



## 96TH GENERAL ASSEMBLY

### State of Illinois

2009 and 2010

HB0451

Introduced 2/4/2009, by Rep. LaShawn K. Ford

#### SYNOPSIS AS INTRODUCED:

35 ILCS 105/3-1 new  
35 ILCS 120/2-1 new

Amends the Use Tax Act and the Retailers' Occupation Tax Act. Imposes an additional tax of 5% on the following luxury items: (1) a passenger motor vehicle to the extent that the selling price exceeds \$60,000; (2) a vessel (watercraft) to the extent that the selling price exceeds \$200,000; (3) an aircraft to the extent that the selling price exceeds \$500,000; and (4) jewelry or fur clothing and footwear to the extent that the selling price per item of jewelry or fur clothing and footwear exceeds \$20,000. Provides for administration and collection of the tax. Provides for all amounts collected to be deposited into the General Revenue Fund. Contains other provisions. Effective July 1, 2009.

LRB096 05795 RCE 15871 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

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

4 Section 5. The Use Tax Act is amended by adding Section 3-1  
5 as follows:

6 (35 ILCS 105/3-1 new)

7 Sec. 3-1. Tax surcharge on certain luxury property.

8 (a) Definitions. For purposes of the tax imposed by this  
9 Section, the following terms mean:

10 (1) Passenger motor vehicle. A motor vehicle of the  
11 first division as defined in Section 1-46 of the Illinois  
12 Vehicle Code, but not including a vehicle purchased for use  
13 exclusively in the active conduct of a trade or business of  
14 transporting persons or property for compensation or hire,  
15 a vehicle purchased for use exclusively in providing  
16 emergency medical services, or a demonstrator vehicle.

17 (2) Vessel. A vessel or watercraft, as defined in  
18 Section 1-2 of the Boat Registration and Safety Act, but  
19 not including a vessel purchased for use exclusively in the  
20 active conduct of a trade or business of transporting  
21 persons or property for compensation or hire, a vessel  
22 purchased for use exclusively in providing emergency  
23 medical services, or a demonstrator vessel.

1           (3) Aircraft. Any aircraft that is propelled by a motor  
2           or engine and is capable of carrying one or more  
3           individuals, but not including aircraft purchased for use  
4           exclusively in the active conduct of a trade or business of  
5           transporting persons or property for compensation or hire,  
6           an aircraft purchased for use exclusively in providing  
7           emergency medical services, or a demonstrator aircraft.

8           (4) Jewelry. All articles commonly or commercially  
9           known as jewelry, whether real or imitation, including but  
10           not limited to rings, earrings, necklaces, bracelets, and  
11           watches, and also including loose pearls and precious and  
12           semi-precious stones.

13           (5) Fur clothing and footwear. Clothing and footwear  
14           made, in whole or in part, of any animal skin or part  
15           thereof with hair, fleece, or fur fibers attached thereto,  
16           in either its raw or processed state, but not including  
17           skins that are converted into leather or that in processing  
18           have had the hair, fleece, or fur fiber completely removed.

19           (b) Imposition of additional tax. Notwithstanding any  
20           other provision of this Act or any other law to the contrary,  
21           in addition to all other taxes, a tax is imposed at the rate of  
22           5% upon the privilege of using in this State the following  
23           tangible personal property purchased at retail from a retailer:

24           (1) a passenger motor vehicle to the extent that the  
25           selling price exceeds \$60,000;

26           (2) a vessel to the extent that the selling price

1 exceeds \$200,000;

2 (3) an aircraft to the extent that the selling price  
3 exceeds \$500,000; and

4 (4) jewelry or fur clothing and footwear to the extent  
5 that the selling price per item of jewelry or fur clothing  
6 and footwear exceeds \$20,000; an item that is ordinarily  
7 sold as a pair, such as earrings or gloves, are considered  
8 to be one item for purposes of this Section.

9 (c) Special rules. Notwithstanding any other provision of  
10 this Act or any other law to the contrary, for purposes of this  
11 Section:

12 (1) Selling price has the same definition as set forth  
13 in Section 2, except that the value of or credit given for  
14 traded-in tangible personal property shall be included  
15 instead of deducted. Selling price also includes the price  
16 of any property installed on a passenger motor vehicle,  
17 vessel, or aircraft by the vendor of that vehicle, vessel,  
18 or aircraft within 6 months of the sale of the vehicle,  
19 vessel, or aircraft, plus any charge for installing that  
20 property, but does not include the selling price of any  
21 property installed on a passenger motor vehicle to make it  
22 adaptable for use by a person with a disability or to  
23 replace damaged, defective, or malfunctioning property, or  
24 any charge for installing that property.

25 (2) With respect to any lease of a passenger motor  
26 vehicle, vessel, or aircraft for a term of one year or

1 more, selling price means the manufacturer's suggested  
2 retail price for that vehicle, vessel, or aircraft, without  
3 any deduction for the value of or credit given for  
4 traded-in tangible personal property. The tax due under  
5 this Section must be collected at the time the first  
6 payment is made under the lease, option to renew, or  
7 similar provision or combination of them, or as of the date  
8 of registration under Illinois law, whichever is earlier.

9 (d) Incorporation of other provisions of this Act. Except  
10 as otherwise provided in this Section, the taxes imposed by  
11 this Section shall be identical to, and administered and  
12 collected in a like manner as, the other taxes imposed under  
13 this Act. All the provisions of this Act, including the  
14 definition and exemption provisions and the provisions  
15 relating or applicable to the administration and collection of  
16 the other taxes imposed by this Act shall apply to the tax  
17 imposed by this Section so far as those provisions can be made  
18 applicable to the tax imposed by this Section, with such  
19 modifications as may be necessary in order to adapt the  
20 language of those provisions to the tax imposed by this  
21 Section. Those provisions shall apply with the same force and  
22 effect as if the language of those provisions had been set  
23 forth in full in this Section, except to the extent that any of  
24 those provisions are either inconsistent with a provision of  
25 this Section or are not relevant to the tax imposed by this  
26 Section. For purposes of this Section, any reference to

1 "selling price" means "selling price" as defined by this  
2 Section and any reference in this Act to a tax or the taxes  
3 otherwise imposed by this Act shall be deemed also to refer to  
4 the tax imposed by this Section unless a different meaning is  
5 clearly required.

6 (e) Separate statement of tax. Every person required to  
7 collect the tax imposed by this Section shall state, charge,  
8 and show that tax separately from the price or charge, and also  
9 separately from any other tax imposed by this Act or other law,  
10 on any sales slip, invoice, receipt, or other statement or  
11 memorandum of the price or charge, paid or payable, given to  
12 the customer.

13 (f) No discounts or credits for collection or remittance.  
14 The taxes imposed by, and collected or paid over under, this  
15 Section shall not be included or considered in computing any  
16 discount or credit for the collection or remittance of those  
17 taxes, including any discount under Section 9.

18 (g) Taxes are in addition to any other. The taxes imposed  
19 by this Section are in addition to any other tax imposed or  
20 authorized to be imposed by this Act or other law.

21 (h) Deposit into GRF. Notwithstanding any other provision  
22 of this Act or any other law to the contrary, all amounts  
23 collected under this Section shall be deposited into the  
24 General Revenue Fund.

25 Section 10. The Retailers' Occupation Tax Act is amended by

1 adding Section 2-1 as follows:

2 (35 ILCS 120/2-1 new)

3 Sec. 2-1. Tax surcharge on certain luxury property.

4 (a) Definitions. For purposes of the tax imposed by this  
5 Section, the following terms mean:

6 (1) Passenger motor vehicle. A motor vehicle of the  
7 first division as defined in Section 1-46 of the Illinois  
8 Vehicle Code, but not including a vehicle purchased for use  
9 exclusively in the active conduct of a trade or business of  
10 transporting persons or property for compensation or hire,  
11 a vehicle purchased for use exclusively in providing  
12 emergency medical services, or a demonstrator vehicle.

13 (2) Vessel. A vessel or watercraft, as defined in  
14 Section 1-2 of the Boat Registration and Safety Act, but  
15 not including a vessel purchased for use exclusively in the  
16 active conduct of a trade or business of transporting  
17 persons or property for compensation or hire, a vessel  
18 purchased for use exclusively in providing emergency  
19 medical services, or a demonstrator vessel.

20 (3) Aircraft. Any aircraft that is propelled by a motor  
21 or engine and is capable of carrying one or more  
22 individuals, but not including aircraft purchased for use  
23 exclusively in the active conduct of a trade or business of  
24 transporting persons or property for compensation or hire,  
25 an aircraft purchased for use exclusively in providing

1 emergency medical services, or a demonstrator aircraft.

2 (4) Jewelry. All articles commonly or commercially  
3 known as jewelry, whether real or imitation, including but  
4 not limited to rings, earrings, necklaces, bracelets, and  
5 watches, and also including loose pearls and precious and  
6 semi-precious stones.

7 (5) Fur clothing and footwear. Clothing and footwear  
8 made, in whole or in part, of any animal skin or part  
9 thereof with hair, fleece, or fur fibers attached thereto,  
10 in either its raw or processed state, but not including  
11 skins that are converted into leather or that in processing  
12 have had the hair, fleece, or fur fiber completely removed.

13 (b) Imposition of additional tax. Notwithstanding any  
14 other provision of this Act or any other law to the contrary,  
15 in addition to all other taxes, a tax is imposed upon persons  
16 engaged in the business of selling the following tangible  
17 personal property in the course of business at the rate of 5%  
18 of the gross receipts from sales:

19 (1) a passenger motor vehicle to the extent that the  
20 selling price exceeds \$60,000;

21 (2) a vessel to the extent that the selling price  
22 exceeds \$200,000;

23 (3) an aircraft to the extent that the selling price  
24 exceeds \$500,000; and

25 (4) jewelry or fur clothing and footwear to the extent  
26 that the selling price per item of jewelry or fur clothing



1 and footwear exceeds \$20,000; an item that is ordinarily  
2 sold as a pair, such as earrings or gloves, are considered  
3 to be one item for purposes of this Section.

4 (c) Special rules. Notwithstanding any other provision of  
5 this Act or any other law to the contrary, for purposes of this  
6 Section:

7 (1) Selling price has the same definition as set forth  
8 in Section 1, except that the value of or credit given for  
9 traded-in tangible personal property shall be included  
10 instead of deducted. Selling price also includes the price  
11 of any property installed on a passenger motor vehicle,  
12 vessel, or aircraft by the vendor of that vehicle, vessel,  
13 or aircraft within 6 months of the sale of the vehicle,  
14 vessel, or aircraft, plus any charge for installing that  
15 property, but does not include the selling price of any  
16 property installed on a passenger motor vehicle to make it  
17 adaptable for use by a person with a disability or to  
18 replace damaged, defective, or malfunctioning property, or  
19 any charge for installing that property.

20 (2) With respect to any lease of a passenger motor  
21 vehicle, vessel, or aircraft for a term of one year or  
22 more, selling price means the manufacturer's suggested  
23 retail price for that vehicle, vessel, or aircraft, without  
24 any deduction for the value of or credit given for  
25 traded-in tangible personal property. The tax due under  
26 this Section must be collected at the time the first

1 payment is made under the lease, option to renew, or  
2 similar provision or combination of them, or as of the date  
3 of registration under Illinois law, whichever is earlier.

4 (d) Incorporation of other provisions of this Act. Except  
5 as otherwise provided in this Section, the taxes imposed by  
6 this Section shall be identical to, and administered and  
7 collected in a like manner as, the other taxes imposed under  
8 this Act. All the provisions of this Act, including the  
9 definition and exemption provisions and the provisions  
10 relating or applicable to the administration and collection of  
11 the other taxes imposed by this Act shall apply to the tax  
12 imposed by this Section so far as those provisions can be made  
13 applicable to the tax imposed by this Section, with such  
14 modifications as may be necessary in order to adapt the  
15 language of those provisions to the tax imposed by this  
16 Section. Those provisions shall apply with the same force and  
17 effect as if the language of those provisions had been set  
18 forth in full in this Section, except to the extent that any of  
19 those provisions are either inconsistent with a provision of  
20 this Section or are not relevant to the tax imposed by this  
21 Section. For purposes of this Section, any reference to  
22 "selling price" means "selling price" as defined by this  
23 Section and any reference in this Act to a tax or the taxes  
24 otherwise imposed by this Act shall be deemed also to refer to  
25 the tax imposed by this Section unless a different meaning is  
26 clearly required.

1       (e) Separate statement of tax. Every person required to  
2       collect the tax imposed by this Section shall state, charge,  
3       and show that tax separately from the price or charge, and also  
4       separately from any other tax imposed by this Act or other law,  
5       on any sales slip, invoice, receipt, or other statement or  
6       memorandum of the price or charge, paid or payable, given to  
7       the customer.

8       (f) No discounts or credits for collection or remittance.  
9       The taxes imposed by, and collected or paid over under, this  
10       Section shall not be included or considered in computing any  
11       discount or credit for the collection or remittance of those  
12       taxes, including any discount under Section 3.

13       (g) Taxes are in addition to any other. The taxes imposed  
14       by this Section are in addition to any other tax imposed or  
15       authorized to be imposed by this Act or other law.

16       (h) Deposit into GRF. Notwithstanding any other provision  
17       of this Act or any other law to the contrary, all amounts  
18       collected under this Section shall be deposited into the  
19       General Revenue Fund.

20       Section 99. Effective date. This Act takes effect July 1,  
21       2009.