



## 95TH GENERAL ASSEMBLY

### State of Illinois

2007 and 2008

SB0327

Introduced 2/7/2007, by Sen. Mattie Hunter

#### 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, beginning July 1, 2007, the tax with respect to textbooks required for use at State universities and public community colleges or certain other institutions of higher learning is imposed under these Acts at the rate of 1.25% (eliminating the State's portion of the tax). Authorizes the Department of Revenue to adopt rules. Amends the State Finance Act to adjust the distribution with respect to this tax. Effective immediately.

LRB095 07329 BDD 27470 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT regarding taxation.

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, the 1.25% rate on  
14 textbooks required for use at State universities and public  
15 community colleges or at institutions of higher learning as  
16 defined in the Illinois Financial Assistance Act for Nonpublic  
17 Institutions of Higher Learning) on sales subject to taxation  
18 under the Retailers' Occupation Tax Act and the Service  
19 Occupation Tax Act, which occurred in municipalities, shall be  
20 distributed to each municipality, based upon the sales which  
21 occurred in that municipality. The remainder shall be  
22 distributed to each county, based upon the sales which occurred  
23 in the unincorporated area of such county.

24 For the purpose of determining allocation to the local  
25 government unit, a retail sale by a producer of coal or other  
26 mineral mined in Illinois is a sale at retail at the place

1 where the coal or other mineral mined in Illinois is extracted  
2 from the earth. This paragraph does not apply to coal or other  
3 mineral when it is delivered or shipped by the seller to the  
4 purchaser at a point outside Illinois so that the sale is  
5 exempt under the United States Constitution as a sale in  
6 interstate or foreign commerce.

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

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

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

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

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

24 In construing any development, redevelopment, annexation,  
25 preannexation or other lawful agreement in effect prior to  
26 September 1, 1990, which describes or refers to receipts from a

1 county or municipal retailers' occupation tax, use tax or  
2 service occupation tax which now cannot be imposed, such  
3 description or reference shall be deemed to include the  
4 replacement revenue for such abolished taxes, distributed from  
5 the Local Government Tax Fund.

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

8 (30 ILCS 105/6z-20) (from Ch. 127, par. 142z-20)

9 Sec. 6z-20. Of the money received from the 6.25% general  
10 rate (and, beginning July 1, 2000 and through December 31,  
11 2000, the 1.25% rate on motor fuel and gasohol and, beginning  
12 July 1, 2007, the 1.25% rate on textbooks required for use at  
13 State universities and public community colleges or at  
14 institutions of higher learning as defined in the Illinois  
15 Financial Assistance Act for Nonpublic Institutions of Higher  
16 Learning) on sales subject to taxation under the Retailers'  
17 Occupation Tax Act and Service Occupation Tax Act and paid into  
18 the County and Mass Transit District Fund, distribution to the  
19 Regional Transportation Authority tax fund, created pursuant  
20 to Section 4.03 of the Regional Transportation Authority Act,  
21 for deposit therein shall be made based upon the retail sales  
22 occurring in a county having more than 3,000,000 inhabitants.  
23 The remainder shall be distributed to each county having  
24 3,000,000 or fewer inhabitants based upon the retail sales  
25 occurring in each such county.

1           For the purpose of determining allocation to the local  
2 government unit, a retail sale by a producer of coal or other  
3 mineral mined in Illinois is a sale at retail at the place  
4 where the coal or other mineral mined in Illinois is extracted  
5 from the earth. This paragraph does not apply to coal or other  
6 mineral when it is delivered or shipped by the seller to the  
7 purchaser at a point outside Illinois so that the sale is  
8 exempt under the United States Constitution as a sale in  
9 interstate or foreign commerce.

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

1 prior to that date, shall be transferred to the Regional  
2 Transportation Authority tax fund.

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

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



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

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

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

26 In construing any development, redevelopment, annexation,

1 preannexation or other lawful agreement in effect prior to  
2 September 1, 1990, which describes or refers to receipts from a  
3 county or municipal retailers' occupation tax, use tax or  
4 service occupation tax which now cannot be imposed, such  
5 description or reference shall be deemed to include the  
6 replacement revenue for such abolished taxes, distributed from  
7 the County and Mass Transit District Fund or Local Government  
8 Distributive Fund, as the case may be.

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

10 Section 10. The Use Tax Act is amended by changing Sections  
11 3-10 and 9 as follows:

12 (35 ILCS 105/3-10) (from Ch. 120, par. 439.3-10)

13 Sec. 3-10. Rate of tax. Unless otherwise provided in this  
14 Section, the tax imposed by this Act is at the rate of 6.25% of  
15 either the selling price or the fair market value, if any, of  
16 the tangible personal property. In all cases where property  
17 functionally used or consumed is the same as the property that  
18 was purchased at retail, then the tax is imposed on the selling  
19 price of the property. In all cases where property functionally  
20 used or consumed is a by-product or waste product that has been  
21 refined, manufactured, or produced from property purchased at  
22 retail, then the tax is imposed on the lower of the fair market  
23 value, if any, of the specific property so used in this State  
24 or on the selling price of the property purchased at retail.

1 For purposes of this Section "fair market value" means the  
2 price at which property would change hands between a willing  
3 buyer and a willing seller, neither being under any compulsion  
4 to buy or sell and both having reasonable knowledge of the  
5 relevant facts. The fair market value shall be established by  
6 Illinois sales by the taxpayer of the same property as that  
7 functionally used or consumed, or if there are no such sales by  
8 the taxpayer, then comparable sales or purchases of property of  
9 like kind and character in Illinois.

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

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

23 Beginning July 1, 2007, with respect to textbooks required  
24 for use at State universities and public community colleges or  
25 at institutions of higher learning as defined in the Illinois  
26 Financial Assistance Act for Nonpublic Institutions of Higher

1 Learning, the tax is imposed at the rate of 1.25%. The  
2 Department may adopt rules necessary to implement and  
3 administer the 1.25% rate on textbooks.

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

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

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

24 With respect to food for human consumption that is to be  
25 consumed off the premises where it is sold (other than  
26 alcoholic beverages, soft drinks, and food that has been

1 prepared for immediate consumption) and prescription and  
2 nonprescription medicines, drugs, medical appliances,  
3 modifications to a motor vehicle for the purpose of rendering  
4 it usable by a disabled person, and insulin, urine testing  
5 materials, syringes, and needles used by diabetics, for human  
6 use, the tax is imposed at the rate of 1%. For the purposes of  
7 this Section, the term "soft drinks" means any complete,  
8 finished, ready-to-use, non-alcoholic drink, whether  
9 carbonated or not, including but not limited to soda water,  
10 cola, fruit juice, vegetable juice, carbonated water, and all  
11 other preparations commonly known as soft drinks of whatever  
12 kind or description that are contained in any closed or sealed  
13 bottle, can, carton, or container, regardless of size. "Soft  
14 drinks" does not include coffee, tea, non-carbonated water,  
15 infant formula, milk or milk products as defined in the Grade A  
16 Pasteurized Milk and Milk Products Act, or drinks containing  
17 50% or more natural fruit or vegetable juice.

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

24 If the property that is purchased at retail from a retailer  
25 is acquired outside Illinois and used outside Illinois before  
26 being brought to Illinois for use here and is taxable under

1 this Act, the "selling price" on which the tax is computed  
2 shall be reduced by an amount that represents a reasonable  
3 allowance for depreciation for the period of prior out-of-state  
4 use.

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

6 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

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

1 the sale of the same property.

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

12 Except as provided in this Section, on or before the  
13 twentieth day of each calendar month, such retailer shall file  
14 a return for the preceding calendar month. Such return shall be  
15 filed on forms prescribed by the Department and shall furnish  
16 such information as the Department may reasonably require.

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

- 24 1. The name of the seller;
- 25 2. The address of the principal place of business from  
26 which he engages in the business of selling tangible

1 personal property at retail in this State;

2 3. The total amount of taxable receipts received by him  
3 during the preceding calendar month from sales of tangible  
4 personal property by him during such preceding calendar  
5 month, including receipts from charge and time sales, but  
6 less all deductions allowed by law;

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

9 5. The amount of tax due;

10 5-5. The signature of the taxpayer; and

11 6. Such other reasonable information as the Department  
12 may require.

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

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



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

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

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

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

1 in the manner authorized by the Department.

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

5 Before October 1, 2000, if the taxpayer's average monthly  
6 tax liability to the Department under this Act, the Retailers'  
7 Occupation Tax Act, the Service Occupation Tax Act, the Service  
8 Use Tax Act was \$10,000 or more during the preceding 4 complete  
9 calendar quarters, he shall file a return with the Department  
10 each month by the 20th day of the month next following the  
11 month during which such tax liability is incurred and shall  
12 make payments to the Department on or before the 7th, 15th,  
13 22nd and last day of the month during which such liability is  
14 incurred. On and after October 1, 2000, if the taxpayer's  
15 average monthly tax liability to the Department under this Act,  
16 the Retailers' Occupation Tax Act, the Service Occupation Tax  
17 Act, and the Service Use Tax Act was \$20,000 or more during the  
18 preceding 4 complete calendar quarters, he shall file a return  
19 with the Department each month by the 20th day of the month  
20 next following the month during which such tax liability is  
21 incurred and shall make payment to the Department on or before  
22 the 7th, 15th, 22nd and last day of the month during which such  
23 liability is incurred. If the month during which such tax  
24 liability is incurred began prior to January 1, 1985, each  
25 payment shall be in an amount equal to 1/4 of the taxpayer's  
26 actual liability for the month or an amount set by the

1 Department not to exceed 1/4 of the average monthly liability  
2 of the taxpayer to the Department for the preceding 4 complete  
3 calendar quarters (excluding the month of highest liability and  
4 the month of lowest liability in such 4 quarter period). If the  
5 month during which such tax liability is incurred begins on or  
6 after January 1, 1985, and prior to January 1, 1987, each  
7 payment shall be in an amount equal to 22.5% of the taxpayer's  
8 actual liability for the month or 27.5% of the taxpayer's  
9 liability for the same calendar month of the preceding year. If  
10 the month during which such tax liability is incurred begins on  
11 or after January 1, 1987, and prior to January 1, 1988, each  
12 payment shall be in an amount equal to 22.5% of the taxpayer's  
13 actual liability for the month or 26.25% of the taxpayer's  
14 liability for the same calendar month of the preceding year. If  
15 the month during which such tax liability is incurred begins on  
16 or after January 1, 1988, and prior to January 1, 1989, or  
17 begins on or after January 1, 1996, each payment shall be in an  
18 amount equal to 22.5% of the taxpayer's actual liability for  
19 the month or 25% of the taxpayer's liability for the same  
20 calendar month of the preceding year. If the month during which  
21 such tax liability is incurred begins on or after January 1,  
22 1989, and prior to January 1, 1996, each payment shall be in an  
23 amount equal to 22.5% of the taxpayer's actual liability for  
24 the month or 25% of the taxpayer's liability for the same  
25 calendar month of the preceding year or 100% of the taxpayer's  
26 actual liability for the quarter monthly reporting period. The

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

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

21 If any such payment provided for in this Section exceeds  
22 the taxpayer's liabilities under this Act, the Retailers'  
23 Occupation Tax Act, the Service Occupation Tax Act and the  
24 Service Use Tax Act, as shown by an original monthly return,  
25 the Department shall issue to the taxpayer a credit memorandum  
26 no later than 30 days after the date of payment, which

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

22 If the retailer is otherwise required to file a monthly  
23 return and if the retailer's average monthly tax liability to  
24 the Department does not exceed \$200, the Department may  
25 authorize his returns to be filed on a quarter annual basis,  
26 with the return for January, February, and March of a given

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

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

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

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

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

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

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



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

15 The transaction reporting return in the case of watercraft  
16 and aircraft must show the name and address of the seller; the  
17 name and address of the purchaser; the amount of the selling  
18 price including the amount allowed by the retailer for  
19 traded-in property, if any; the amount allowed by the retailer  
20 for the traded-in tangible personal property, if any, to the  
21 extent to which Section 2 of this Act allows an exemption for  
22 the value of traded-in property; the balance payable after  
23 deducting such trade-in allowance from the total selling price;  
24 the amount of tax due from the retailer with respect to such  
25 transaction; the amount of tax collected from the purchaser by  
26 the retailer on such transaction (or satisfactory evidence that

1 such tax is not due in that particular instance, if that is  
2 claimed to be the fact); the place and date of the sale, a  
3 sufficient identification of the property sold, and such other  
4 information as the Department may reasonably require.

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

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

1 support of such purchaser's application for an Illinois  
2 certificate or other evidence of title or registration to such  
3 tangible personal property.

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

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

1 the tax directly to the Department, he shall pay the tax in the  
2 same amount and in the same form in which it would be remitted  
3 if the tax had been remitted to the Department by the retailer.

4 Where a retailer collects the tax with respect to the  
5 selling price of tangible personal property which he sells and  
6 the purchaser thereafter returns such tangible personal  
7 property and the retailer refunds the selling price thereof to  
8 the purchaser, such retailer shall also refund, to the  
9 purchaser, the tax so collected from the purchaser. When filing  
10 his return for the period in which he refunds such tax to the  
11 purchaser, the retailer may deduct the amount of the tax so  
12 refunded by him to the purchaser from any other use tax which  
13 such retailer may be required to pay or remit to the  
14 Department, as shown by such return, if the amount of the tax  
15 to be deducted was previously remitted to the Department by  
16 such retailer. If the retailer has not previously remitted the  
17 amount of such tax to the Department, he is entitled to no  
18 deduction under this Act upon refunding such tax to the  
19 purchaser.

20 Any retailer filing a return under this Section shall also  
21 include (for the purpose of paying tax thereon) the total tax  
22 covered by such return upon the selling price of tangible  
23 personal property purchased by him at retail from a retailer,  
24 but as to which the tax imposed by this Act was not collected  
25 from the retailer filing such return, and such retailer shall  
26 remit the amount of such tax to the Department when filing such

1 return.

2 If experience indicates such action to be practicable, the  
3 Department may prescribe and furnish a combination or joint  
4 return which will enable retailers, who are required to file  
5 returns hereunder and also under the Retailers' Occupation Tax  
6 Act, to furnish all the return information required by both  
7 Acts on the one form.

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

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

23 Beginning January 1, 1990, each month the Department shall  
24 pay into the County and Mass Transit District Fund 4% of the  
25 net revenue realized for the preceding month from the 6.25%  
26 general rate on the selling price of tangible personal property

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

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

12 Beginning August 1, 2000, each month the Department shall  
13 pay into the State and Local Sales Tax Reform Fund 100% of the  
14 net revenue realized for the preceding month from the 1.25%  
15 rate on the selling price of motor fuel and gasohol. Beginning  
16 August 1, 2007, each month the Department shall pay into the  
17 State and Local Sales Tax Reform Fund 100% of the net revenue  
18 realized for the preceding month from the 1.25% rate on the  
19 selling price of textbooks required for use at State  
20 universities and public community colleges or at institutions  
21 of higher learning as defined in the Illinois Financial  
22 Assistance Act for Nonpublic Institutions of Higher Learning.

23 Beginning January 1, 1990, each month the Department shall  
24 pay into the Local Government Tax Fund 16% of the net revenue  
25 realized for the preceding month from the 6.25% general rate on  
26 the selling price of tangible personal property which is

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

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

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



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

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

1 Retailers' Occupation Tax Act into the McCormick Place  
2 Expansion Project Fund in the specified fiscal years.

|    | Fiscal Year | Total<br>Deposit |
|----|-------------|------------------|
| 3  |             |                  |
| 4  | 1993        | \$0              |
| 5  | 1994        | 53,000,000       |
| 6  | 1995        | 58,000,000       |
| 7  | 1996        | 61,000,000       |
| 8  | 1997        | 64,000,000       |
| 9  | 1998        | 68,000,000       |
| 10 | 1999        | 71,000,000       |
| 11 | 2000        | 75,000,000       |
| 12 | 2001        | 80,000,000       |
| 13 | 2002        | 93,000,000       |
| 14 | 2003        | 99,000,000       |
| 15 | 2004        | 103,000,000      |
| 16 | 2005        | 108,000,000      |
| 17 | 2006        | 113,000,000      |
| 18 | 2007        | 119,000,000      |
| 19 | 2008        | 126,000,000      |
| 20 | 2009        | 132,000,000      |
| 21 | 2010        | 139,000,000      |
| 22 | 2011        | 146,000,000      |
| 23 | 2012        | 153,000,000      |
| 24 | 2013        | 161,000,000      |
| 25 | 2014        | 170,000,000      |

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23 With respect to majority blended ethanol fuel, as defined  
24 in the Use Tax Act, the tax imposed by this Act does not apply  
25 to the selling price of property transferred as an incident to

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

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

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

23 Beginning July 1, 2007, with respect to textbooks required  
24 for use at State universities and public community colleges or  
25 at institutions of higher learning as defined in the Illinois  
26 Financial Assistance Act for Nonpublic Institutions of Higher

1 Learning, the tax is imposed at the rate of 1.25%. The  
2 Department may adopt rules necessary to implement and  
3 administer the 1.25% rate on textbooks.

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

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



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

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

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

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

2 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

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

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

24 The Department may require returns to be filed on a  
25 quarterly basis. If so required, a return for each calendar

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

6 1. The name of the seller;

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

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

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

15 5. The amount of tax due;

16 5-5. The signature of the taxpayer; and

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

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

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

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

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

1 Any taxpayer not required to make payments by electronic  
2 funds transfer may make payments by electronic funds transfer  
3 with the permission of the Department.

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

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

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

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

1 following year.

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

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

12 Where a serviceman collects the tax with respect to the  
13 selling price of property which he sells and the purchaser  
14 thereafter returns such property and the serviceman refunds the  
15 selling price thereof to the purchaser, such serviceman shall  
16 also refund, to the purchaser, the tax so collected from the  
17 purchaser. When filing his return for the period in which he  
18 refunds such tax to the purchaser, the serviceman may deduct  
19 the amount of the tax so refunded by him to the purchaser from  
20 any other Service Use Tax, Service Occupation Tax, retailers'  
21 occupation tax or use tax which such serviceman may be required  
22 to pay or remit to the Department, as shown by such return,  
23 provided that the amount of the tax to be deducted shall  
24 previously have been remitted to the Department by such  
25 serviceman. If the serviceman shall not previously have  
26 remitted the amount of such tax to the Department, he shall be

1 entitled to no deduction hereunder upon refunding such tax to  
2 the purchaser.

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

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

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

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

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

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

10 Beginning August 1, 2000, each month the Department shall  
11 pay into the State and Local Sales Tax Reform Fund 100% of the  
12 net revenue realized for the preceding month from the 1.25%  
13 rate on the selling price of motor fuel and gasohol. Beginning  
14 August 1, 2007, each month the Department shall pay into the  
15 State and Local Sales Tax Reform Fund 100% of the net revenue  
16 realized for the preceding month from the 1.25% rate on the  
17 selling price of textbooks required for use at State  
18 universities and public community colleges or at institutions  
19 of higher learning as defined in the Illinois Financial  
20 Assistance Act for Nonpublic Institutions of Higher Learning.

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



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

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

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

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

|    | Fiscal Year | Total<br>Deposit |
|----|-------------|------------------|
| 21 | 1993        | \$0              |
| 22 | 1994        | 53,000,000       |
| 23 | 1995        | 58,000,000       |
| 24 | 1996        | 61,000,000       |
| 25 | 1997        | 64,000,000       |

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

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

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

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

1 general rate on the selling price of tangible personal  
2 property.

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

16 All remaining moneys received by the Department pursuant to  
17 this Act shall be paid into the General Revenue Fund of the  
18 State Treasury.

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

26 Net revenue realized for a month shall be the revenue

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

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

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

7 (35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

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

1 completion of the contract.

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

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

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



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

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

17 Beginning July 1, 2007, with respect to textbooks required  
18 for use at State universities and public community colleges or  
19 at institutions of higher learning as defined in the Illinois  
20 Financial Assistance Act for Nonpublic Institutions of Higher  
21 Learning, the tax is imposed at the rate of 1.25%. The  
22 Department may adopt rules necessary to implement and  
23 administer the 1.25% rate on textbooks.

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

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

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

1 of whatever kind or description that are contained in any  
2 closed or sealed can, carton, or container, regardless of size.  
3 "Soft drinks" does not include coffee, tea, non-carbonated  
4 water, infant formula, milk or milk products as defined in the  
5 Grade A Pasteurized Milk and Milk Products Act, or drinks  
6 containing 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 115/9) (from Ch. 120, par. 439.109)

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

25 Where such tangible personal property is sold under a

1 conditional sales contract, or under any other form of sale  
2 wherein the payment of the principal sum, or a part thereof, is  
3 extended beyond the close of the period for which the return is  
4 filed, the serviceman, in collecting the tax may collect, for  
5 each tax return period, only the tax applicable to the part of  
6 the selling price actually received during such tax return  
7 period.

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

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

- 22 1. The name of the seller;
- 23 2. The address of the principal place of business from  
24 which he engages in business as a serviceman in this State;
- 25 3. The total amount of taxable receipts received by him  
26 during the preceding calendar month, including receipts

1 from charge and time sales, but less all deductions allowed  
2 by law;

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

5 5. The amount of tax due;

6 5-5. The signature of the taxpayer; and

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

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

13 Prior to October 1, 2003, and on and after September 1,  
14 2004 a serviceman may accept a Manufacturer's Purchase Credit  
15 certification from a purchaser in satisfaction of Service Use  
16 Tax as provided in Section 3-70 of the Service Use Tax Act if  
17 the purchaser provides the appropriate documentation as  
18 required by Section 3-70 of the Service Use Tax Act. A  
19 Manufacturer's Purchase Credit certification, accepted prior  
20 to October 1, 2003 or on or after September 1, 2004 by a  
21 serviceman as provided in Section 3-70 of the Service Use Tax  
22 Act, may be used by that serviceman to satisfy Service  
23 Occupation Tax liability in the amount claimed in the  
24 certification, not to exceed 6.25% of the receipts subject to  
25 tax from a qualifying purchase. A Manufacturer's Purchase  
26 Credit reported on any original or amended return filed under

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

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

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

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

25 Notwithstanding any other provision in this Act concerning  
26 the time within which a serviceman may file his return, in the

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

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

1 a tax liability in the amount set forth in subsection (b) of  
2 Section 2505-210 of the Department of Revenue Law shall make  
3 all payments required by rules of the Department by electronic  
4 funds transfer.

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

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

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

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

20 Where a serviceman collects the tax with respect to the  
21 selling price of tangible personal property which he sells and  
22 the purchaser thereafter returns such tangible personal  
23 property and the serviceman refunds the selling price thereof  
24 to the purchaser, such serviceman shall also refund, to the  
25 purchaser, the tax so collected from the purchaser. When filing  
26 his return for the period in which he refunds such tax to the



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

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

18 Where the serviceman has more than one business registered  
19 with the Department under separate registrations hereunder,  
20 such serviceman shall file separate returns for each registered  
21 business.

22 Beginning January 1, 1990, each month the Department shall  
23 pay into the Local Government Tax Fund the revenue realized for  
24 the preceding month from the 1% tax on sales of food for human  
25 consumption which is to be consumed off the premises where it  
26 is sold (other than alcoholic beverages, soft drinks and food

1 which has been prepared for immediate consumption) and  
2 prescription and nonprescription medicines, drugs, medical  
3 appliances and insulin, urine testing materials, syringes and  
4 needles used by diabetics.

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

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

13 Beginning August 1, 2007, each month the Department shall  
14 pay into the County and Mass Transit District Fund 20% of the  
15 net revenue realized for the preceding month from the 1.25%  
16 rate on the selling price of textbooks required for use at  
17 State universities and public community colleges or at  
18 institutions of higher learning as defined in the Illinois  
19 Financial Assistance Act for Nonpublic Institutions of Higher  
20 Learning.

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

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

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

3 Beginning August 1, 2007, 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 textbooks required for use at State  
7 universities and public community colleges or at institutions  
8 of higher learning as defined in the Illinois Financial  
9 Assistance Act for Nonpublic Institutions of Higher Learning.

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

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

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

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

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

|    |             | Total       |
|----|-------------|-------------|
|    | Fiscal Year | Deposit     |
| 9  |             |             |
| 10 | 1993        | \$0         |
| 11 | 1994        | 53,000,000  |
| 12 | 1995        | 58,000,000  |
| 13 | 1996        | 61,000,000  |
| 14 | 1997        | 64,000,000  |
| 15 | 1998        | 68,000,000  |
| 16 | 1999        | 71,000,000  |
| 17 | 2000        | 75,000,000  |
| 18 | 2001        | 80,000,000  |
| 19 | 2002        | 93,000,000  |
| 20 | 2003        | 99,000,000  |
| 21 | 2004        | 103,000,000 |
| 22 | 2005        | 108,000,000 |
| 23 | 2006        | 113,000,000 |
| 24 | 2007        | 119,000,000 |
| 25 | 2008        | 126,000,000 |

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

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

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

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

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

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



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

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

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

1 reasonable information which the Department deems would be  
2 helpful in determining the accuracy of the monthly, quarterly  
3 or annual returns filed by such taxpayer as hereinbefore  
4 provided for in this Section.

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

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

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

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

26 The foregoing portion of this Section concerning the filing

1 of an annual information return shall not apply to a serviceman  
2 who is not required to file an income tax return with the  
3 United States Government.

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

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

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

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

25 Section 25. The Retailers' Occupation Tax Act is amended by

1 changing Sections 2-10 and 3 as follows:

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

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

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

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

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

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

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

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

7 Beginning July 1, 2007, with respect to textbooks required  
8 for use at State universities and public community colleges or  
9 at institutions of higher learning as defined in the Illinois  
10 Financial Assistance Act for Nonpublic Institutions of Higher  
11 Learning, the tax is imposed at the rate of 1.25%. The  
12 Department may adopt rules necessary to implement and  
13 administer the 1.25% rate on textbooks.

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

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

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

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

15 (35 ILCS 120/3) (from Ch. 120, par. 442)

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

21 1. The name of the seller;

22 2. His residence address and the address of his  
23 principal place of business and the address of the  
24 principal place of business (if that is a different  
25 address) from which he engages in the business of selling

1           tangible personal property at retail in this State;

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

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

12           5. Deductions allowed by law;

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

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

18           8. The amount of tax due;

19           9. The signature of the taxpayer; and

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

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

26           Each return shall be accompanied by the statement of



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

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

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

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

5 1. The name of the seller;

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

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

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

16 5. The amount of tax due; and

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

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

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

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

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

9 If a total amount of less than \$1 is payable, refundable or  
10 creditable, such amount shall be disregarded if it is less than  
11 50 cents and shall be increased to \$1 if it is 50 cents or more.

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

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

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

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

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

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

26 Any amount which is required to be shown or reported on any

1 return or other document under this Act shall, if such amount  
2 is not a whole-dollar amount, be increased to the nearest  
3 whole-dollar amount in any case where the fractional part of a  
4 dollar is 50 cents or more, and decreased to the nearest  
5 whole-dollar amount where the fractional part of a dollar is  
6 less than 50 cents.

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

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

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

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

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

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

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

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

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



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

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

1 sufficient identification of the property sold, and such other  
2 information as the Department may reasonably require.

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

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

1 to such tangible personal property.

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

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

1 if the tax had been remitted to the Department by the retailer.

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

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

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

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

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

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

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

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

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



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

4       The provisions of this paragraph apply before October 1,  
5 2001. Without regard to whether a taxpayer is required to make  
6 quarter monthly payments as specified above, any taxpayer who  
7 is required by Section 2d of this Act to collect and remit  
8 prepaid taxes and has collected prepaid taxes which average in  
9 excess of \$25,000 per month during the preceding 2 complete  
10 calendar quarters, shall file a return with the Department as  
11 required by Section 2f and shall make payments to the  
12 Department on or before the 7th, 15th, 22nd and last day of the  
13 month during which such liability is incurred. If the month  
14 during which such tax liability is incurred began prior to the  
15 effective date of this amendatory Act of 1985, each payment  
16 shall be in an amount not less than 22.5% of the taxpayer's  
17 actual liability under Section 2d. If the month during which  
18 such tax liability is incurred begins on or after January 1,  
19 1986, each payment shall be in an amount equal to 22.5% of the  
20 taxpayer's actual liability for the month or 27.5% of the  
21 taxpayer's liability for the same calendar month of the  
22 preceding calendar year. If the month during which such tax  
23 liability is incurred begins on or after January 1, 1987, each  
24 payment shall be in an amount equal to 22.5% of the taxpayer's  
25 actual liability for the month or 26.25% of the taxpayer's  
26 liability for the same calendar month of the preceding year.

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

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

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

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

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

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

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

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

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

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

12 Beginning August 1, 2007, each month the Department shall  
13 pay into the County and Mass Transit District Fund 20% of the  
14 net revenue realized for the preceding month from the 1.25%  
15 rate on the selling price of textbooks required for use at  
16 State universities and public community colleges or at  
17 institutions of higher learning as defined in the Illinois  
18 Financial Assistance Act for Nonpublic Institutions of Higher  
19 Learning.

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

24 Beginning August 1, 2000, each month the Department shall  
25 pay into the Local Government Tax Fund 80% of the net revenue  
26 realized for the preceding month from the 1.25% rate on the

1 selling price of motor fuel and gasohol.

2 Beginning August 1, 2007, each month the Department shall  
3 pay into the Local Government Tax Fund 80% of the net revenue  
4 realized for the preceding month from the 1.25% rate on the  
5 selling price of textbooks required for use at State  
6 universities and public community colleges or at institutions  
7 of higher learning as defined in the Illinois Financial  
8 Assistance Act for Nonpublic Institutions of Higher Learning.

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

1 "Annual Specified Amount" means the amounts specified below for  
2 fiscal years 1986 through 1993:

| 3  | Fiscal Year | Annual Specified Amount |
|----|-------------|-------------------------|
| 4  | 1986        | \$54,800,000            |
| 5  | 1987        | \$76,650,000            |
| 6  | 1988        | \$80,480,000            |
| 7  | 1989        | \$88,510,000            |
| 8  | 1990        | \$115,330,000           |
| 9  | 1991        | \$145,470,000           |
| 10 | 1992        | \$182,730,000           |
| 11 | 1993        | \$206,520,000;          |

12 and means the Certified Annual Debt Service Requirement (as  
13 defined in Section 13 of the Build Illinois Bond Act) or the  
14 Tax Act Amount, whichever is greater, for fiscal year 1994 and  
15 each fiscal year thereafter; and further provided, that if on  
16 the last business day of any month the sum of (1) the Tax Act  
17 Amount required to be deposited into the Build Illinois Bond  
18 Account in the Build Illinois Fund during such month and (2)  
19 the amount transferred to the Build Illinois Fund from the  
20 State and Local Sales Tax Reform Fund shall have been less than  
21 1/12 of the Annual Specified Amount, 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 in no event shall the  
25 payments required under the preceding proviso result in  
26 aggregate payments into the Build Illinois Fund pursuant to

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



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

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

|    |             | Total      |
|----|-------------|------------|
|    | Fiscal Year | Deposit    |
| 22 | 1993        | \$0        |
| 23 | 1994        | 53,000,000 |
| 24 | 1995        | 58,000,000 |
| 25 | 1996        | 61,000,000 |

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

1                           2023 and                           275,000,000  
2                           each fiscal year  
3                           thereafter that bonds  
4                           are outstanding under  
5                           Section 13.2 of the  
6                           Metropolitan Pier and  
7                           Exposition Authority Act,  
8                           but not after fiscal year 2042.

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

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 July 1, 1993, the Department shall each  
26                           month pay into the Illinois Tax Increment Fund 0.27% of 80% of

1 the net revenue realized for the preceding month from the 6.25%  
2 general rate on the selling price of tangible personal  
3 property.

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

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

23 The Department may, upon separate written notice to a  
24 taxpayer, require the taxpayer to prepare and file with the  
25 Department on a form prescribed by the Department within not  
26 less than 60 days after receipt of the notice an annual

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

20 If the annual information return required by this Section  
21 is not filed when and as required, the taxpayer shall be liable  
22 as follows:

23 (i) Until January 1, 1994, the taxpayer shall be liable  
24 for a penalty equal to  $1/6$  of 1% of the tax due from such  
25 taxpayer under this Act during the period to be covered by  
26 the annual return for each month or fraction of a month

1           until such return is filed as required, the penalty to be  
2           assessed and collected in the same manner as any other  
3           penalty provided for in this Act.

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

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

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

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

26          Net revenue realized for a month shall be the revenue

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

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

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

1 exceed \$250.

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

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

25 Section 99. Effective date. This Act takes effect upon  
26 becoming law.