



## 96TH GENERAL ASSEMBLY

### State of Illinois

2009 and 2010

HB5542

Introduced 2/9/2010, by Rep. John D. Cavaletto

#### SYNOPSIS AS INTRODUCED:

35 ILCS 105/3-13 new  
35 ILCS 110/3-13 new  
35 ILCS 115/3-13 new  
35 ILCS 120/2-13 new

Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Provides that no tax is imposed under the Acts upon the use or purchase of energy-efficient products that qualify as "Energy Star" products under the federal Energy Star Program and that are purchased at a price of \$1,500 or less during a tax holiday. Defines "tax-holiday" as the periods each year: (1) beginning at 12:01 a.m. on November 1st and continuing through 11:59 p.m. on November 7th; and (2) beginning at 12:01 a.m. on April 22nd and continuing through 11:59 p.m. on April 28th. Sets forth criteria for transactions to qualify for the exemption. Effective immediately.

LRB096 16394 HLH 31659 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  
5 3-13 as follows:

6 (35 ILCS 105/3-13 new)

7 Sec. 3-13. Tax holiday for energy-efficient products.

8 (a) No tax is imposed under this Act upon the privilege of  
9 using, in this State, any energy-efficient product that is  
10 purchased at retail at a sales price of \$1,500 or less if the  
11 product is purchased during a holiday period.

12 (b) For the purpose of this Section:

13 "Holiday period" means the periods each year:

14 (1) beginning at 12:01 a.m. on November 1st and  
15 continuing through 11:59 p.m. on November 7th; and

16 (2) beginning at 12:01 a.m. on April 22nd and  
17 continuing through 11:59 p.m. on April 28th.

18 "Energy-efficient product" means a dishwasher, clothes  
19 washer, air conditioner, ceiling fan, incandescent or  
20 fluorescent light bulb, dehumidifier, programmable thermostat,  
21 or refrigerator that qualifies as an "Energy Star" product  
22 under the Energy Star Program administered by the United States  
23 Environmental Protection Agency.

1       (c) For purpose of this Section, a "purchase" occurs during  
2 the tax holiday if the buyer places an order and pays the  
3 purchase price by cash or credit during the tax holiday period  
4 regardless of whether the delivery of the product occurs after  
5 the tax holiday period.

6       An energy-efficient product that is placed in a layaway or  
7 similar deferred plan during the holiday period is not eligible  
8 for the exemption unless the product is delivered to the  
9 purchaser during the holiday period. An energy-efficient  
10 product that was placed in a layaway or similar deferred plan  
11 before the holiday period and is then delivered to the  
12 purchaser during the holiday period is eligible for the  
13 exemption.

14       (d) Any discount, coupon, or other credit offered either by  
15 the retailer or by a vendor of the retailer to reduce the final  
16 price to the customer must be taken into account in determining  
17 the selling price of the product for the purposes of this  
18 holiday. If the price of a product is free or reduced with the  
19 purchase of another energy-efficient product, then the total  
20 price of the products may not be averaged in order for both  
21 products to qualify for the holiday.

22       The amount of any rebate may not be considered when  
23 determining the selling price of an energy-efficient product  
24 for the purposes of this holiday.

25       (e) Articles that are normally sold as a unit must continue  
26 to be sold in that manner; they may not be priced separately

1 and sold as individual items in order to be subject to the  
2 holiday. Components that are normally priced as separate  
3 articles, however, may continue to be sold as separate  
4 articles.

5 (f) An energy-efficient product that a customer purchases  
6 during the holiday period with the use of a rain check  
7 qualifies for the holiday regardless of when the rain check was  
8 issued. The issuance of a rain check, however, during the  
9 holiday period does not qualify merchandise for the exemption  
10 if the product is actually purchased after the holiday period.

11 (g) If a customer purchases an energy-efficient product  
12 during the holiday period but later exchanges the product for a  
13 substantially similar product of a different size, different  
14 color, or other feature, then no additional tax is due even if  
15 the exchange is made after the holiday period.

16 If a customer purchases an energy-efficient product during  
17 the holiday period, but, after the holiday period has ended,  
18 the customer returns the product and receives credit on the  
19 purchase of a different product, then the newly purchased  
20 product is subject to the full tax rate.

21 If a customer purchases an energy-efficient product before  
22 the holiday period, but, during the holiday period, the  
23 customer returns the product and receives credit on the  
24 purchase of a different energy-efficient product, then the  
25 newly purchased product is subject to the exemption.

26 (h) Each unit of local government that imposes a use tax

1 may, by resolution or ordinance, declare a tax holiday with  
2 respect to its use tax for the same items, during the same  
3 periods, and under the same conditions and is encouraged to do  
4 so.

5 Section 10. The Service Use Tax Act is amended by adding  
6 Section 3-13 as follows:

7 (35 ILCS 110/3-13 new)

8 Sec. 3-13. Tax holiday for energy-efficient products.

9 (a) No tax is imposed under this Act upon the privilege of  
10 using, in this State, any energy-efficient product that is  
11 purchased at retail at a sales price of \$1,500 or less if the  
12 product is purchased during a holiday period.

13 (b) For the purpose of this Section:

14 "Holiday period" means the periods each year:

15 (1) beginning at 12:01 a.m. on November 1st and  
16 continuing through 11:59 p.m. on November 7th; and

17 (2) beginning at 12:01 a.m. on April 22nd and  
18 continuing through 11:59 p.m. on April 28th.

19 "Energy-efficient product" means a dishwasher, clothes  
20 washer, air conditioner, ceiling fan, incandescent or  
21 fluorescent light bulb, dehumidifier, programmable thermostat,  
22 or refrigerator that qualifies as an "Energy Star" product  
23 under the Energy Star Program administered by the United States  
24 Environmental Protection Agency.

1       (c) For purpose of this Section, a "purchase" occurs during  
2 the tax holiday if the buyer places an order and pays the  
3 purchase price by cash or credit during the tax holiday period  
4 regardless of whether the delivery of the product occurs after  
5 the tax holiday period.

6       An energy-efficient product that is placed in a layaway or  
7 similar deferred plan during the holiday period is not eligible  
8 for the exemption unless the product is delivered to the  
9 purchaser during the holiday period. An energy-efficient  
10 product that was placed in a layaway or similar deferred plan  
11 before the holiday period and is then delivered to the  
12 purchaser during the holiday period is eligible for the  
13 exemption.

14       (d) Any discount, coupon, or other credit offered either by  
15 the retailer or by a vendor of the retailer to reduce the final  
16 price to the customer must be taken into account in determining  
17 the selling price of the product for the purposes of this  
18 holiday. If the price of a product is free or reduced with the  
19 purchase of another energy-efficient product, then the total  
20 price of the products may not be averaged in order for both  
21 products to qualify for the holiday.

22       The amount of any rebate may not be considered when  
23 determining the selling price of an energy-efficient product  
24 for the purposes of this holiday.

25       (e) Articles that are normally sold as a unit must continue  
26 to be sold in that manner; they may not be priced separately

1 and sold as individual items in order to be subject to the  
2 holiday. Components that are normally priced as separate  
3 articles, however, may continue to be sold as separate  
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5 (f) An energy-efficient product that a customer purchases  
6 during the holiday period with the use of a rain check  
7 qualifies for the holiday regardless of when the rain check was  
8 issued. The issuance of a rain check, however, during the  
9 holiday period does not qualify merchandise for the exemption  
10 if the product is actually purchased after the holiday period.

11 (g) If a customer purchases an energy-efficient product  
12 during the holiday period but later exchanges the product for a  
13 substantially similar product of a different size, different  
14 color, or other feature, then no additional tax is due even if  
15 the exchange is made after the holiday period.

16 If a customer purchases an energy-efficient product during  
17 the holiday period, but, after the holiday period has ended,  
18 the customer returns the product and receives credit on the  
19 purchase of a different product, then the newly purchased  
20 product is subject to the full tax rate.

21 If a customer purchases an energy-efficient product before  
22 the holiday period, but, during the holiday period, the  
23 customer returns the product and receives credit on the  
24 purchase of a different energy-efficient product, then the  
25 newly purchased product is subject to the exemption.

26 (h) Each unit of local government that imposes a service

1 use tax may, by resolution or ordinance, declare a tax holiday  
2 with respect to its use tax for the same items, during the same  
3 periods, and under the same conditions and is encouraged to do  
4 so.

5 Section 15. The Service Occupation Tax Act is amended by  
6 adding Section 3-13 as follows:

7 (35 ILCS 115/3-13 new)

8 Sec. 3-13. Tax holiday for energy-efficient products.

9 (a) No tax is imposed under this Act upon persons engaged  
10 in the business of selling, at retail, any energy-efficient  
11 product if the product is purchased at a sales price of \$1,500  
12 or less during a tax-holiday period.

13 (b) For the purpose of this Section:

14 "Tax-holiday period" means the periods each year:

15 (1) beginning at 12:01 a.m. on November 1st and  
16 continuing through 11:59 p.m. on November 7th; and

17 (2) beginning at 12:01 a.m. on April 22nd and  
18 continuing through 11:59 p.m. on April 28th.

19 "Energy-efficient product" means a dishwasher, clothes  
20 washer, air conditioner, ceiling fan, incandescent or  
21 fluorescent light bulb, dehumidifier, programmable thermostat,  
22 or refrigerator that qualifies as an "Energy Star" product  
23 under the Energy Star Program administered by the United States  
24 Environmental Protection Agency.



1       (c) For purpose of this Section, a "purchase" occurs during  
2 the tax holiday if the buyer places an order and pays the  
3 purchase price by cash or credit during the tax holiday period  
4 regardless of whether the delivery of the product occurs after  
5 the tax holiday period.

6       An energy-efficient product that is placed in a layaway or  
7 similar deferred plan during the holiday period is not eligible  
8 for the exemption unless the product is delivered to the  
9 purchaser during the holiday period. An energy-efficient  
10 product that was placed in a layaway or similar deferred plan  
11 before the holiday period and is then delivered to the  
12 purchaser during the holiday period is eligible for the  
13 exemption.

14       (d) Any discount, coupon, or other credit offered either by  
15 the retailer or by a vendor of the retailer to reduce the final  
16 price to the customer must be taken into account in determining  
17 the selling price of the product for the purposes of this  
18 holiday. If the price of a product is free or reduced with the  
19 purchase of another energy-efficient product, then the total  
20 price of the products may not be averaged in order for both  
21 products to qualify for the holiday.

22       The amount of any rebate may not be considered when  
23 determining the selling price of an energy-efficient product  
24 for the purposes of this holiday.

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26 to be sold in that manner; they may not be priced separately

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8 issued. The issuance of a rain check, however, during the  
9 holiday period does not qualify merchandise for the exemption  
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12 during the holiday period but later exchanges the product for a  
13 substantially similar product of a different size, different  
14 color, or other feature, then no additional tax is due even if  
15 the exchange is made after the holiday period.

16 If a customer purchases an energy-efficient product during  
17 the holiday period, but, after the holiday period has ended,  
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19 purchase of a different product, then the newly purchased  
20 product is subject to the full tax rate.

21 If a customer purchases an energy-efficient product before  
22 the holiday period, but, during the holiday period, the  
23 customer returns the product and receives credit on the  
24 purchase of a different energy-efficient product, then the  
25 newly purchased product is subject to the exemption.

26 (h) Each unit of local government that imposes a service

1 occupation tax may, by resolution or ordinance, declare a tax  
2 holiday with respect to its occupation tax for the same items,  
3 during the same periods, and under the same conditions and is  
4 encouraged to do so.

5 Section 20. The Retailers' Occupation Tax Act is amended by  
6 adding Section 2-13 as follows:

7 (35 ILCS 120/2-13 new)

8 Sec. 2-13. Tax holiday for energy-efficient products.

9 (a) No tax is imposed under this Act upon persons engaged  
10 in the business of selling, at retail, any energy-efficient  
11 product if the product is purchased at a sales price of \$1,500  
12 or less during a tax-holiday period.

13 (b) For the purpose of this Section:

14 "Tax-holiday period" means the periods each year:

15 (1) beginning at 12:01 a.m. on November 1st and  
16 continuing through 11:59 p.m. on November 7th; and

17 (2) beginning at 12:01 a.m. on April 22nd and  
18 continuing through 11:59 p.m. on April 28th.

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20 washer, air conditioner, ceiling fan, incandescent or  
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22 or refrigerator that qualifies as an "Energy Star" product  
23 under the Energy Star Program administered by the United States  
24 Environmental Protection Agency.

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2 the tax holiday if the buyer places an order and pays the  
3 purchase price by cash or credit during the tax holiday period  
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5 the tax holiday period.

6       An energy-efficient product that is placed in a layaway or  
7 similar deferred plan during the holiday period is not eligible  
8 for the exemption unless the product is delivered to the  
9 purchaser during the holiday period. An energy-efficient  
10 product that was placed in a layaway or similar deferred plan  
11 before the holiday period and is then delivered to the  
12 purchaser during the holiday period is eligible for the  
13 exemption.

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15 the retailer or by a vendor of the retailer to reduce the final  
16 price to the customer must be taken into account in determining  
17 the selling price of the product for the purposes of this  
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19 purchase of another energy-efficient product, then the total  
20 price of the products may not be averaged in order for both  
21 products to qualify for the holiday.

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19 purchase of a different product, then the newly purchased  
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21 If a customer purchases an energy-efficient product before  
22 the holiday period, but, during the holiday period, the  
23 customer returns the product and receives credit on the  
24 purchase of a different energy-efficient product, then the  
25 newly purchased product is subject to the exemption.

26 (h) Each unit of local government that imposes a retailers'

1 occupation tax may, by resolution or ordinance, declare a tax  
2 holiday with respect to its occupation tax for the same items,  
3 during the same periods, and under the same conditions and is  
4 encouraged to do so.

5 Section 99. Effective date. This Act takes effect upon  
6 becoming law.