



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB4105

by Rep. Rosemary Mulligan

SYNOPSIS AS INTRODUCED:

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

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

LRB095 12205 BDD 36495 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 State Finance Act is amended by changing
5 Sections 6z-18 and 6z-20 as follows:

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

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

19 A portion of the money paid into the Local Government Tax
20 Fund from the 6.25% general use tax rate on the selling price
21 of tangible personal property which is purchased outside
22 Illinois at retail from a retailer and which is titled or
23 registered by any agency of this State's government shall be

1 distributed to municipalities as provided in this paragraph.
2 Each municipality shall receive the amount attributable to
3 sales for which Illinois addresses for titling or registration
4 purposes are given as being in such municipality. The remainder
5 of the money paid into the Local Government Tax Fund from such
6 sales shall be distributed to counties. Each county shall
7 receive the amount attributable to sales for which Illinois
8 addresses for titling or registration purposes are given as
9 being located in the unincorporated area of such county.

10 A portion of the money paid into the Local Government Tax
11 Fund from the 6.25% general rate (and, beginning July 1, 2000
12 and through December 31, 2000, the 1.25% rate on motor fuel and
13 gasohol and, beginning July 1, 2007, if applicable, the rate of
14 \$0.10 per gallon on motor fuel and gasohol) on sales subject to
15 taxation under the Retailers' Occupation Tax Act and the
16 Service Occupation Tax Act, which occurred in municipalities,
17 shall be distributed to each municipality, based upon the sales
18 which occurred in that municipality. The remainder shall be
19 distributed to each county, based upon the sales which occurred
20 in the unincorporated area of such county.

21 For the purpose of determining allocation to the local
22 government unit, a retail sale by a producer of coal or other
23 mineral mined in Illinois is a sale at retail at the place
24 where the coal or other mineral mined in Illinois is extracted
25 from the earth. This paragraph does not apply to coal or other
26 mineral when it is delivered or shipped by the seller to the

1 purchaser at a point outside Illinois so that the sale is
2 exempt under the United States Constitution as a sale in
3 interstate or foreign commerce.

4 Whenever the Department determines that a refund of money
5 paid into the Local Government Tax Fund should be made to a
6 claimant instead of issuing a credit memorandum, the Department
7 shall notify the State Comptroller, who shall cause the order
8 to be drawn for the amount specified, and to the person named,
9 in such notification from the Department. Such refund shall be
10 paid by the State Treasurer out of the Local Government Tax
11 Fund.

12 On or before the 25th day of each calendar month, the
13 Department shall prepare and certify to the Comptroller the
14 disbursement of stated sums of money to named municipalities
15 and counties, the municipalities and counties to be those
16 entitled to distribution of taxes or penalties paid to the
17 Department during the second preceding calendar month. The
18 amount to be paid to each municipality or county shall be the
19 amount (not including credit memoranda) collected during the
20 second preceding calendar month by the Department and paid into
21 the Local Government Tax Fund, plus an amount the Department
22 determines is necessary to offset any amounts which were
23 erroneously paid to a different taxing body, and not including
24 an amount equal to the amount of refunds made during the second
25 preceding calendar month by the Department, and not including
26 any amount which the Department determines is necessary to

1 offset any amounts which are payable to a different taxing body
2 but were erroneously paid to the municipality or county. Within
3 10 days after receipt, by the Comptroller, of the disbursement
4 certification to the municipalities and counties, provided for
5 in this Section to be given to the Comptroller by the
6 Department, the Comptroller shall cause the orders to be drawn
7 for the respective amounts in accordance with the directions
8 contained in such certification.

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

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

21 In construing any development, redevelopment, annexation,
22 preannexation or other lawful agreement in effect prior to
23 September 1, 1990, which describes or refers to receipts from a
24 county or municipal retailers' occupation tax, use tax or
25 service occupation tax which now cannot be imposed, such
26 description or reference shall be deemed to include the

1 replacement revenue for such abolished taxes, distributed from
2 the Local Government Tax Fund.

3 (Source: P.A. 90-491, eff. 1-1-98; 91-51, eff. 6-30-99; 91-872,
4 eff. 7-1-00.)

5 (30 ILCS 105/6z-20) (from Ch. 127, par. 142z-20)

6 Sec. 6z-20. Of the money received from the 6.25% general
7 rate (and, beginning July 1, 2000 and through December 31,
8 2000, the 1.25% rate on motor fuel and gasohol and, beginning
9 July 1, 2007, if applicable, the rate of \$0.10 per gallon on
10 motor fuel and gasohol) on sales subject to taxation under the
11 Retailers' Occupation Tax Act and Service Occupation Tax Act
12 and paid into the County and Mass Transit District Fund,
13 distribution to the Regional Transportation Authority tax
14 fund, created pursuant to Section 4.03 of the Regional
15 Transportation Authority Act, for deposit therein shall be made
16 based upon the retail sales occurring in a county having more
17 than 3,000,000 inhabitants. The remainder shall be distributed
18 to each county having 3,000,000 or fewer inhabitants based upon
19 the retail sales occurring in each such county.

20 For the purpose of determining allocation to the local
21 government unit, a retail sale by a producer of coal or other
22 mineral mined in Illinois is a sale at retail at the place
23 where the coal or other mineral mined in Illinois is extracted
24 from the earth. This paragraph does not apply to coal or other
25 mineral when it is delivered or shipped by the seller to the

1 purchaser at a point outside Illinois so that the sale is
2 exempt under the United States Constitution as a sale in
3 interstate or foreign commerce.

4 Of the money received from the 6.25% general use tax rate
5 on tangible personal property which is purchased outside
6 Illinois at retail from a retailer and which is titled or
7 registered by any agency of this State's government and paid
8 into the County and Mass Transit District Fund, the amount for
9 which Illinois addresses for titling or registration purposes
10 are given as being in each county having more than 3,000,000
11 inhabitants shall be distributed into the Regional
12 Transportation Authority tax fund, created pursuant to Section
13 4.03 of the Regional Transportation Authority Act. The
14 remainder of the money paid from such sales shall be
15 distributed to each county based on sales for which Illinois
16 addresses for titling or registration purposes are given as
17 being located in the county. Any money paid into the Regional
18 Transportation Authority Occupation and Use Tax Replacement
19 Fund from the County and Mass Transit District Fund prior to
20 January 14, 1991, which has not been paid to the Authority
21 prior to that date, shall be transferred to the Regional
22 Transportation Authority tax fund.

23 Whenever the Department determines that a refund of money
24 paid into the County and Mass Transit District Fund should be
25 made to a claimant instead of issuing a credit memorandum, the
26 Department shall notify the State Comptroller, who shall cause

1 the order to be drawn for the amount specified, and to the
2 person named, in such notification from the Department. Such
3 refund shall be paid by the State Treasurer out of the County
4 and Mass Transit District Fund.

5 On or before the 25th day of each calendar month, the
6 Department shall prepare and certify to the Comptroller the
7 disbursement of stated sums of money to the Regional
8 Transportation Authority and to named counties, the counties to
9 be those entitled to distribution, as hereinabove provided, of
10 taxes or penalties paid to the Department during the second
11 preceding calendar month. The amount to be paid to the Regional
12 Transportation Authority and each county having 3,000,000 or
13 fewer inhabitants shall be the amount (not including credit
14 memoranda) collected during the second preceding calendar
15 month by the Department and paid into the County and Mass
16 Transit District Fund, plus an amount the Department determines
17 is necessary to offset any amounts which were erroneously paid
18 to a different taxing body, and not including an amount equal
19 to the amount of refunds made during the second preceding
20 calendar month by the Department, and not including any amount
21 which the Department determines is necessary to offset any
22 amounts which were payable to a different taxing body but were
23 erroneously paid to the Regional Transportation Authority or
24 county. Within 10 days after receipt, by the Comptroller, of
25 the disbursement certification to the Regional Transportation
26 Authority and counties, provided for in this Section to be

1 given to the Comptroller by the Department, the Comptroller
2 shall cause the orders to be drawn for the respective amounts
3 in accordance with the directions contained in such
4 certification.

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

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

20 In construing any development, redevelopment, annexation,
21 preannexation or other lawful agreement in effect prior to
22 September 1, 1990, which describes or refers to receipts from a
23 county or municipal retailers' occupation tax, use tax or
24 service occupation tax which now cannot be imposed, such
25 description or reference shall be deemed to include the
26 replacement revenue for such abolished taxes, distributed from

1 the County and Mass Transit District Fund or Local Government
2 Distributive Fund, as the case may be.

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

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

1 functionally used or consumed, or if there are no such sales by
2 the taxpayer, then comparable sales or purchases of property of
3 like kind and character in Illinois.

4 Beginning on July 1, 2007, with respect to motor fuel, as
5 defined in Section 1.1 of the Motor Fuel Tax Law, and gasohol,
6 as defined in Section 3-40 of the Use Tax Act, the tax is
7 imposed at the rate that is the lesser of (i) \$0.10 per gallon
8 or (ii) 6.25% of the selling price.

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

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

22 With respect to majority blended ethanol fuel, the tax
23 imposed by this Act does not apply to the proceeds of sales
24 made on or after July 1, 2003 and on or before December 31,
25 2013 but applies to 100% of the proceeds of sales made
26 thereafter.

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

11 With respect to 100% biodiesel and biodiesel blends 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 With respect to food for human consumption that is to be
17 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 If the property that is purchased at retail from a retailer
17 is acquired outside Illinois and used outside Illinois before
18 being brought to Illinois for use here and is taxable under
19 this Act, the "selling price" on which the tax is computed
20 shall be reduced by an amount that represents a reasonable
21 allowance for depreciation for the period of prior out-of-state
22 use.

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

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

25 Sec. 9. Except as to motor vehicles, watercraft, aircraft,

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

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

1 each tax return period, only the tax applicable to that part of
2 the selling price actually received during such tax return
3 period.

4 Except as provided in this Section, on or before the
5 twentieth day of each calendar month, such retailer shall file
6 a return for the preceding calendar month. Such return shall be
7 filed on forms prescribed by the Department and shall furnish
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 the business of selling tangible
19 personal property at retail in this State;
- 20 3. The total amount of taxable receipts received by him
21 during the preceding calendar month from sales of tangible
22 personal property by him during such preceding calendar
23 month, including receipts from charge and time sales, but
24 less all deductions allowed by law;
- 25 4. The amount of credit provided in Section 2d of this
26 Act;

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

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

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

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

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

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

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

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

23 Before October 1, 2000, if the taxpayer's average monthly
24 tax liability to the Department under this Act, the Retailers'
25 Occupation Tax Act, the Service Occupation Tax Act, the Service
26 Use Tax Act was \$10,000 or more during the preceding 4 complete

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

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

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

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

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

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

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

25 If the retailer is otherwise required to file a monthly or
26 quarterly return and if the retailer's average monthly tax

1 liability to the Department does not exceed \$50, the Department
2 may authorize his returns to be filed on an annual basis, with
3 the return for a given year being due by January 20 of the
4 following year.

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

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

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

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

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

1 due in that particular instance, if that is claimed to be the
2 fact); the place and date of the sale; a sufficient
3 identification of the property sold; such other information as
4 is required in Section 5-402 of the Illinois Vehicle Code, and
5 such other information as the Department may reasonably
6 require.

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

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

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

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

22 No retailer's failure or refusal to remit tax under this
23 Act precludes a user, who has paid the proper tax to the
24 retailer, from obtaining his certificate of title or other
25 evidence of title or registration (if titling or registration
26 is required) upon satisfying the Department that such user has

1 paid the proper tax (if tax is due) to the retailer. The
2 Department shall adopt appropriate rules to carry out the
3 mandate of this paragraph.

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

22 Where a retailer collects the tax with respect to the
23 selling price of tangible personal property which he sells and
24 the purchaser thereafter returns such tangible personal
25 property and the retailer refunds the selling price thereof to
26 the purchaser, such retailer shall also refund, to the

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

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

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

26 Where the retailer has more than one business registered

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

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

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

22 Beginning January 1, 1990, each month the Department shall
23 pay into the State and Local Sales Tax Reform Fund, a special
24 fund in the State Treasury, 20% of the net revenue realized for
25 the preceding month from the 6.25% general rate on the selling
26 price of tangible personal property, other than tangible

1 personal property which is purchased outside Illinois at retail
2 from a retailer and which is titled or registered by an agency
3 of this State's government.

4 Beginning August 1, 2000, each month the Department shall
5 pay into the State and Local Sales Tax Reform Fund 100% 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 net revenue
10 realized for the preceding month from the 6.25% general rate on
11 the selling price of tangible personal property which is
12 purchased outside Illinois at retail from a retailer and which
13 is titled or registered by an agency of this State's
14 government.

15 Beginning July 1, 2007, each month the Department shall pay
16 into the State and Local Sales Tax Reform Fund 100% of the net
17 revenue realized for the preceding month from the rate of \$0.10
18 per gallon on motor fuel and gasohol.

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

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

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

1 payable for such fiscal year pursuant to clause (b) of the
 2 preceding sentence. The moneys received by the Department
 3 pursuant to this Act and required to be deposited into the
 4 Build Illinois Fund are subject to the pledge, claim and charge
 5 set forth in Section 12 of the Build Illinois Bond Act.

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

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

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

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

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

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

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

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

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

1 Net revenue realized for a month shall be the revenue
2 collected by the State pursuant to this Act, less the amount
3 paid out during that month as refunds to taxpayers for
4 overpayment of liability.

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

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

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

15 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

16 Sec. 3-10. Rate of tax. Unless otherwise provided in this
17 Section, the tax imposed by this Act is at the rate of 6.25% of
18 the selling price of tangible personal property transferred as
19 an incident to the sale of service, but, for the purpose of
20 computing this tax, in no event shall the selling price be less
21 than the cost price of the property to the serviceman.

22 Beginning on July 1, 2007, with respect to motor fuel, as
23 defined in Section 1.1 of the Motor Fuel Tax Law, and gasohol,
24 as defined in Section 3-40 of the Use Tax Act, the tax is

1 imposed at the rate that is the lesser of (i) \$0.10 per gallon
2 or (ii) 6.25% of the selling price.

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

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

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

24 With respect to biodiesel blends, as defined in the Use Tax
25 Act, with no less than 1% and no more than 10% biodiesel, the
26 tax imposed by this Act applies to (i) 80% of the selling price

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

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

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

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

7 If the property that is acquired from a serviceman is
8 acquired outside Illinois and used outside Illinois before
9 being brought to Illinois for use here and is taxable under
10 this Act, the "selling price" on which the tax is computed
11 shall be reduced by an amount that represents a reasonable
12 allowance for depreciation for the period of prior out-of-state
13 use.

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

15 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

16 Sec. 9. Each serviceman required or authorized to collect
17 the tax herein imposed shall pay to the Department the amount
18 of such tax (except as otherwise provided) at the time when he
19 is required to file his return for the period during which such
20 tax was collected, less a discount of 2.1% prior to January 1,
21 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar
22 year, whichever is greater, which is allowed to reimburse the
23 serviceman for expenses incurred in collecting the tax, keeping
24 records, preparing and filing returns, remitting the tax and
25 supplying data to the Department on request. A serviceman need

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

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

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

19 1. The name of the seller;

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

22 3. The total amount of taxable receipts received by him
23 during the preceding calendar month, including receipts
24 from charge and time sales, but less all deductions allowed
25 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 If the serviceman is otherwise required to file a monthly
25 return and if the serviceman's average monthly tax liability to
26 the Department does not exceed \$200, the Department may

1 authorize his returns to be filed on a quarter annual basis,
2 with the return for January, February and March of a given year
3 being due by April 20 of such year; with the return for April,
4 May and June of a given year being due by July 20 of such year;
5 with the return for July, August and September of a given year
6 being due by October 20 of such year, and with the return for
7 October, November and December of a given year being due by
8 January 20 of the following year.

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

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

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

25 Where a serviceman collects the tax with respect to the
26 selling price of property which he sells and the purchaser

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

16 Any serviceman filing a return hereunder shall also include
17 the total tax upon the selling price of tangible personal
18 property purchased for use by him as an incident to a sale of
19 service, and such serviceman shall remit the amount of such tax
20 to the Department when filing such 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 servicemen, who are required to file
24 returns hereunder and also under the Service Occupation Tax
25 Act, to furnish all the return information required by both
26 Acts on the one form.

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

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

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

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

1 Beginning July 1, 2007, each month the Department shall pay
2 into the State and Local Sales Tax Reform Fund 100% of the net
3 revenue realized for the preceding month from the rate of \$0.10
4 per gallon on motor fuel and gasohol.

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

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

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

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

1 9 of the Service Occupation Tax Act, and Section 3 of the
 2 Retailers' Occupation Tax Act into the McCormick Place
 3 Expansion Project Fund in the specified fiscal years.

4	Fiscal Year	Total
		Deposit
5	1993	\$0
6	1994	53,000,000
7	1995	58,000,000
8	1996	61,000,000
9	1997	64,000,000
10	1998	68,000,000
11	1999	71,000,000
12	2000	75,000,000
13	2001	80,000,000
14	2002	93,000,000
15	2003	99,000,000
16	2004	103,000,000
17	2005	108,000,000
18	2006	113,000,000
19	2007	119,000,000
20	2008	126,000,000
21	2009	132,000,000
22	2010	139,000,000
23	2011	146,000,000
24	2012	153,000,000
25	2013	161,000,000

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

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

18 Beginning July 20, 1993 and in each month of each fiscal
 19 year thereafter, one-eighth of the amount requested in the
 20 certificate of the Chairman of the Metropolitan Pier and
 21 Exposition Authority for that fiscal year, less the amount
 22 deposited into the McCormick Place Expansion Project Fund by
 23 the State Treasurer in the respective month under subsection
 24 (g) of Section 13 of the Metropolitan Pier and Exposition
 25 Authority Act, plus cumulative deficiencies in the deposits
 26 required under this Section for previous months and years,

1 shall be deposited into the McCormick Place Expansion Project
2 Fund, until the full amount requested for the fiscal year, but
3 not in excess of the amount specified above as "Total Deposit",
4 has been deposited.

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

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

26 All remaining moneys received by the Department pursuant to

1 this Act shall be paid into the General Revenue Fund of the
2 State Treasury.

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

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

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

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

17 (35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

18 Sec. 3-10. Rate of tax. Unless otherwise provided in this
19 Section, the tax imposed by this Act is at the rate of 6.25% of
20 the "selling price", as defined in Section 2 of the Service Use
21 Tax Act, of the tangible personal property. For the purpose of
22 computing this tax, in no event shall the "selling price" be
23 less than the cost price to the serviceman of the tangible
24 personal property transferred. The selling price of each item

1 of tangible personal property transferred as an incident of a
2 sale of service may be shown as a distinct and separate item on
3 the serviceman's billing to the service customer. If the
4 selling price is not so shown, the selling price of the
5 tangible personal property is deemed to be 50% of the
6 serviceman's entire billing to the service customer. When,
7 however, a serviceman contracts to design, develop, and produce
8 special order machinery or equipment, the tax imposed by this
9 Act shall be based on the serviceman's cost price of the
10 tangible personal property transferred incident to the
11 completion of the contract.

12 Beginning on July 1, 2007, with respect to motor fuel, as
13 defined in Section 1.1 of the Motor Fuel Tax Law, and gasohol,
14 as defined in Section 3-40 of the Use Tax Act, the tax is
15 imposed at the rate that is the lesser of (i) \$0.10 per gallon
16 or (ii) 6.25% of the selling price.

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

21 With respect to gasohol, as defined in the Use Tax Act, the
22 tax imposed by this Act shall apply to (i) 70% of the cost
23 price of property transferred as an incident to the sale of
24 service on or after January 1, 1990, and before July 1, 2003,
25 (ii) 80% of the selling price of property transferred as an
26 incident to the sale of service on or after July 1, 2003 and on

1 or before December 31, 2013, and (iii) 100% of the cost price
2 thereafter. If, at any time, however, the tax under this Act on
3 sales of gasohol, as defined in the Use Tax Act, is imposed at
4 the rate of 1.25%, then the tax imposed by this Act applies to
5 100% of the proceeds of sales of gasohol made during that time.

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

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

24 With respect to 100% biodiesel, as defined in the Use Tax
25 Act, and biodiesel blends, as defined in the Use Tax Act, with
26 more than 10% but no more than 99% biodiesel material, the tax

1 imposed by this Act does not apply to the proceeds of the
2 selling price of property transferred as an incident to the
3 sale of service on or after July 1, 2003 and on or before
4 December 31, 2013 but applies to 100% of the selling price
5 thereafter.

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

16 The tax shall be imposed at the rate of 1% on food prepared
17 for immediate consumption and transferred incident to a sale of
18 service subject to this Act or the Service Occupation Tax Act
19 by an entity licensed under the Hospital Licensing Act, the
20 Nursing Home Care Act, or the Child Care Act of 1969. The tax
21 shall also be imposed at the rate of 1% on food for human
22 consumption that is to be consumed off the premises where it is
23 sold (other than alcoholic beverages, soft drinks, and food
24 that has been prepared for immediate consumption and is not
25 otherwise included in this paragraph) and prescription and
26 nonprescription medicines, drugs, medical appliances,

1 modifications to a motor vehicle for the purpose of rendering
2 it usable by a disabled person, and insulin, urine testing
3 materials, syringes, and needles used by diabetics, for human
4 use. For the purposes of this Section, the term "soft drinks"
5 means any complete, finished, ready-to-use, non-alcoholic
6 drink, whether carbonated or not, including but not limited to
7 soda water, cola, fruit juice, vegetable juice, carbonated
8 water, and all other preparations commonly known as soft drinks
9 of whatever kind or description that are contained in any
10 closed or sealed can, carton, or container, regardless of size.
11 "Soft drinks" does not include coffee, tea, non-carbonated
12 water, infant formula, milk or milk products as defined in the
13 Grade A Pasteurized Milk and Milk Products Act, or drinks
14 containing 50% or more natural fruit or vegetable juice.

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

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

22 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

23 Sec. 9. Each serviceman required or authorized to collect
24 the tax herein imposed shall pay to the Department the amount
25 of such tax at the time when he is required to file his return

1 for the period during which such tax was collectible, less a
2 discount of 2.1% prior to January 1, 1990, and 1.75% on and
3 after January 1, 1990, or \$5 per calendar year, whichever is
4 greater, which is allowed to reimburse the serviceman for
5 expenses incurred in collecting the tax, keeping records,
6 preparing and filing returns, remitting the tax and supplying
7 data to the Department on request.

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

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 of Revenue. Such return shall be
21 filed on a form prescribed by the Department and shall contain
22 such 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 Prior to October 1, 2003, and on and after September 1,
22 2004 a serviceman may accept a Manufacturer's Purchase Credit
23 certification from a purchaser in satisfaction of Service Use
24 Tax as provided in Section 3-70 of the Service Use Tax Act if
25 the purchaser provides the appropriate documentation as
26 required by Section 3-70 of the Service Use Tax Act. A

1 Manufacturer's Purchase Credit certification, accepted prior
2 to October 1, 2003 or on or after September 1, 2004 by a
3 serviceman as provided in Section 3-70 of the Service Use Tax
4 Act, may be used by that serviceman to satisfy Service
5 Occupation Tax liability in the amount claimed in the
6 certification, not to exceed 6.25% of the receipts subject to
7 tax from a qualifying purchase. A Manufacturer's Purchase
8 Credit reported on any original or amended return filed under
9 this Act after October 20, 2003 for reporting periods prior to
10 September 1, 2004 shall be disallowed. Manufacturer's Purchase
11 Credit reported on annual returns due on or after January 1,
12 2005 will be disallowed for periods prior to September 1, 2004.
13 No Manufacturer's Purchase Credit may be used after September
14 30, 2003 through August 31, 2004 to satisfy any tax liability
15 imposed under this Act, including any audit liability.

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

26 If the serviceman's average monthly tax liability to the

1 Department does not exceed \$50, the Department may authorize
2 his returns to be filed on an annual basis, with the return for
3 a given year being due by January 20 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 serviceman may file his return, in the
9 case of any serviceman who ceases to engage in a kind of
10 business which makes him responsible for filing returns under
11 this Act, such serviceman shall file a final return under this
12 Act with the Department not more than 1 month after
13 discontinuing such business.

14 Beginning October 1, 1993, a taxpayer who has an average
15 monthly tax liability of \$150,000 or more shall make all
16 payments required by rules of the Department by electronic
17 funds transfer. Beginning October 1, 1994, a taxpayer who has
18 an average monthly tax liability of \$100,000 or more shall make
19 all payments required by rules of the Department by electronic
20 funds transfer. Beginning October 1, 1995, a taxpayer who has
21 an average monthly tax liability of \$50,000 or more shall make
22 all payments required by rules of the Department by electronic
23 funds transfer. Beginning October 1, 2000, a taxpayer who has
24 an annual tax liability of \$200,000 or more shall make all
25 payments required by rules of the Department by electronic
26 funds transfer. The term "annual tax liability" shall be the

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

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

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

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

25 The Department shall adopt such rules as are necessary to
26 effectuate a program of electronic funds transfer and the

1 requirements of this Section.

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

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

26 Where the serviceman has more than one business registered

1 with the Department under separate registrations hereunder,
2 such serviceman shall file separate returns for each registered
3 business.

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

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

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

21 Beginning July 1, 2007, each month the Department shall pay
22 into the County and Mass Transit District Fund 20% of the net
23 revenue realized for the preceding month from the rate of \$0.10
24 per gallon on motor fuel and gasohol.

25 Beginning January 1, 1990, each month the Department shall
26 pay into the Local Government Tax Fund 16% of the revenue

1 realized for the preceding month from the 6.25% general rate on
2 transfers of tangible personal property.

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

7 Beginning July 1, 2007, each month the Department shall pay
8 into the Local Government Tax Fund 80% of the net revenue
9 realized for the preceding month from the rate of \$0.10 per
10 gallon on motor fuel and gasohol.

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

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

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

24 Subject to payment of amounts into the Build Illinois Fund
25 as provided in the preceding paragraph or in any amendment
26 thereto hereafter enacted, the following specified monthly

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

	Fiscal Year	Total Deposit
11	1993	\$0
12	1994	53,000,000
13	1995	58,000,000
14	1996	61,000,000
15	1997	64,000,000
16	1998	68,000,000
17	1999	71,000,000
18	2000	75,000,000
19	2001	80,000,000
20	2002	93,000,000
21	2003	99,000,000
22	2004	103,000,000
23	2005	108,000,000
24	2006	113,000,000
25	2007	119,000,000

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

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

24 Beginning July 20, 1993 and in each month of each fiscal
25 year thereafter, one-eighth of the amount requested in the
26 certificate of the Chairman of the Metropolitan Pier and

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

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 July 1, 1993, the Department shall each
15 month pay into the Illinois Tax Increment Fund 0.27% of 80% of
16 the net revenue realized for the preceding month from the 6.25%
17 general rate on the selling price of tangible personal
18 property.

19 Subject to payment of amounts into the Build Illinois Fund
20 and the McCormick Place Expansion Project Fund pursuant to the
21 preceding paragraphs or in any amendments thereto hereafter
22 enacted, beginning with the receipt of the first report of
23 taxes paid by an eligible business and continuing for a 25-year
24 period, the Department shall each month pay into the Energy
25 Infrastructure Fund 80% of the net revenue realized from the
26 6.25% general rate on the selling price of Illinois-mined coal

1 that was sold to an eligible business. For purposes of this
2 paragraph, the term "eligible business" means a new electric
3 generating facility certified pursuant to Section 605-332 of
4 the Department of Commerce and Economic Opportunity Law of the
5 Civil Administrative Code of Illinois.

6 Remaining moneys received by the Department pursuant to
7 this Act shall be paid into the General Revenue Fund of the
8 State Treasury.

9 The Department may, upon separate written notice to a
10 taxpayer, require the taxpayer to prepare and file with the
11 Department on a form prescribed by the Department within not
12 less than 60 days after receipt of the notice an annual
13 information return for the tax year specified in the notice.
14 Such annual return to the Department shall include a statement
15 of gross receipts as shown by the taxpayer's last Federal
16 income tax return. If the total receipts of the business as
17 reported in the Federal income tax return do not agree with the
18 gross receipts reported to the Department of Revenue for the
19 same period, the taxpayer shall attach to his annual return a
20 schedule showing a reconciliation of the 2 amounts and the
21 reasons for the difference. The taxpayer's annual return to the
22 Department shall also disclose the cost of goods sold by the
23 taxpayer during the year covered by such return, opening and
24 closing inventories of such goods for such year, cost of goods
25 used from stock or taken from stock and given away by the
26 taxpayer during such year, pay roll information of the

1 taxpayer's business during such year and any additional
2 reasonable information which the Department deems would be
3 helpful in determining the accuracy of the monthly, quarterly
4 or annual returns filed by such taxpayer as hereinbefore
5 provided for in this Section.

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

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

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

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

1 The foregoing portion of this Section concerning the filing
2 of an annual information return shall not apply to a serviceman
3 who is not required to file an income tax return with the
4 United States Government.

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

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

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

24 (Source: P.A. 93-24, eff. 6-20-03; 93-840, eff. 7-30-04;
25 94-1074, eff. 12-26-06.)

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

3 (35 ILCS 120/2-10) (from Ch. 120, par. 441-10)

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

8 Beginning on July 1, 2007, with respect to motor fuel, as
9 defined in Section 1.1 of the Motor Fuel Tax Law, and gasohol,
10 as defined in Section 3-40 of the Use Tax Act, the tax is
11 imposed at the rate that is the lesser of (i) \$0.10 per gallon
12 or (ii) 6.25% of the selling price.

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

17 Within 14 days after the effective date of this amendatory
18 Act of the 91st General Assembly, each retailer of motor fuel
19 and gasohol shall cause the following notice to be posted in a
20 prominently visible place on each retail dispensing device that
21 is used to dispense motor fuel or gasohol in the State of
22 Illinois: "As of July 1, 2000, the State of Illinois has
23 eliminated the State's share of sales tax on motor fuel and
24 gasohol through December 31, 2000. The price on this pump
25 should reflect the elimination of the tax." The notice shall be

1 printed in bold print on a sign that is no smaller than 4
2 inches by 8 inches. The sign shall be clearly visible to
3 customers. Any retailer who fails to post or maintain a
4 required sign through December 31, 2000 is guilty of a petty
5 offense for which the fine shall be \$500 per day per each
6 retail premises where a violation occurs.

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

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

22 With respect to biodiesel blends, as defined in the Use Tax
23 Act, with no less than 1% and no more than 10% biodiesel, the
24 tax imposed by this Act applies to (i) 80% of the proceeds of
25 sales made on or after July 1, 2003 and on or before December
26 31, 2013 and (ii) 100% of the proceeds of sales made

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

7 With respect to 100% biodiesel, as defined in the Use Tax
8 Act, and biodiesel blends, as defined in the Use Tax Act, 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 With respect to food for human consumption that is to be
14 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 (Source: P.A. 93-17, eff. 6-11-03.)

14 (35 ILCS 120/3) (from Ch. 120, par. 442)

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

20 1. The name of the seller;

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

1 3. Total amount of receipts received by him during the
2 preceding calendar month or quarter, as the case may be,
3 from sales of tangible personal property, and from services
4 furnished, by him during such preceding calendar month or
5 quarter;

6 4. Total amount received by him during the preceding
7 calendar month or quarter on charge and time sales of
8 tangible personal property, and from services furnished,
9 by him prior to the month or quarter for which the return
10 is filed;

11 5. Deductions allowed by law;

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

15 7. The amount of credit provided in Section 2d of this
16 Act;

17 8. The amount of tax due;

18 9. The signature of the taxpayer; and

19 10. Such other reasonable information as the
20 Department may require.

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

25 Each return shall be accompanied by the statement of
26 prepaid tax issued pursuant to Section 2e for which credit is

1 claimed.

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

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 the business of selling tangible
7 personal property at retail in this State;

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

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

15 5. The amount of tax due; and

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

18 Beginning on October 1, 2003, any person who is not a
19 licensed distributor, importing distributor, or manufacturer,
20 as defined in the Liquor Control Act of 1934, but is engaged in
21 the business of selling, at retail, alcoholic liquor shall file
22 a statement with the Department of Revenue, in a format and at
23 a time prescribed by the Department, showing the total amount
24 paid for alcoholic liquor purchased during the preceding month
25 and such other information as is reasonably required by the
26 Department. The Department may adopt rules to require that this

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

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

1 information. If the retailer is unable to receive the sales
2 information by electronic means, the distributor, importing
3 distributor, or manufacturer shall furnish the sales
4 information by personal delivery or by mail. For purposes of
5 this paragraph, the term "electronic means" includes, but is
6 not limited to, the use of a secure Internet website, e-mail,
7 or facsimile.

8 If a total amount of less than \$1 is payable, refundable or
9 creditable, such amount shall be disregarded if it is less than
10 50 cents and shall be increased to \$1 if it is 50 cents or more.

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

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

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

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

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

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

25 Any amount which is required to be shown or reported on any
26 return or other document under this Act shall, if such amount

1 is not a whole-dollar amount, be increased to the nearest
2 whole-dollar amount in any case where the fractional part of a
3 dollar is 50 cents or more, and decreased to the nearest
4 whole-dollar amount where the fractional part of a dollar is
5 less than 50 cents.

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

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

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

26 Notwithstanding any other provision in this Act concerning

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

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

12 In addition, with respect to motor vehicles, watercraft,
13 aircraft, and trailers that are required to be registered with
14 an agency of this State, every retailer selling this kind of
15 tangible personal property shall file, with the Department,
16 upon a form to be prescribed and supplied by the Department, a
17 separate return for each such item of tangible personal
18 property which the retailer sells, except that if, in the same
19 transaction, (i) a retailer of aircraft, watercraft, motor
20 vehicles or trailers transfers more than one aircraft,
21 watercraft, motor vehicle or trailer to another aircraft,
22 watercraft, motor vehicle retailer or trailer retailer for the
23 purpose of resale or (ii) a retailer of aircraft, watercraft,
24 motor vehicles, or trailers transfers more than one aircraft,
25 watercraft, motor vehicle, or trailer to a purchaser for use as
26 a qualifying rolling stock as provided in Section 2-5 of this

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

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

17 The transaction reporting return, in the case of motor
18 vehicles or trailers that are required to be registered with an
19 agency of this State, shall be the same document as the Uniform
20 Invoice referred to in Section 5-402 of The Illinois Vehicle
21 Code and must show the name and address of the seller; the name
22 and address of the purchaser; the amount of the selling price
23 including the amount allowed by the retailer for traded-in
24 property, if any; the amount allowed by the retailer for the
25 traded-in tangible personal property, if any, to the extent to
26 which Section 1 of this Act allows an exemption for the value

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

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

1 information as the Department may reasonably require.

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

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

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

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

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

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

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

17 Except as provided in this Section, the retailer filing the
18 return under this Section shall, at the time of filing such
19 return, pay to the Department the amount of tax imposed by this
20 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%
21 on and after January 1, 1990, or \$5 per calendar year,
22 whichever is greater, which is allowed to reimburse the
23 retailer for the expenses incurred in keeping records,
24 preparing and filing returns, remitting the tax and supplying
25 data to the Department on request. Any prepayment made pursuant
26 to Section 2d of this Act shall be included in the amount on

1 which such 2.1% or 1.75% discount is computed. In the case of
2 retailers who report and pay the tax on a transaction by
3 transaction basis, as provided in this Section, such discount
4 shall be taken with each such tax remittance instead of when
5 such retailer files his periodic return.

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

1 liability is incurred. If the month during which such tax
2 liability is incurred began prior to January 1, 1985, each
3 payment shall be in an amount equal to 1/4 of the taxpayer's
4 actual liability for the month or an amount set by the
5 Department not to exceed 1/4 of the average monthly liability
6 of the taxpayer to the Department for the preceding 4 complete
7 calendar quarters (excluding the month of highest liability and
8 the month of lowest liability in such 4 quarter period). If the
9 month during which such tax liability is incurred begins on or
10 after January 1, 1985 and prior to January 1, 1987, each
11 payment shall be in an amount equal to 22.5% of the taxpayer's
12 actual liability for the month or 27.5% of the taxpayer's
13 liability for the same calendar month of the preceding year. If
14 the month during which such tax liability is incurred begins on
15 or after January 1, 1987 and prior to January 1, 1988, each
16 payment shall be in an amount equal to 22.5% of the taxpayer's
17 actual liability for the month or 26.25% of the taxpayer's
18 liability for the same calendar month of the preceding year. If
19 the month during which such tax liability is incurred begins on
20 or after January 1, 1988, and prior to January 1, 1989, or
21 begins on or after January 1, 1996, each payment shall be in an
22 amount equal to 22.5% of the taxpayer's actual liability for
23 the month or 25% of the taxpayer's liability for the same
24 calendar month of the preceding year. If the month during which
25 such tax liability is incurred begins on or after January 1,
26 1989, and prior to January 1, 1996, each payment shall be in an

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

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

1 payment dates for taxpayers who file on other than a calendar
2 monthly basis.

3 The provisions of this paragraph apply before October 1,
4 2001. Without regard to whether a taxpayer is required to make
5 quarter monthly payments as specified above, any taxpayer who
6 is required by Section 2d of this Act to collect and remit
7 prepaid taxes and has collected prepaid taxes which average in
8 excess of \$25,000 per month during the preceding 2 complete
9 calendar quarters, shall file a return with the Department as
10 required by Section 2f and shall make payments to the
11 Department on or before the 7th, 15th, 22nd and last day of the
12 month during which such liability is incurred. If the month
13 during which such tax liability is incurred began prior to the
14 effective date of this amendatory Act of 1985, each payment
15 shall be in an amount not less than 22.5% of the taxpayer's
16 actual liability under Section 2d. If the month during which
17 such tax liability is incurred begins on or after January 1,
18 1986, each payment shall be in an amount equal to 22.5% of the
19 taxpayer's actual liability for the month or 27.5% of the
20 taxpayer's liability for the same calendar month of the
21 preceding calendar year. If the month during which such tax
22 liability is incurred begins on or after January 1, 1987, 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.
26 The amount of such quarter monthly payments shall be credited

1 against the final tax liability of the taxpayer's return for
2 that month filed under this Section or Section 2f, as the case
3 may be. Once applicable, the requirement of the making of
4 quarter monthly payments to the Department pursuant to this
5 paragraph shall continue until such taxpayer's average monthly
6 prepaid tax collections during the preceding 2 complete
7 calendar quarters is \$25,000 or less. If any such quarter
8 monthly payment is not paid at the time or in the amount
9 required, the taxpayer shall be liable for penalties and
10 interest on such difference, except insofar as the taxpayer has
11 previously made payments for that month in excess of the
12 minimum payments previously due.

13 The provisions of this paragraph apply on and after October
14 1, 2001. Without regard to whether a taxpayer is required to
15 make quarter monthly payments as specified above, any taxpayer
16 who is required by Section 2d of this Act to collect and remit
17 prepaid taxes and has collected prepaid taxes that average in
18 excess of \$20,000 per month during the preceding 4 complete
19 calendar quarters shall file a return with the Department as
20 required by Section 2f and shall make payments to the
21 Department on or before the 7th, 15th, 22nd and last day of the
22 month during which the liability is incurred. Each payment
23 shall be in an amount equal to 22.5% of the taxpayer's actual
24 liability for the month or 25% of the taxpayer's liability for
25 the same calendar month of the preceding year. The amount of
26 the quarter monthly payments shall be credited against the

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

17 If any payment provided for in this Section exceeds the
18 taxpayer's liabilities under this Act, the Use Tax Act, the
19 Service Occupation Tax Act and the Service Use Tax Act, as
20 shown on an original monthly return, the Department shall, if
21 requested by the taxpayer, issue to the taxpayer a credit
22 memorandum no later than 30 days after the date of payment. The
23 credit evidenced by such credit memorandum may be assigned by
24 the taxpayer to a similar taxpayer under this Act, the Use Tax
25 Act, the Service Occupation Tax Act or the Service Use Tax Act,
26 in accordance with reasonable rules and regulations to be

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

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

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

1 materials, syringes and needles used by diabetics.

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

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

11 Beginning July 1, 2007, each month the Department shall pay
12 into the County and Mass Transit District Fund 20% of the net
13 revenue realized for the preceding month from the rate of \$0.10
14 per gallon on motor fuel and gasohol.

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

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

23 Beginning July 1, 2007, each month the Department shall pay
24 into the Local Government Tax Fund 80% of the net revenue
25 realized for the preceding month from the rate of \$0.10 per
26 gallon on motor fuel and gasohol.

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

21	Fiscal Year	Annual Specified Amount
22	1986	\$54,800,000
23	1987	\$76,650,000
24	1988	\$80,480,000
25	1989	\$88,510,000
26	1990	\$115,330,000

1	1991	\$145,470,000
2	1992	\$182,730,000
3	1993	\$206,520,000;

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

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

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

	Fiscal Year	Total Deposit
14	1993	\$0
15	1994	53,000,000
16	1995	58,000,000
17	1996	61,000,000
18	1997	64,000,000
19	1998	68,000,000
20	1999	71,000,000
21	2000	75,000,000
22	2001	80,000,000
23	2002	93,000,000
24	2003	99,000,000
25	2004	103,000,000

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

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

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

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

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

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

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

15 The Department may, upon separate written notice to a
16 taxpayer, require the taxpayer to prepare and file with the
17 Department on a form prescribed by the Department within not
18 less than 60 days after receipt of the notice an annual
19 information return for the tax year specified in the notice.
20 Such annual return to the Department shall include a statement
21 of gross receipts as shown by the retailer's last Federal
22 income tax return. If the total receipts of the business as
23 reported in the Federal income tax return do not agree with the
24 gross receipts reported to the Department of Revenue for the
25 same period, the retailer shall attach to his annual return a
26 schedule showing a reconciliation of the 2 amounts and the

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

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

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

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

25 The chief executive officer, proprietor, owner or highest
26 ranking manager shall sign the annual return to certify the

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

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

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

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

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

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

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

20 Any person engaged in the business of selling tangible
21 personal property at retail as a concessionaire or other type
22 of seller at the Illinois State Fair, county fairs, art shows,
23 flea markets and similar exhibitions or events, or any
24 transient merchants, as defined by Section 2 of the Transient
25 Merchant Act of 1987, may be required to make a daily report of
26 the amount of such sales to the Department and to make a daily

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

14 (Source: P.A. 93-22, eff. 6-20-03; 93-24, eff. 6-20-03; 93-840,
15 eff. 7-30-04; 93-926, eff. 8-12-04; 93-1057, eff. 12-2-04;
16 94-1074, eff. 12-26-06.)

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