25 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax
26 Act, Section 9 of the Service Use Tax Act, and Section 9 of the

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

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

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

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

16	Fiscal Year	Total
		Deposit
17	1993	\$0
18	1994	53,000,000
19	1995	58,000,000
20	1996	61,000,000
21	1997	64,000,000
22	1998	68,000,000
23	1999	71,000,000
24	2000	75,000,000
25	2001	80,000,000

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

23 each fiscal year
24 thereafter that bonds
25 are outstanding under
26 Section 13.2 of the

1 Metropolitan Pier and
2 Exposition Authority Act,
3 but not after fiscal year 2042.

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

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 July 1, 1993, the Department shall each
21 month pay into the Illinois Tax Increment Fund 0.27% of 80% of
22 the net revenue realized for the preceding month from the 6.25%
23 general rate on the selling price of tangible personal property
24 or from the applicable rate on the selling price of motor
25 vehicles under subsection (f) of Section 3-10.

26 Subject to payment of amounts into the Build Illinois Fund

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

13 Remaining moneys received by the Department pursuant to
14 this Act shall be paid into the General Revenue Fund of the
15 State Treasury.

16 The Department may, upon separate written notice to a
17 taxpayer, require the taxpayer to prepare and file with the
18 Department on a form prescribed by the Department within not
19 less than 60 days after receipt of the notice an annual
20 information return for the tax year specified in the notice.
21 Such annual return to the Department shall include a statement
22 of gross receipts as shown by the taxpayer's last Federal
23 income tax return. If the total receipts of the business as
24 reported in the Federal income tax return do not agree with the
25 gross receipts reported to the Department of Revenue for the
26 same period, the taxpayer shall attach to his annual return a

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

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

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

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

26 The chief executive officer, proprietor, owner or highest

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

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

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

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

23 For greater simplicity of administration, it shall be
24 permissible for manufacturers, importers and wholesalers whose
25 products are sold by numerous servicemen in Illinois, and who
26 wish to do so, to assume the responsibility for accounting and

1 paying to the Department all tax accruing under this Act with
2 respect to such sales, if the servicemen who are affected do
3 not make written objection to the Department to this
4 arrangement.

5 (Source: P.A. 93-24, eff. 6-20-03; 93-840, eff. 7-30-04;
6 94-1074, eff. 12-26-06.)

7 Section 20. The Retailers' Occupation Tax Act is amended by
8 changing Sections 2-10 and 3 as follows:

9 (35 ILCS 120/2-10) (from Ch. 120, par. 441-10)

10 Sec. 2-10. Rate of tax.

11 (a) Unless otherwise provided in this Section, the tax
12 imposed by this Act is at the rate of 6.25% of gross receipts
13 from sales of tangible personal property made in the course of
14 business.

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

19 Within 14 days after the effective date of this amendatory
20 Act of the 91st General Assembly, each retailer of motor fuel
21 and gasohol shall cause the following notice to be posted in a
22 prominently visible place on each retail dispensing device that
23 is used to dispense motor fuel or gasohol in the State of
24 Illinois: "As of July 1, 2000, the State of Illinois has

1 eliminated the State's share of sales tax on motor fuel and
2 gasohol through December 31, 2000. The price on this pump
3 should reflect the elimination of the tax." The notice shall be
4 printed in bold print on a sign that is no smaller than 4
5 inches by 8 inches. The sign shall be clearly visible to
6 customers. Any retailer who fails to post or maintain a
7 required sign through December 31, 2000 is guilty of a petty
8 offense for which the fine shall be \$500 per day per each
9 retail premises where a violation occurs.

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

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

25 With respect to biodiesel blends, as defined in the Use Tax
26 Act, with no less than 1% and no more than 10% biodiesel, the

1 tax imposed by this Act applies to (i) 80% of the proceeds of
2 sales made on or after July 1, 2003 and on or before December
3 31, 2013 and (ii) 100% of the proceeds of sales made
4 thereafter. If, at any time, however, the tax under this Act on
5 sales of biodiesel blends, as defined in the Use Tax Act, with
6 no less than 1% and no more than 10% biodiesel is imposed at
7 the rate of 1.25%, then the tax imposed by this Act applies to
8 100% of the proceeds of sales of biodiesel blends with no less
9 than 1% and no more than 10% biodiesel made during that time.

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

16 (d) With respect to food for human consumption that is to
17 be consumed off the premises where it is sold (other than
18 alcoholic beverages, soft drinks, and food that has been
19 prepared for immediate consumption) and prescription and
20 nonprescription medicines, drugs, medical appliances,
21 modifications to a motor vehicle for the purpose of rendering
22 it usable by a disabled person, and insulin, urine testing
23 materials, syringes, and needles used by diabetics, for human
24 use, the tax is imposed at the rate of 1%. For the purposes of
25 this Section, the term "soft drinks" means any complete,
26 finished, ready-to-use, non-alcoholic drink, whether

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

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

16 (e) Beginning on January 1, 2008, with respect to motor
17 vehicles of the first division manufactured in model year 2008
18 and thereafter, other than motorcycles, motor driven cycles,
19 and pedalcycles, the rate of tax imposed under this Act is as
20 follows:

21 (1) For motor vehicles within each vehicle class that
22 are rated within the top third of the annual fuel-cost
23 ratings for that class, as determined by the Department of
24 Energy and the U.S. Environmental Protection Agency, the
25 rate of tax is 5.25%.

26 (2) For motor vehicles within each vehicle class that

1 are rated within the middle third of the annual fuel-cost
2 ratings for that class, as determined by the Department of
3 Energy and the U.S. Environmental Protection Agency, the
4 rate of tax is 6.25%.

5 (3) For motor vehicles within each vehicle class that
6 are rated within the bottom third of the annual fuel-cost
7 ratings for that class, as determined by the Department of
8 Energy and the U.S. Environmental Protection Agency, the
9 rate of tax is 7.25%.

10 The Department must post on its website the fuel-economy
11 rating, as determined by the U.S. Department of Energy and the
12 U.S. Environmental Protection Agency, for each make and model
13 of motor vehicle to which this Section applies and the
14 applicable rate of tax for those motor vehicles in accordance
15 with this Section.

16 The annual fuel-cost rating for a flexible-fuel vehicle is
17 determined by its annual fuel cost when operated on gasoline,
18 rather than by its annual fuel cost when operated on a mixture
19 of gasoline and ethanol.

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

21 (35 ILCS 120/3) (from Ch. 120, par. 442)

22 Sec. 3. Except as provided in this Section, on or before
23 the twentieth day of each calendar month, every person engaged
24 in the business of selling tangible personal property at retail
25 in this State during the preceding calendar month shall file a

1 return with the Department, stating:

2 1. The name of the seller;

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

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

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

18 5. Deductions allowed by law;

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

22 7. The amount of credit provided in Section 2d of this
23 Act;

24 8. The amount of tax due;

25 9. The signature of the taxpayer; and

26 10. Such other reasonable information as the

1 Department may require.

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

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

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

1 used after September 30, 2003 through August 31, 2004 to
2 satisfy any tax liability imposed under this Act, including any
3 audit liability.

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

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

25 Beginning on October 1, 2003, any person who is not a
26 licensed distributor, importing distributor, or manufacturer,

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

13 Beginning on October 1, 2003, every distributor, importing
14 distributor, and manufacturer of alcoholic liquor as defined in
15 the Liquor Control Act of 1934, shall file a statement with the
16 Department of Revenue, no later than the 10th day of the month
17 for the preceding month during which transactions occurred, by
18 electronic means, showing the total amount of gross receipts
19 from the sale of alcoholic liquor sold or distributed during
20 the preceding month to purchasers; identifying the purchaser to
21 whom it was sold or distributed; the purchaser's tax
22 registration number; and such other information reasonably
23 required by the Department. A distributor, importing
24 distributor, or manufacturer of alcoholic liquor must
25 personally deliver, mail, or provide by electronic means to
26 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

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

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

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

25 All taxpayers required to make payment by electronic funds
26 transfer and any taxpayers authorized to voluntarily make

1 payments by electronic funds transfer shall make those payments
2 in the manner authorized by the Department.

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

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

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

24 If the retailer is otherwise required to file a monthly or
25 quarterly return and if the retailer's average monthly tax
26 liability with the Department does not exceed \$50, the

1 Department may authorize his returns to be filed on an annual
2 basis, with the return for a given year being due by January 20
3 of the following year.

4 Such quarter annual and annual returns, as to form and
5 substance, shall be subject to the same requirements as monthly
6 returns.

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

14 Where the same person has more than one business registered
15 with the Department under separate registrations under this
16 Act, such person may not file each return that is due as a
17 single return covering all such registered businesses, but
18 shall file separate returns for each such registered business.

19 In addition, with respect to motor vehicles, watercraft,
20 aircraft, and trailers that are required to be registered with
21 an agency of this State, every retailer selling this kind of
22 tangible personal property shall file, with the Department,
23 upon a form to be prescribed and supplied by the Department, a
24 separate return for each such item of tangible personal
25 property which the retailer sells, except that if, in the same
26 transaction, (i) a retailer of aircraft, watercraft, motor

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

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

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

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

19 The transaction reporting return in the case of watercraft
20 or aircraft must show the name and address of the seller; the
21 name and address of the purchaser; the amount of the selling
22 price including the amount allowed by the retailer for
23 traded-in property, if any; the amount allowed by the retailer
24 for the traded-in tangible personal property, if any, to the
25 extent to which Section 1 of this Act allows an exemption for
26 the value of traded-in property; the balance payable after

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

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

21 With each such transaction reporting return, the retailer
22 shall remit the proper amount of tax due (or shall submit
23 satisfactory evidence that the sale is not taxable if that is
24 the case), to the Department or its agents, whereupon the
25 Department shall issue, in the purchaser's name, a use tax
26 receipt (or a certificate of exemption if the Department is

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

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

16 If the user who would otherwise pay tax to the retailer
17 wants the transaction reporting return filed and the payment of
18 the tax or proof of exemption made to the Department before the
19 retailer is willing to take these actions and such user has not
20 paid the tax to the retailer, such user may certify to the fact
21 of such delay by the retailer and may (upon the Department
22 being satisfied of the truth of such certification) transmit
23 the information required by the transaction reporting return
24 and the remittance for tax or proof of exemption directly to
25 the Department and obtain his tax receipt or exemption
26 determination, in which event the transaction reporting return

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

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

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

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

24 Except as provided in this Section, the retailer filing the
25 return under this Section shall, at the time of filing such
26 return, pay to the Department the amount of tax imposed by this

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

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

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

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

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

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

10 The provisions of this paragraph apply before October 1,
11 2001. Without regard to whether a taxpayer is required to make
12 quarter monthly payments as specified above, any taxpayer who
13 is required by Section 2d of this Act to collect and remit
14 prepaid taxes and has collected prepaid taxes which average in
15 excess of \$25,000 per month during the preceding 2 complete
16 calendar quarters, shall file a return with the Department as
17 required by Section 2f and shall make payments to the
18 Department on or before the 7th, 15th, 22nd and last day of the
19 month during which such liability is incurred. If the month
20 during which such tax liability is incurred began prior to the
21 effective date of this amendatory Act of 1985, each payment
22 shall be in an amount not less than 22.5% of the taxpayer's
23 actual liability under Section 2d. If the month during which
24 such tax liability is incurred begins on or after January 1,
25 1986, each payment shall be in an amount equal to 22.5% of the
26 taxpayer's actual liability for the month or 27.5% of the

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

20 The provisions of this paragraph apply on and after October
21 1, 2001. Without regard to whether a taxpayer is required to
22 make quarter monthly payments as specified above, any taxpayer
23 who is required by Section 2d of this Act to collect and remit
24 prepaid taxes and has collected prepaid taxes that average in
25 excess of \$20,000 per month during the preceding 4 complete
26 calendar quarters shall file a return with the Department as

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

24 If any payment provided for in this Section exceeds the
25 taxpayer's liabilities under this Act, the Use Tax Act, the
26 Service Occupation Tax Act and the Service Use Tax Act, as

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

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

25 Beginning January 1, 1990, each month the Department shall
26 pay into the Local Government Tax Fund, a special fund in the

1 State treasury which is hereby created, the net revenue
2 realized for the preceding month from the 1% tax on sales of
3 food for human consumption which is to be consumed off the
4 premises where it is sold (other than alcoholic beverages, soft
5 drinks and food which has been prepared for immediate
6 consumption) and prescription and nonprescription medicines,
7 drugs, medical appliances and insulin, urine testing
8 materials, syringes and needles used by diabetics.

9 Beginning January 1, 1990, each month the Department shall
10 pay into the County and Mass Transit District Fund, a special
11 fund in the State treasury which is hereby created, 4% of the
12 net revenue realized for the preceding month from the 6.25%
13 general rate or from the applicable rate for motor vehicles
14 under subsection (e) of Section 2-10.

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

19 Beginning January 1, 1990, each month the Department shall
20 pay into the Local Government Tax Fund 16% of the net revenue
21 realized for the preceding month from the 6.25% general rate on
22 the selling price of tangible personal property or from the
23 applicable rate on the selling price of motor vehicles under
24 subsection (e) of Section 2-10.

25 Beginning August 1, 2000, each month the Department shall
26 pay into the Local Government Tax Fund 80% of the net revenue

1 realized for the preceding month from the 1.25% rate on the
2 selling price of motor fuel and gasohol.

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

23	Fiscal Year	Annual Specified Amount
24	1986	\$54,800,000
25	1987	\$76,650,000
26	1988	\$80,480,000

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

6 and means the Certified Annual Debt Service Requirement (as
7 defined in Section 13 of the Build Illinois Bond Act) or the
8 Tax Act Amount, whichever is greater, for fiscal year 1994 and
9 each fiscal year thereafter; and further provided, that if on
10 the last business day of any month the sum of (1) the Tax Act
11 Amount required to be deposited into the Build Illinois Bond
12 Account in the Build Illinois Fund during such month and (2)
13 the amount transferred to the Build Illinois Fund from the
14 State and Local Sales Tax Reform Fund shall have been less than
15 1/12 of the Annual Specified Amount, an amount equal to the
16 difference shall be immediately paid into the Build Illinois
17 Fund from other moneys received by the Department pursuant to
18 the Tax Acts; and, further provided, that in no event shall the
19 payments required under the preceding proviso result in
20 aggregate payments into the Build Illinois Fund pursuant to
21 this clause (b) for any fiscal year in excess of the greater of
22 (i) the Tax Act Amount or (ii) the Annual Specified Amount for
23 such fiscal year. The amounts payable into the Build Illinois
24 Fund under clause (b) of the first sentence in this paragraph
25 shall be payable only until such time as the aggregate amount
26 on deposit under each trust indenture securing Bonds issued and

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

1 and charge set forth in Section 12 of the Build Illinois Bond
 2 Act.

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

15	Fiscal Year	Total
		Deposit
16	1993	\$0
17	1994	53,000,000
18	1995	58,000,000
19	1996	61,000,000
20	1997	64,000,000
21	1998	68,000,000
22	1999	71,000,000
23	2000	75,000,000
24	2001	80,000,000
25	2002	93,000,000

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

22 each fiscal year
23 thereafter that bonds
24 are outstanding under
25 Section 13.2 of the
26 Metropolitan Pier and

1 Exposition Authority Act,
2 but not after fiscal year 2042.

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

16 Subject to payment of amounts into the Build Illinois Fund
17 and the McCormick Place Expansion Project Fund pursuant to the
18 preceding paragraphs or in any amendments thereto hereafter
19 enacted, beginning July 1, 1993, the Department shall each
20 month pay into the Illinois Tax Increment Fund 0.27% of 80% of
21 the net revenue realized for the preceding month from the 6.25%
22 general rate on the selling price of tangible personal property
23 or from the applicable rate on the selling price of motor
24 vehicles under subsection (e) of Section 2-10.

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

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

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

18 The Department may, upon separate written notice to a
19 taxpayer, require the taxpayer to prepare and file with the
20 Department on a form prescribed by the Department within not
21 less than 60 days after receipt of the notice an annual
22 information return for the tax year specified in the notice.
23 Such annual return to the Department shall include a statement
24 of gross receipts as shown by the retailer's last Federal
25 income tax return. If the total receipts of the business as
26 reported in the Federal income tax return do not agree with the

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

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

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

25 (ii) On and after January 1, 1994, the taxpayer shall
26 be liable for a penalty as described in Section 3-4 of the

1 Uniform Penalty and Interest Act.

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

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

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

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

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

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

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

23 Any person engaged in the business of selling tangible
24 personal property at retail as a concessionaire or other type
25 of seller at the Illinois State Fair, county fairs, art shows,
26 flea markets and similar exhibitions or events, or any

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

17 (Source: P.A. 93-22, eff. 6-20-03; 93-24, eff. 6-20-03; 93-840,
18 eff. 7-30-04; 93-926, eff. 8-12-04; 93-1057, eff. 12-2-04;
19 94-1074, eff. 12-26-06.)