



Rep. Frank J. Mautino

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1 AMENDMENT TO SENATE BILL 349

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 349, AS AMENDED, by  
3 replacing everything after the enacting clause with the  
4 following:

5 Section 5. If and only if House Bill 255 of the 96th  
6 General Assembly (as amended by Senate Amendments Nos. 1 and 3)  
7 becomes law and takes effect, then the Use Tax Act is amended  
8 by changing Sections 3-10 and 9 as follows:

9 (35 ILCS 105/3-10) (from Ch. 120, par. 439.3-10)

10 Sec. 3-10. Rate of tax. Unless otherwise provided in this  
11 Section, the tax imposed by this Act is at the rate of 6.25% of  
12 either the selling price or the fair market value, if any, of  
13 the tangible personal property. In all cases where property  
14 functionally used or consumed is the same as the property that  
15 was purchased at retail, then the tax is imposed on the selling  
16 price of the property. In all cases where property functionally

1 used or consumed is a by-product or waste product that has been  
2 refined, manufactured, or produced from property purchased at  
3 retail, then the tax is imposed on the lower of the fair market  
4 value, if any, of the specific property so used in this State  
5 or on the selling price of the property purchased at retail.  
6 For purposes of this Section "fair market value" means the  
7 price at which property would change hands between a willing  
8 buyer and a willing seller, neither being under any compulsion  
9 to buy or sell and both having reasonable knowledge of the  
10 relevant facts. The fair market value shall be established by  
11 Illinois sales by the taxpayer of the same property as that  
12 functionally used or consumed, or if there are no such sales by  
13 the taxpayer, then comparable sales or purchases of property of  
14 like kind and character in Illinois.

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

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

1 proceeds of sales of gasohol made during that time.

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

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

17 With respect to 100% biodiesel and biodiesel blends 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 sales made on or  
20 after July 1, 2003 and on or before December 31, 2013 but  
21 applies to 100% of the proceeds of sales made thereafter.

22 With respect to food for human consumption that is to be  
23 consumed off the premises where it is sold (other than  
24 alcoholic beverages, soft drinks, and food that has been  
25 prepared for immediate consumption) and prescription and  
26 nonprescription medicines, drugs, medical appliances,

1 modifications to a motor vehicle for the purpose of rendering  
2 it usable by a disabled person, and insulin, urine testing  
3 materials, syringes, and needles used by diabetics, for human  
4 use, the tax is imposed at the rate of 1%. For the purposes of  
5 this Section, until September ~~August~~ 1, 2009: the term "soft  
6 drinks" means any complete, finished, ready-to-use,  
7 non-alcoholic drink, whether carbonated or not, including but  
8 not limited to soda water, cola, fruit juice, vegetable juice,  
9 carbonated water, and all other preparations commonly known as  
10 soft drinks of whatever kind or description that are contained  
11 in any closed or sealed bottle, can, carton, or container,  
12 regardless of size; but "soft drinks" does not include coffee,  
13 tea, non-carbonated water, infant formula, milk or milk  
14 products as defined in the Grade A Pasteurized Milk and Milk  
15 Products Act, or drinks containing 50% or more natural fruit or  
16 vegetable juice.

17 Notwithstanding any other provisions of this Act,  
18 beginning September ~~August~~ 1, 2009, "soft drinks" mean  
19 non-alcoholic beverages that contain natural or artificial  
20 sweeteners. "Soft drinks" do not include beverages that contain  
21 milk or milk products, soy, rice or similar milk substitutes,  
22 or greater than 50% of vegetable or fruit juice by volume.

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

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

3 Notwithstanding any other provisions of this Act,  
4 beginning September ~~August~~ 1, 2009, "food for human consumption  
5 that is to be consumed off the premises where it is sold" does  
6 not include candy. For purposes of this Section, "candy" means  
7 a preparation of sugar, honey, or other natural or artificial  
8 sweeteners in combination with chocolate, fruits, nuts or other  
9 ingredients or flavorings in the form of bars, drops, or  
10 pieces. "Candy" does not include any preparation that contains  
11 flour or requires refrigeration.

12 Notwithstanding any other provisions of this Act,  
13 beginning September ~~August~~ 1, 2009, "nonprescription medicines  
14 and drugs" does not include grooming and hygiene products. For  
15 purposes of this Section, "grooming and hygiene products"  
16 includes, but is not limited to, soaps and cleaning solutions,  
17 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan  
18 lotions and screens, unless those products are available by  
19 prescription only, regardless of whether the products meet the  
20 definition of "over-the-counter-drugs". For the purposes of  
21 this paragraph, "over-the-counter-drug" means a drug for human  
22 use that contains a label that identifies the product as a drug  
23 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"  
24 label includes:

25 (A) A "Drug Facts" panel; or

26 (B) A statement of the "active ingredient(s)" with a

1 list of those ingredients contained in the compound,  
2 substance or preparation.

3 If the property that is purchased at retail from a retailer  
4 is acquired outside Illinois and used outside Illinois before  
5 being brought to Illinois for use here and is taxable under  
6 this Act, the "selling price" on which the tax is computed  
7 shall be reduced by an amount that represents a reasonable  
8 allowance for depreciation for the period of prior out-of-state  
9 use.

10 (Source: P.A. 93-17, eff. 6-11-03; 09600HB0255sam001.)

11 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

12 Sec. 9. Except as to motor vehicles, watercraft, aircraft,  
13 and trailers that are required to be registered with an agency  
14 of this State, each retailer required or authorized to collect  
15 the tax imposed by this Act shall pay to the Department the  
16 amount of such tax (except as otherwise provided) at the time  
17 when he is required to file his return for the period during  
18 which such tax was collected, less a discount of 2.1% prior to  
19 January 1, 1990, and 1.75% on and after January 1, 1990, or \$5  
20 per calendar year, whichever is greater, which is allowed to  
21 reimburse the retailer for expenses incurred in collecting the  
22 tax, keeping records, preparing and filing returns, remitting  
23 the tax and supplying data to the Department on request. In the  
24 case of retailers who report and pay the tax on a transaction  
25 by transaction basis, as provided in this Section, such

1 discount shall be taken with each such tax remittance instead  
2 of when such retailer files his periodic return. A retailer  
3 need not remit that part of any tax collected by him to the  
4 extent that he is required to remit and does remit the tax  
5 imposed by the Retailers' Occupation Tax Act, with respect to  
6 the sale of the same property.

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

17 Except as provided in this Section, on or before the  
18 twentieth day of each calendar month, such retailer shall file  
19 a return for the preceding calendar month. Such return shall be  
20 filed on forms prescribed by the Department and shall furnish  
21 such information as the Department may reasonably require.

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

1 of the first two months of each calendar quarter, on or before  
2 the twentieth day of the following calendar month, stating:

3 1. The name of the seller;

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

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

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

14 5. The amount of tax due;

15 5-5. The signature of the taxpayer; and

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

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

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



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

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

26 Any taxpayer not required to make payments by electronic

1 funds transfer may make payments by electronic funds transfer  
2 with the permission of the Department.

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

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

10 Before October 1, 2000, if the taxpayer's average monthly  
11 tax liability to the Department under this Act, the Retailers'  
12 Occupation Tax Act, the Service Occupation Tax Act, the Service  
13 Use Tax Act was \$10,000 or more during the preceding 4 complete  
14 calendar quarters, he shall file a return with the Department  
15 each month by the 20th day of the month next following the  
16 month during which such tax liability is incurred and shall  
17 make payments to the Department on or before the 7th, 15th,  
18 22nd and last day of the month during which such liability is  
19 incurred. On and after October 1, 2000, if the taxpayer's  
20 average monthly tax liability to the Department under this Act,  
21 the Retailers' Occupation Tax Act, the Service Occupation Tax  
22 Act, and the Service Use Tax 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 shall continue until such taxpayer's average  
11 monthly liability to the Department during the preceding 4  
12 complete calendar quarters (excluding the month of highest  
13 liability and the month of lowest liability) is less than  
14 \$9,000, or until such taxpayer's average monthly liability to  
15 the Department as computed for each calendar quarter of the 4  
16 preceding complete calendar quarter period is less than  
17 \$10,000. However, if a taxpayer can show the Department that a  
18 substantial change in the taxpayer's business has occurred  
19 which causes the taxpayer to anticipate that his average  
20 monthly tax liability for the reasonably foreseeable future  
21 will fall below the \$10,000 threshold stated above, then such  
22 taxpayer may petition the Department for change in such  
23 taxpayer's reporting status. On and after October 1, 2000, once  
24 applicable, the requirement of the making of quarter monthly  
25 payments to the Department shall continue until such taxpayer's  
26 average monthly liability to the Department during the

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

26 If any such payment provided for in this Section exceeds

1 the taxpayer's liabilities under this Act, the Retailers'  
2 Occupation Tax Act, the Service Occupation Tax Act and the  
3 Service Use Tax Act, as shown by an original monthly return,  
4 the Department shall issue to the taxpayer a credit memorandum  
5 no later than 30 days after the date of payment, which  
6 memorandum may be submitted by the taxpayer to the Department  
7 in payment of tax liability subsequently to be remitted by the  
8 taxpayer to the Department or be assigned by the taxpayer to a  
9 similar taxpayer under this Act, the Retailers' Occupation Tax  
10 Act, the Service Occupation Tax Act or the Service Use Tax Act,  
11 in accordance with reasonable rules and regulations to be  
12 prescribed by the Department, except that if such excess  
13 payment is shown on an original monthly return and is made  
14 after December 31, 1986, no credit memorandum shall be issued,  
15 unless requested by the taxpayer. If no such request is made,  
16 the taxpayer may credit such excess payment against tax  
17 liability subsequently to be remitted by the taxpayer to the  
18 Department under this Act, the Retailers' Occupation Tax Act,  
19 the Service Occupation Tax Act or the Service Use Tax Act, in  
20 accordance with reasonable rules and regulations prescribed by  
21 the Department. If the Department subsequently determines that  
22 all or any part of the credit taken was not actually due to the  
23 taxpayer, the taxpayer's 2.1% or 1.75% vendor's discount shall  
24 be reduced by 2.1% or 1.75% of the difference between the  
25 credit taken and that actually due, and the taxpayer shall be  
26 liable for penalties and interest on such difference.

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

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

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

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

1 business.

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

25 The transaction reporting return in the case of motor  
26 vehicles or trailers that are required to be registered with an



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

20 The transaction reporting return in the case of watercraft  
21 and aircraft must show the name and address of the seller; the  
22 name and address of the purchaser; the amount of the selling  
23 price including the amount allowed by the retailer for  
24 traded-in property, if any; the amount allowed by the retailer  
25 for the traded-in tangible personal property, if any, to the  
26 extent to which Section 2 of this Act allows an exemption for

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

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

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

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

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

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

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

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

25 Any retailer filing a return under this Section shall also  
26 include (for the purpose of paying tax thereon) the total tax

1 covered by such return upon the selling price of tangible  
2 personal property purchased by him at retail from a retailer,  
3 but as to which the tax imposed by this Act was not collected  
4 from the retailer filing such return, and such retailer shall  
5 remit the amount of such tax to the Department when filing such  
6 return.

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

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

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

1 materials, syringes and needles used by diabetics.

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

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

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

21 Beginning January 1, 1990, each month the Department shall  
22 pay into the Local Government Tax Fund 16% of the net revenue  
23 realized for the preceding month from the 6.25% general rate on  
24 the selling price of tangible personal property which is  
25 purchased outside Illinois at retail from a retailer and which  
26 is titled or registered by an agency of this State's

1 government.

2 Beginning October ~~September~~ 1, 2009, each month the  
3 Department shall pay into the Capital Projects Fund an amount  
4 that is equal to an amount estimated by the Department to  
5 represent 80% of the net revenue realized for the preceding  
6 month from the sale of candy, grooming and hygiene products,  
7 and soft drinks that had been taxed at a rate of 1% prior to  
8 September ~~August~~ 1, 2009 but that is now taxed at 6.25%.

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 Section 3  
17 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax  
18 Act, Section 9 of the Service Use Tax Act, and Section 9 of the  
19 Service Occupation Tax Act, such Acts being hereinafter called  
20 the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case  
21 may be, of moneys being hereinafter called the "Tax Act  
22 Amount", and (2) the amount transferred to the Build Illinois  
23 Fund from the State and Local Sales Tax Reform Fund shall be  
24 less than the Annual Specified Amount (as defined in Section 3  
25 of the Retailers' Occupation Tax Act), an amount equal to the  
26 difference shall be immediately paid into the Build Illinois

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



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

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

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

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

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

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

22           Beginning July 20, 1993 and in each month of each fiscal  
23           year thereafter, one-eighth of the amount requested in the  
24           certificate of the Chairman of the Metropolitan Pier and  
25           Exposition Authority for that fiscal year, less the amount  
26           deposited into the McCormick Place Expansion Project Fund by

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

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

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

1 generating facility certified pursuant to Section 605-332 of  
2 the Department of Commerce and Economic Opportunity Law of the  
3 Civil Administrative Code of Illinois.

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

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

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

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

1 objection to the Department to this arrangement.

2 (Source: P.A. 94-793, eff. 5-19-06; 94-1074, eff. 12-26-06;  
3 09600HB0255sam001.)

4 Section 10. If and only if House Bill 255 of the 96th  
5 General Assembly (as amended by Senate Amendments Nos. 1 and 3)  
6 becomes law and takes effect, then the Service Use Tax Act is  
7 amended by changing Sections 3-10 and 9 as follows:

8 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

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

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

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

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

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

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

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

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

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

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



1 it usable by a disabled person, and insulin, urine testing  
2 materials, syringes, and needles used by diabetics, for human  
3 use. For the purposes of this Section, until September ~~August~~  
4 1, 2009: the term "soft drinks" means any complete, finished,  
5 ready-to-use, non-alcoholic drink, whether carbonated or not,  
6 including but not limited to soda water, cola, fruit juice,  
7 vegetable juice, carbonated water, and all other preparations  
8 commonly known as soft drinks of whatever kind or description  
9 that are contained in any closed or sealed bottle, can, carton,  
10 or container, regardless of size; but "soft drinks" does not  
11 include coffee, tea, non-carbonated water, infant formula,  
12 milk or milk products as defined in the Grade A Pasteurized  
13 Milk and Milk Products Act, or drinks containing 50% or more  
14 natural fruit or vegetable juice.

15 Notwithstanding any other provisions of this Act,  
16 beginning September ~~August~~ 1, 2009, "soft drinks" mean  
17 non-alcoholic beverages that contain natural or artificial  
18 sweeteners. "Soft drinks" do not include beverages that contain  
19 milk or milk products, soy, rice or similar milk substitutes,  
20 or greater than 50% of vegetable or fruit juice by volume.

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

1           Notwithstanding any other provisions of this Act,  
2 beginning September ~~August~~ 1, 2009, "food for human consumption  
3 that is to be consumed off the premises where it is sold" does  
4 not include candy. For purposes of this Section, "candy" means  
5 a preparation of sugar, honey, or other natural or artificial  
6 sweeteners in combination with chocolate, fruits, nuts or other  
7 ingredients or flavorings in the form of bars, drops, or  
8 pieces. "Candy" does not include any preparation that contains  
9 flour or requires refrigeration.

10           Notwithstanding any other provisions of this Act,  
11 beginning September ~~August~~ 1, 2009, "nonprescription medicines  
12 and drugs" does not include grooming and hygiene products. For  
13 purposes of this Section, "grooming and hygiene products"  
14 includes, but is not limited to, soaps and cleaning solutions,  
15 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan  
16 lotions and screens, unless those products are available by  
17 prescription only, regardless of whether the products meet the  
18 definition of "over-the-counter-drugs". For the purposes of  
19 this paragraph, "over-the-counter-drug" means a drug for human  
20 use that contains a label that identifies the product as a drug  
21 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"  
22 label includes:

23           (A) A "Drug Facts" panel; or

24           (B) A statement of the "active ingredient(s)" with a  
25 list of those ingredients contained in the compound,  
26 substance or preparation.

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

8           (Source: P.A. 93-17, eff. 6-11-03; 09600HB0255sam001.)

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

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

24          Except as provided hereinafter in this Section, on or  
25 before the twentieth day of each calendar month, such

1 serviceman shall file a return for the preceding calendar month  
2 in accordance with reasonable Rules and Regulations to be  
3 promulgated by the Department. Such return shall be filed on a  
4 form prescribed by the Department and shall contain such  
5 information as the Department may reasonably require.

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

13 1. The name of the seller;

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

16 3. The total amount of taxable receipts received by him  
17 during the preceding calendar month, including receipts  
18 from charge and time sales, but less all deductions allowed  
19 by law;

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

22 5. The amount of tax due;

23 5-5. The signature of the taxpayer; and

24 6. Such other reasonable information as the Department  
25 may require.

26 If a taxpayer fails to sign a return within 30 days after

1 the proper notice and demand for signature by the Department,  
2 the return shall be considered valid and any amount shown to be  
3 due on the return shall be deemed assessed.

4 Beginning October 1, 1993, a taxpayer who has an average  
5 monthly tax liability of \$150,000 or more shall make all  
6 payments required by rules of the Department by electronic  
7 funds transfer. Beginning October 1, 1994, a taxpayer who has  
8 an average monthly tax liability of \$100,000 or more shall make  
9 all payments required by rules of the Department by electronic  
10 funds transfer. Beginning October 1, 1995, a taxpayer who has  
11 an average monthly tax liability of \$50,000 or more shall make  
12 all payments required by rules of the Department by electronic  
13 funds transfer. Beginning October 1, 2000, a taxpayer who has  
14 an annual tax liability of \$200,000 or more shall make all  
15 payments required by rules of the Department by electronic  
16 funds transfer. The term "annual tax liability" shall be the  
17 sum of the taxpayer's liabilities under this Act, and under all  
18 other State and local occupation and use tax laws administered  
19 by the Department, for the immediately preceding calendar year.  
20 The term "average monthly tax liability" means the sum of the  
21 taxpayer's liabilities under this Act, and under all other  
22 State and local occupation and use tax laws administered by the  
23 Department, for the immediately preceding calendar year  
24 divided by 12. Beginning on October 1, 2002, a taxpayer who has  
25 a tax liability in the amount set forth in subsection (b) of  
26 Section 2505-210 of the Department of Revenue Law shall make

1 all payments required by rules of the Department by electronic  
2 funds transfer.

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

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

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

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

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

1 October, November and December of a given year being due by  
2 January 20 of the following year.

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

9 Such quarter annual and annual returns, as to form and  
10 substance, shall be subject to the same requirements as monthly  
11 returns.

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

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

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

10 Any serviceman filing a return hereunder shall also include  
11 the total tax upon the selling price of tangible personal  
12 property purchased for use by him as an incident to a sale of  
13 service, and such serviceman shall remit the amount of such tax  
14 to the Department when filing such return.

15 If experience indicates such action to be practicable, the  
16 Department may prescribe and furnish a combination or joint  
17 return which will enable servicemen, who are required to file  
18 returns hereunder and also under the Service Occupation Tax  
19 Act, to furnish all the return information required by both  
20 Acts on the one form.

21 Where the serviceman has more than one business registered  
22 with the Department under separate registration hereunder,  
23 such serviceman shall not file each return that is due as a  
24 single return covering all such registered businesses, but  
25 shall file separate returns for each such registered business.

26 Beginning January 1, 1990, each month the Department shall



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

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

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

21 Beginning October ~~September~~ 1, 2009, each month the  
22 Department shall pay into the Capital Projects Fund an amount  
23 that is equal to an amount estimated by the Department to  
24 represent 80% of the net revenue realized for the preceding  
25 month from the sale of candy, grooming and hygiene products,  
26 and soft drinks that had been taxed at a rate of 1% prior to

1 September ~~August~~ 1, 2009 but that is now taxed at 6.25%.

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

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

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

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

	Fiscal Year	Total Deposit
1		
2	1993	\$0
3	1994	53,000,000
4	1995	58,000,000
5	1996	61,000,000
6	1997	64,000,000
7	1998	68,000,000
8	1999	71,000,000
9	2000	75,000,000
10	2001	80,000,000
11	2002	93,000,000
12	2003	99,000,000
13	2004	103,000,000
14	2005	108,000,000
15	2006	113,000,000
16	2007	119,000,000
17	2008	126,000,000
18	2009	132,000,000
19	2010	139,000,000
20	2011	146,000,000
21	2012	153,000,000
22	2013	161,000,000
23	2014	170,000,000
24	2015	179,000,000
25	2016	189,000,000

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

8           each fiscal year

9           thereafter that bonds

10          are outstanding under

11           Section 13.2 of the

12          Metropolitan Pier and

13          Exposition Authority Act,

14          but not after fiscal year 2042.

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

1 has been deposited.

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

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 with the receipt of the first report of  
14 taxes paid by an eligible business and continuing for a 25-year  
15 period, the Department shall each month pay into the Energy  
16 Infrastructure Fund 80% of the net revenue realized from the  
17 6.25% general rate on the selling price of Illinois-mined coal  
18 that was sold to an eligible business. For purposes of this  
19 paragraph, the term "eligible business" means a new electric  
20 generating facility certified pursuant to Section 605-332 of  
21 the Department of Commerce and Economic Opportunity Law of the  
22 Civil Administrative Code of Illinois.

23 All remaining moneys received by the Department pursuant to  
24 this Act shall be paid into the General Revenue Fund of the  
25 State Treasury.

26 As soon as possible after the first day of each month, upon

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

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

11 (Source: P.A. 94-793, eff. 5-19-06; 94-1074, eff. 12-26-06;  
12 09600HB0255sam001.)

13 Section 15. If and only if House Bill 255 of the 96th  
14 General Assembly (as amended by Senate Amendments Nos. 1 and 3)  
15 becomes law and takes effect, then the Service Occupation Tax  
16 Act is amended by changing Sections 3-10 and 9 as follows:

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

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



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

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

16 With respect to gasohol, as defined in the Use Tax Act, the  
17 tax imposed by this Act shall apply to (i) 70% of the cost  
18 price of property transferred as an incident to the sale of  
19 service on or after January 1, 1990, and before July 1, 2003,  
20 (ii) 80% of the selling price of property transferred as an  
21 incident to the sale of service on or after July 1, 2003 and on  
22 or before December 31, 2013, and (iii) 100% of the cost price  
23 thereafter. If, at any time, however, the tax under this Act on  
24 sales of gasohol, as defined in the Use Tax Act, is imposed at  
25 the rate of 1.25%, then the tax imposed by this Act applies to  
26 100% of the proceeds of sales of gasohol made during that time.

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

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

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

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

11           The tax shall be imposed at the rate of 1% on food prepared  
12 for immediate consumption and transferred incident to a sale of  
13 service subject to this Act or the Service Occupation Tax Act  
14 by an entity licensed under the Hospital Licensing Act, the  
15 Nursing Home Care Act, or the Child Care Act of 1969. The tax  
16 shall also be imposed at the rate of 1% on food for human  
17 consumption that is to be consumed off the premises where it is  
18 sold (other than alcoholic beverages, soft drinks, and food  
19 that has been prepared for immediate consumption and is not  
20 otherwise included in this paragraph) and prescription and  
21 nonprescription medicines, drugs, medical appliances,  
22 modifications to a motor vehicle for the purpose of rendering  
23 it usable by a disabled person, and insulin, urine testing  
24 materials, syringes, and needles used by diabetics, for human  
25 use. For the purposes of this Section, until September ~~August~~  
26 1, 2009: the term "soft drinks" means any complete, finished,

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

11 Notwithstanding any other provisions of this Act,  
12 beginning September ~~August~~ 1, 2009, "soft drinks" mean  
13 non-alcoholic beverages that contain natural or artificial  
14 sweeteners. "Soft drinks" do not include beverages that contain  
15 milk or milk products, soy, rice or similar milk substitutes,  
16 or greater than 50% of vegetable or fruit juice by volume.

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

23 Notwithstanding any other provisions of this Act,  
24 beginning September ~~August~~ 1, 2009, "food for human consumption  
25 that is to be consumed off the premises where it is sold" does  
26 not include candy. For purposes of this Section, "candy" means

1 a preparation of sugar, honey, or other natural or artificial  
2 sweeteners in combination with chocolate, fruits, nuts or other  
3 ingredients or flavorings in the form of bars, drops, or  
4 pieces. "Candy" does not include any preparation that contains  
5 flour or requires refrigeration.

6 Notwithstanding any other provisions of this Act,  
7 beginning ~~September~~ August 1, 2009, "nonprescription medicines  
8 and drugs" does not include grooming and hygiene products. For  
9 purposes of this Section, "grooming and hygiene products"  
10 includes, but is not limited to, soaps and cleaning solutions,  
11 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan  
12 lotions and screens, unless those products are available by  
13 prescription only, regardless of whether the products meet the  
14 definition of "over-the-counter-drugs". For the purposes of  
15 this paragraph, "over-the-counter-drug" means a drug for human  
16 use that contains a label that identifies the product as a drug  
17 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"  
18 label includes:

19 (A) A "Drug Facts" panel; or

20 (B) A statement of the "active ingredient(s)" with a  
21 list of those ingredients contained in the compound,  
22 substance or preparation.

23 (Source: P.A. 93-17, eff. 6-11-03; 09600HB0255sam001.)

24 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

25 Sec. 9. Each serviceman required or authorized to collect

1 the tax herein imposed shall pay to the Department the amount  
2 of such tax at the time when he is required to file his return  
3 for the period during which such tax was collectible, less a  
4 discount of 2.1% prior to January 1, 1990, and 1.75% on and  
5 after January 1, 1990, or \$5 per calendar year, whichever is  
6 greater, which is allowed to reimburse the serviceman for  
7 expenses incurred in collecting the tax, keeping records,  
8 preparing and filing returns, remitting the tax and supplying  
9 data to the Department on request.

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

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

25 The Department may require returns to be filed on a  
26 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 Prior to October 1, 2003, and on and after September 1,  
24 2004 a serviceman may accept a Manufacturer's Purchase Credit  
25 certification from a purchaser in satisfaction of Service Use  
26 Tax as provided in Section 3-70 of the Service Use Tax Act if

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

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



1 January 20 of the following year.

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

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

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

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

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

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

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

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

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

4           Where a serviceman 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 serviceman refunds the selling price thereof  
8 to the purchaser, such serviceman 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 serviceman may deduct the amount of the tax so  
12 refunded by him to the purchaser from any other Service  
13 Occupation Tax, Service Use Tax, Retailers' Occupation Tax or  
14 Use Tax which such serviceman may be required to pay or remit  
15 to the Department, as shown by such return, provided that the  
16 amount of the tax to be deducted shall previously have been  
17 remitted to the Department by such serviceman. If the  
18 serviceman shall not previously have remitted the amount of  
19 such tax to the Department, he shall be entitled to no  
20 deduction hereunder upon refunding such tax to the purchaser.

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

1 form.

2 Where the serviceman has more than one business registered  
3 with the Department under separate registrations hereunder,  
4 such serviceman shall file separate returns for each registered  
5 business.

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

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

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

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

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

5           Beginning October ~~September~~ 1, 2009, each month the  
6 Department shall pay into the Capital Projects Fund an amount  
7 that is equal to an amount estimated by the Department to  
8 represent 80% of the net revenue realized for the preceding  
9 month from the sale of candy, grooming and hygiene products,  
10 and soft drinks that had been taxed at a rate of 1% prior to  
11 September ~~August~~ 1, 2009 but that is now taxed at 6.25%.

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

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

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

25 Subject to payment of amounts into the Build Illinois Fund  
26 as provided in the preceding paragraph or in any amendment

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

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



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

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

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

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

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

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

1 6.25% general rate on the selling price of Illinois-mined coal  
2 that was sold to an eligible business. For purposes of this  
3 paragraph, the term "eligible business" means a new electric  
4 generating facility certified pursuant to Section 605-332 of  
5 the Department of Commerce and Economic Opportunity Law of the  
6 Civil Administrative Code of Illinois.

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

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

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

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

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

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

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

1 return may be liable for perjury.

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

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

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

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

25 (Source: P.A. 93-24, eff. 6-20-03; 93-840, eff. 7-30-04;  
26 94-1074, eff. 12-26-06; 09600HB0255sam001.)

1           Section 20. If and only if House Bill 255 of the 96th  
2 General Assembly (as amended by Senate Amendments Nos. 1 and 3)  
3 becomes law and takes effect, then the Retailers' Occupation  
4 Tax Act is amended by changing Sections 2-10 and 3 as follows:

5           (35 ILCS 120/2-10) (from Ch. 120, par. 441-10)

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

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           Within 14 days after the effective date of this amendatory  
15 Act of the 91st General Assembly, each retailer of motor fuel  
16 and gasohol shall cause the following notice to be posted in a  
17 prominently visible place on each retail dispensing device that  
18 is used to dispense motor fuel or gasohol in the State of  
19 Illinois: "As of July 1, 2000, the State of Illinois has  
20 eliminated the State's share of sales tax on motor fuel and  
21 gasohol through December 31, 2000. The price on this pump  
22 should reflect the elimination of the tax." The notice shall be  
23 printed in bold print on a sign that is no smaller than 4  
24 inches by 8 inches. The sign shall be clearly visible to

1 customers. Any retailer who fails to post or maintain a  
2 required sign through December 31, 2000 is guilty of a petty  
3 offense for which the fine shall be \$500 per day per each  
4 retail premises where a violation occurs.

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

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

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

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

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

11 With respect to food for human consumption that is to be  
12 consumed off the premises where it is sold (other than  
13 alcoholic beverages, soft drinks, and food that has been  
14 prepared for immediate consumption) and prescription and  
15 nonprescription medicines, drugs, medical appliances,  
16 modifications to a motor vehicle for the purpose of rendering  
17 it usable by a disabled person, and insulin, urine testing  
18 materials, syringes, and needles used by diabetics, for human  
19 use, the tax is imposed at the rate of 1%. For the purposes of  
20 this Section, until September ~~August~~ 1, 2009: the term "soft  
21 drinks" means any complete, finished, ready-to-use,  
22 non-alcoholic drink, whether carbonated or not, including but  
23 not limited to soda water, cola, fruit juice, vegetable juice,  
24 carbonated water, and all other preparations commonly known as  
25 soft drinks of whatever kind or description that are contained  
26 in any closed or sealed bottle, can, carton, or container,



1 regardless of size; but "soft drinks" does not include coffee,  
2 tea, non-carbonated water, infant formula, milk or milk  
3 products as defined in the Grade A Pasteurized Milk and Milk  
4 Products Act, or drinks containing 50% or more natural fruit or  
5 vegetable juice.

6 Notwithstanding any other provisions of this Act,  
7 beginning September ~~August~~ 1, 2009, "soft drinks" mean  
8 non-alcoholic beverages that contain natural or artificial  
9 sweeteners. "Soft drinks" do not include beverages that contain  
10 milk or milk products, soy, rice or similar milk substitutes,  
11 or greater than 50% of vegetable or fruit juice by volume.

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

18 Notwithstanding any other provisions of this Act,  
19 beginning September ~~August~~ 1, 2009, "food for human consumption  
20 that is to be consumed off the premises where it is sold" does  
21 not include candy. For purposes of this Section, "candy" means  
22 a preparation of sugar, honey, or other natural or artificial  
23 sweeteners in combination with chocolate, fruits, nuts or other  
24 ingredients or flavorings in the form of bars, drops, or  
25 pieces. "Candy" does not include any preparation that contains  
26 flour or requires refrigeration.

1           Notwithstanding any other provisions of this Act,  
2 beginning September ~~August~~ 1, 2009, "nonprescription medicines  
3 and drugs" does not include grooming and hygiene products. For  
4 purposes of this Section, "grooming and hygiene products"  
5 includes, but is not limited to, soaps and cleaning solutions,  
6 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan  
7 lotions and screens, unless those products are available by  
8 prescription only, regardless of whether the products meet the  
9 definition of "over-the-counter-drugs". For the purposes of  
10 this paragraph, "over-the-counter-drug" means a drug for human  
11 use that contains a label that identifies the product as a drug  
12 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"  
13 label includes:

14           (A) A "Drug Facts" panel; or

15           (B) A statement of the "active ingredient(s)" with a  
16 list of those ingredients contained in the compound,  
17 substance or preparation.

18 (Source: P.A. 93-17, eff. 6-11-03; 09600HB0255sam001.)

19           (35 ILCS 120/3) (from Ch. 120, par. 442)

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

25           1. The name of the seller;

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

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

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

16           5. Deductions allowed by law;

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

20           7. The amount of credit provided in Section 2d of this  
21 Act;

22           8. The amount of tax due;

23           9. The signature of the taxpayer; and

24           10. Such other reasonable information as the  
25 Department may require.

26           If a taxpayer fails to sign a return within 30 days after

1 the proper notice and demand for signature by the Department,  
2 the return shall be considered valid and any amount shown to be  
3 due on the return shall be deemed assessed.

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

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

1 audit liability.

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

9 1. The name of the seller;

10 2. The address of the principal place of business from  
11 which he engages in the business of selling tangible  
12 personal property at retail in this State;

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

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

20 5. The amount of tax due; and

21 6. Such other reasonable information as the Department  
22 may require.

23 Beginning on October 1, 2003, any person who is not a  
24 licensed distributor, importing distributor, or manufacturer,  
25 as defined in the Liquor Control Act of 1934, but is engaged in  
26 the business of selling, at retail, alcoholic liquor shall file

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

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

1 liquor to that retailer no later than the 10th day of the month  
2 for the preceding month during which the transaction occurred.  
3 The distributor, importing distributor, or manufacturer shall  
4 notify the retailer as to the method by which the distributor,  
5 importing distributor, or manufacturer will provide the sales  
6 information. If the retailer is unable to receive the sales  
7 information by electronic means, the distributor, importing  
8 distributor, or manufacturer shall furnish the sales  
9 information by personal delivery or by mail. For purposes of  
10 this paragraph, the term "electronic means" includes, but is  
11 not limited to, the use of a secure Internet website, e-mail,  
12 or facsimile.

13 If a total amount of less than \$1 is payable, refundable or  
14 creditable, such amount shall be disregarded if it is less than  
15 50 cents and shall be increased to \$1 if it is 50 cents or more.

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 with whom, he must title or register the tangible personal  
2 property that is involved (if titling or registration is  
3 required) in support of such purchaser's application for an  
4 Illinois certificate or other evidence of title or registration  
5 to such tangible personal property.

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

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

1 with the Department, but without the 2.1% or 1.75% discount  
2 provided for in this Section being allowed. When the user pays  
3 the tax directly to the Department, he shall pay the tax in the  
4 same amount and in the same form in which it would be remitted  
5 if the tax had been remitted to the Department by the retailer.

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

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

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

22 Except as provided in this Section, the retailer filing the  
23 return under this Section shall, at the time of filing such  
24 return, pay to the Department the amount of tax imposed by this  
25 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%  
26 on and after January 1, 1990, or \$5 per calendar year,

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

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



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

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

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

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

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

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

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

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

22 If any payment provided for in this Section exceeds the  
23 taxpayer's liabilities under this Act, the Use Tax Act, the  
24 Service Occupation Tax Act and the Service Use Tax Act, as  
25 shown on an original monthly return, the Department shall, if  
26 requested by the taxpayer, issue to the taxpayer a credit

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

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

23 Beginning January 1, 1990, each month the Department shall  
24 pay into the Local Government Tax Fund, a special fund in the  
25 State treasury which is hereby created, the net revenue  
26 realized for the preceding month from the 1% tax on sales of

1 food for human consumption which is to be consumed off the  
2 premises where it is sold (other than alcoholic beverages, soft  
3 drinks and food which has been prepared for immediate  
4 consumption) and prescription and nonprescription medicines,  
5 drugs, medical appliances and insulin, urine testing  
6 materials, syringes and needles used by diabetics.

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

12 Beginning August 1, 2000, 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 motor fuel and gasohol.

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

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

24 Beginning October ~~September~~ 1, 2009, each month the  
25 Department shall pay into the Capital Projects Fund an amount  
26 that is equal to an amount estimated by the Department to



1 represent 80% of the net revenue realized for the preceding  
2 month from the sale of candy, grooming and hygiene products,  
3 and soft drinks that had been taxed at a rate of 1% prior to  
4 September ~~August~~ 1, 2009 but that is now taxed at 6.25%.

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

Fiscal Year	Annual Specified Amount
1986	\$54,800,000

1	1987	\$76,650,000
2	1988	\$80,480,000
3	1989	\$88,510,000
4	1990	\$115,330,000
5	1991	\$145,470,000
6	1992	\$182,730,000
7	1993	\$206,520,000;

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

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

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

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

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

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

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

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

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

26           Subject to payment of amounts into the Build Illinois Fund

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

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

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

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

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

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

26 (ii) On and after January 1, 1994, the taxpayer shall



1 be liable for a penalty as described in Section 3-4 of the  
2 Uniform Penalty and Interest Act.

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

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

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

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

26 For greater simplicity of administration, manufacturers,

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

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

24 Any person engaged in the business of selling tangible  
25 personal property at retail as a concessionaire or other type  
26 of seller at the Illinois State Fair, county fairs, art shows,

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

18 (Source: P.A. 94-1074, eff. 12-26-06; 95-331, eff. 8-21-07;  
19 09600HB0255sam001.)

20 Section 25. If and only if House Bill 255 of the 96th  
21 General Assembly (as amended by Senate Amendments Nos. 1 and 3)  
22 becomes law and takes effect, then the Video Gaming Act is  
23 amended by changing Sections 25 and 45 and by adding Sections  
24 26, 78, and 85 as follows:

1 (09600HB0255sam001, Sec. 25)

2 Sec. 25. Restriction of licensees.

3 (a) Manufacturer. A person may not be licensed as a  
4 manufacturer of a video gaming terminal in Illinois unless the  
5 person has a valid manufacturer's license issued under this  
6 Act. A manufacturer may only sell video gaming terminals for  
7 use in Illinois to persons having a valid distributor's  
8 license.

9 (b) Distributor. A person may not sell, distribute, or  
10 lease or market a video gaming terminal in Illinois unless the  
11 person has a valid distributor's license issued under this Act.  
12 A distributor may only sell video gaming terminals for use in  
13 Illinois to persons having a valid distributor's or terminal  
14 operator's license.

15 (c) Terminal operator. A person may not own, maintain, or  
16 place a video gaming terminal unless he has a valid terminal  
17 operator's license issued under this Act. A terminal operator  
18 may only place video gaming terminals for use in Illinois in  
19 licensed establishments, licensed truck stop establishments,  
20 licensed fraternal establishments, and licensed veterans  
21 establishments. No terminal operator may give anything of  
22 value, including but not limited to a loan or financing  
23 arrangement, to a licensed establishment, licensed truck stop  
24 establishment, licensed fraternal establishment, or licensed  
25 veterans establishment as any incentive or inducement to locate  
26 video terminals in that establishment. Of the after-tax profits

1 from a video gaming terminal, 50% shall be paid to the terminal  
2 operator and 50% shall be paid to the licensed establishment,  
3 licensed truck stop establishment, licensed fraternal  
4 establishment, or licensed veterans establishment,  
5 notwithstanding any agreement to the contrary. No terminal  
6 operator may own or have a substantial interest in more than 5%  
7 of the video gaming terminals licensed in this State. A video  
8 terminal operator that violates one or more requirements of  
9 this subsection is guilty of a Class 4 felony and is subject to  
10 termination of his or her license by the Board.

11 (d) Licensed technician. A person may not service,  
12 maintain, or repair a video gaming terminal in this State  
13 unless he or she (1) has a valid technician's license issued  
14 under this Act, (2) is a terminal operator, or (3) is employed  
15 by a terminal operator, distributor, or manufacturer.

16 (d-5) Licensed terminal handler. No person, including, but  
17 not limited to, an employee or independent contractor working  
18 for a manufacturer, distributor, supplier, technician, or  
19 terminal operator licensed pursuant to this Act, shall have  
20 possession or control of a video gaming terminal or access to  
21 the inner workings of a video gaming terminal, unless that  
22 person possesses a valid terminal handler's license issued  
23 under this Act.

24 (e) Licensed establishment. No video gaming terminal may be  
25 placed in any licensed establishment, licensed veterans  
26 establishment, licensed truck stop establishment, or licensed

1 fraternal establishment unless the owner or agent of the owner  
2 of the licensed establishment, licensed veterans  
3 establishment, licensed truck stop establishment, or licensed  
4 fraternal establishment has entered into a written use  
5 agreement with the terminal operator for placement of the  
6 terminals. A copy of the use agreement shall be on file in the  
7 terminal operator's place of business and available for  
8 inspection by individuals authorized by the Board. A licensed  
9 establishment, licensed truck stop establishment, licensed  
10 veterans establishment, or licensed fraternal establishment  
11 may operate up to 5 video gaming terminals on its premises at  
12 any time, ~~unless the Board authorizes a greater number.~~

13 (f) (Blank) ~~Residency requirement. Each licensed~~  
14 ~~distributor and terminal operator must be an Illinois resident.~~  
15 ~~However, if an out of state distributor or terminal operator~~  
16 ~~has performed its respective business within Illinois for at~~  
17 ~~least 48 months prior to the effective date of this Act, the~~  
18 ~~out of state person may be eligible for licensing under this~~  
19 ~~Act, upon application to and approval of the Board.~~

20 (g) Financial interest restrictions. As used in this Act,  
21 "substantial interest" in a partnership, a corporation, an  
22 organization, an association, or a business means:

23 (A) When, with respect to a sole proprietorship, an  
24 individual or his or her spouse owns, operates,  
25 manages, or conducts, directly or indirectly, the  
26 organization, association, or business, or any part

1           thereof; or

2           (B) When, with respect to a partnership, the  
3 individual or his or her spouse shares in any of the  
4 profits, or potential profits, of the partnership  
5 activities; or

6           (C) When, with respect to a corporation, an  
7 individual or his or her spouse is an officer or  
8 director, or the individual or his or her spouse is a  
9 holder, directly or beneficially, of 5% or more of any  
10 class of stock of the corporation; or

11           (D) When, with respect to an organization not  
12 covered in (A), (B) or (C) above, an individual or his  
13 or her spouse is an officer or manages the business  
14 affairs, or the individual or his or her spouse is the  
15 owner of or otherwise controls 10% or more of the  
16 assets of the organization; or

17           (E) When an individual or his or her spouse  
18 furnishes 5% or more of the capital, whether in cash,  
19 goods, or services, for the operation of any business,  
20 association, or organization during any calendar year.

21           (h) Location restriction. A licensed establishment,  
22 licensed truck stop establishment, licensed fraternal  
23 establishment, or licensed veterans establishment that is (i)  
24 located within 1,000 feet of a facility operated by an  
25 organizational licensee, an intertrack wagering licensee, or  
26 an intertrack wagering location licensee licensed under the

1 Illinois Horse Racing Act of 1975 ~~or~~ or the home dock of a  
2 riverboat licensed under the Riverboat Gambling Act or (ii)  
3 located with a 100 feet of ~~or~~ a school, or a place of worship  
4 under the Religious Corporation Act, is ineligible to operate a  
5 video gaming terminal.

6 (i) The provisions of the Illinois Antitrust Act are fully  
7 and equally applicable to the activities of any licensee under  
8 this Act.

9 (Source: 09600HB0255sam001, Sec. 25.)

10 (09600HB0255sam001, Sec. 26 new)

11 Sec. 26. Residency requirement. Each licensed distributor,  
12 terminal operator, and person with a substantial interest in a  
13 licensed distributor or terminal operator must be an Illinois  
14 resident. However, if an out-of-state distributor or terminal  
15 operator has performed its respective business within Illinois  
16 for at least 48 months prior to the effective date of this Act,  
17 the out-of-state person may be eligible for licensing under  
18 this Act, upon application to and approval of the Board. The  
19 Board shall adopt rules to implement this Section.

20 (09600HB0255sam001, Sec. 45)

21 Sec. 45. Issuance of license.

22 (a) The burden is upon each applicant to demonstrate his  
23 suitability for licensure. Each video gaming terminal  
24 manufacturer, distributor, supplier, operator, handler,



1 licensed establishment, licensed truck stop establishment,  
2 licensed fraternal establishment, and licensed veterans  
3 establishment shall be licensed by the Board. The Board may  
4 issue or deny a license under this Act to any person pursuant  
5 to the same criteria set forth in Section 9 of the Riverboat  
6 Gambling Act.

7 (b) Each person seeking and possessing a license as a video  
8 gaming terminal manufacturer, distributor, supplier, operator,  
9 handler, licensed establishment, licensed truck stop  
10 establishment, licensed fraternal establishment, or licensed  
11 veterans establishment shall submit to a background  
12 investigation conducted by the Board with the assistance of the  
13 State Police or other law enforcement. The background  
14 investigation shall include each beneficiary of a trust, each  
15 partner of a partnership, and each director and officer and all  
16 stockholders of 5% or more in a parent or subsidiary  
17 corporation of a video gaming terminal manufacturer,  
18 distributor, supplier, operator, or licensed establishment,  
19 licensed truck stop establishment, licensed fraternal  
20 establishment, or licensed veterans establishment.

21 (c) Each person seeking and possessing a license as a video  
22 gaming terminal manufacturer, distributor, supplier, operator,  
23 handler, licensed establishment, licensed truck stop  
24 establishment, licensed fraternal establishment, or licensed  
25 veterans establishment shall disclose the identity of every  
26 person, association, trust, or corporation having a greater

1 than 1% direct or indirect pecuniary interest in the video  
2 gaming terminal operation to which the license is sought. If  
3 the disclosed entity is a trust, the application shall disclose  
4 the names and addresses of the beneficiaries; if a corporation,  
5 the names and addresses of all stockholders and directors; if a  
6 partnership, the names and addresses of all partners, both  
7 general and limited.

8 (d) No person may be licensed as a video gaming terminal  
9 manufacturer, distributor, supplier, operator, handler,  
10 licensed establishment, licensed truck stop establishment,  
11 licensed fraternal establishment, or licensed veterans  
12 establishment if that person has been found by the Board to:

13 (1) have a background, including a criminal record,  
14 reputation, habits, social or business associations, or  
15 prior activities that pose a threat to the public interests  
16 of the State or to the security and integrity of video  
17 gaming;

18 (2) create or enhance the dangers of unsuitable,  
19 unfair, or illegal practices, methods, and activities in  
20 the conduct of video gaming; or

21 (3) present questionable business practices and  
22 financial arrangements incidental to the conduct of video  
23 gaming activities.

24 (e) Any applicant for any license under this Act has the  
25 burden of proving his or her qualifications to the satisfaction  
26 of the Board. The Board may adopt rules to establish additional

1 qualifications and requirements to preserve the integrity and  
2 security of video gaming in this State.

3 (f) ~~(b)~~ A non-refundable application fee shall be paid at  
4 the time an application for a license is filed with the Board  
5 in the following amounts:

- 6 (1) Manufacturer ..... \$5,000
- 7 (2) Distributor..... \$5,000
- 8 (3) Terminal operator..... \$5,000
- 9 (4) Supplier ..... \$2,500
- 10 (5) Technician ..... \$100
- 11 (6) Terminal Handler ..... \$50

12 ~~(c) (Blank).~~

13 (g) ~~(d) Each licensed distributor, terminal operator, or~~  
14 ~~person with a substantial interest in a distributor or terminal~~  
15 ~~operator must have resided in Illinois for at least 24 months~~  
16 ~~prior to application unless he or she has performed his or her~~  
17 ~~respective business in Illinois for at least 48 months prior to~~  
18 ~~the effective date of this Act.~~ The Board shall establish an  
19 annual fee for each license not to exceed the following:

- 20 (1) Manufacturer ..... \$10,000
- 21 (2) Distributor..... \$10,000
- 22 (3) Terminal operator..... \$5,000
- 23 (4) Supplier ..... \$2,000
- 24 (5) Technician ..... \$100
- 25 (6) Licensed establishment, licensed truck stop
- 26 establishment, licensed fraternal establishment,

1	or licensed veterans establishment .....	\$100
2	(7) Video gaming terminal.....	\$100
3	<u>(8) Terminal Handler .....</u>	<u>\$50</u>

4 (Source: 09600HB0255sam001, Sec. 45.)

5 (09600HB0255sam001, Sec. 78 new)

6 Sec. 78. Authority of the Illinois Gaming Board.

7 (a) The Board shall have jurisdiction over and shall  
8 supervise all gaming operations governed by this Act. The Board  
9 shall have all powers necessary and proper to fully and  
10 effectively execute the provisions of this Act, including, but  
11 not limited to, the following:

12 (1) To investigate applicants and determine the  
13 eligibility of applicants for licenses and to select among  
14 competing applicants the applicants which best serve the  
15 interests of the citizens of Illinois.

16 (2) To have jurisdiction and supervision over all video  
17 gaming operations in this State and all persons in  
18 establishments where video gaming operations are  
19 conducted.

20 (3) To adopt rules for the purpose of administering the  
21 provisions of this Act and to prescribe rules, regulations,  
22 and conditions under which all video gaming in the State  
23 shall be conducted. Such rules and regulations are to  
24 provide for the prevention of practices detrimental to the  
25 public interest and for the best interests of video gaming,

1 including rules and regulations regarding the inspection  
2 of such establishments and the review of any permits or  
3 licenses necessary to operate an establishment under any  
4 laws or regulations applicable to establishments and to  
5 impose penalties for violations this Act and its rules.

6 (b) Within 60 days after the effective date of this  
7 amendatory Act of the 96th General Assembly, the Board shall  
8 adopt emergency rules to administer this Act in accordance with  
9 Section 5-45 of the Illinois Administrative Procedure Act. For  
10 the purposes of the Illinois Administrative Procedure Act, the  
11 General Assembly finds that the adoption of rules to implement  
12 this Act is deemed an emergency and necessary to the public  
13 interest, safety, and welfare.

14 (09600HB0255sam001, Sec. 85 new)

15 Sec. 85. Severability. The provisions of the Video Gaming  
16 Act are severable pursuant to Section 1.31 of the Statute on  
17 Statutes.

18 Section 30. If and only if House Bill 255 of the 96th  
19 General Assembly (as amended by Senate Amendments Nos. 1 and 3)  
20 becomes law and takes effect, then the Liquor Control Act of  
21 1934 is amended by changing Section 8-1 as follows:

22 (235 ILCS 5/8-1) (from Ch. 43, par. 158)

23 Sec. 8-1. A tax is imposed upon the privilege of engaging

1 in business as a manufacturer or as an importing distributor of  
2 alcoholic liquor other than beer at the rate of \$0.185 per  
3 gallon until September 1, 2009 and \$0.231 per gallon beginning  
4 September 1, 2009 for cider containing not less than 0.5%  
5 alcohol by volume nor more than 7% alcohol by volume, \$0.73 per  
6 gallon until September ~~August~~ 1, 2009 and \$1.39 per gallon  
7 beginning September ~~August~~ 1, 2009 for wine other than cider  
8 containing less than 7% alcohol by volume, and \$4.50 per gallon  
9 until September ~~August~~ 1, 2009 and \$8.55 per gallon beginning  
10 September ~~August~~ 1, 2009 on alcohol and spirits manufactured  
11 and sold or used by such manufacturer, or as agent for any  
12 other person, or sold or used by such importing distributor, or  
13 as agent for any other person. A tax is imposed upon the  
14 privilege of engaging in business as a manufacturer of beer or  
15 as an importing distributor of beer at the rate of \$0.185 per  
16 gallon until September ~~August~~ 1, 2009 and \$0.231 per gallon  
17 beginning September ~~August~~ 1, 2009 on all beer manufactured and  
18 sold or used by such manufacturer, or as agent for any other  
19 person, or sold or used by such importing distributor, or as  
20 agent for any other person. Any brewer manufacturing beer in  
21 this State shall be entitled to and given a credit or refund of  
22 75% of the tax imposed on each gallon of beer up to 4.9 million  
23 gallons per year in any given calendar year for tax paid or  
24 payable on beer produced and sold in the State of Illinois.

25 For the purpose of this Section, "cider" means any  
26 alcoholic beverage obtained by the alcohol fermentation of the

1 juice of apples or pears including, but not limited to,  
2 flavored, sparkling, or carbonated cider.

3 The credit or refund created by this Act shall apply to all  
4 beer taxes in the calendar years 1982 through 1986.

5 The increases made by this amendatory Act of the 91st  
6 General Assembly in the rates of taxes imposed under this  
7 Section shall apply beginning on July 1, 1999.

8 A tax at the rate of 1¢ per gallon on beer and 48¢ per  
9 gallon on alcohol and spirits is also imposed upon the  
10 privilege of engaging in business as a retailer or as a  
11 distributor who is not also an importing distributor with  
12 respect to all beer and all alcohol and spirits owned or  
13 possessed by such retailer or distributor when this amendatory  
14 Act of 1969 becomes effective, and with respect to which the  
15 additional tax imposed by this amendatory Act upon  
16 manufacturers and importing distributors does not apply.  
17 Retailers and distributors who are subject to the additional  
18 tax imposed by this paragraph of this Section shall be required  
19 to inventory such alcoholic liquor and to pay this additional  
20 tax in a manner prescribed by the Department.

21 The provisions of this Section shall be construed to apply  
22 to any importing distributor engaging in business in this  
23 State, whether licensed or not.

24 However, such tax is not imposed upon any such business as  
25 to any alcoholic liquor shipped outside Illinois by an Illinois  
26 licensed manufacturer or importing distributor, nor as to any

1 alcoholic liquor delivered in Illinois by an Illinois licensed  
2 manufacturer or importing distributor to a purchaser for  
3 immediate transportation by the purchaser to another state into  
4 which the purchaser has a legal right, under the laws of such  
5 state, to import such alcoholic liquor, nor as to any alcoholic  
6 liquor other than beer sold by one Illinois licensed  
7 manufacturer or importing distributor to another Illinois  
8 licensed manufacturer or importing distributor to the extent to  
9 which the sale of alcoholic liquor other than beer by one  
10 Illinois licensed manufacturer or importing distributor to  
11 another Illinois licensed manufacturer or importing  
12 distributor is authorized by the licensing provisions of this  
13 Act, nor to alcoholic liquor whether manufactured in or  
14 imported into this State when sold to a "non-beverage user"  
15 licensed by the State for use in the manufacture of any of the  
16 following when they are unfit for beverage purposes:

17 Patent and proprietary medicines and medicinal,  
18 antiseptic, culinary and toilet preparations;

19 Flavoring extracts and syrups and food products;

20 Scientific, industrial and chemical products, excepting  
21 denatured alcohol;

22 Or for scientific, chemical, experimental or mechanical  
23 purposes;

24 Nor is the tax imposed upon the privilege of engaging in  
25 any business in interstate commerce or otherwise, which  
26 business may not, under the Constitution and Statutes of the



1 United States, be made the subject of taxation by this State.

2 The tax herein imposed shall be in addition to all other  
3 occupation or privilege taxes imposed by the State of Illinois  
4 or political subdivision thereof.

5 If any alcoholic liquor manufactured in or imported into  
6 this State is sold to a licensed manufacturer or importing  
7 distributor by a licensed manufacturer or importing  
8 distributor to be used solely as an ingredient in the  
9 manufacture of any beverage for human consumption, the tax  
10 imposed upon such purchasing manufacturer or importing  
11 distributor shall be reduced by the amount of the taxes which  
12 have been paid by the selling manufacturer or importing  
13 distributor under this Act as to such alcoholic liquor so used  
14 to the Department of Revenue.

15 If any person received any alcoholic liquors from a  
16 manufacturer or importing distributor, with respect to which  
17 alcoholic liquors no tax is imposed under this Article, and  
18 such alcoholic liquor shall thereafter be disposed of in such  
19 manner or under such circumstances as may cause the same to  
20 become the base for the tax imposed by this Article, such  
21 person shall make the same reports and returns, pay the same  
22 taxes and be subject to all other provisions of this Article  
23 relating to manufacturers and importing distributors.

24 Nothing in this Article shall be construed to require the  
25 payment to the Department of the taxes imposed by this Article  
26 more than once with respect to any quantity of alcoholic liquor

1 sold or used within this State.

2 No tax is imposed by this Act on sales of alcoholic liquor  
3 by Illinois licensed foreign importers to Illinois licensed  
4 importing distributors.

5 All of the proceeds of the additional tax imposed by this  
6 amendatory Act of the 96th General Assembly shall be deposited  
7 by the Department into the Capital Projects Fund. The remainder  
8 of the tax imposed by this Act shall be deposited by the  
9 Department into the General Revenue Fund.

10 The provisions of this Section are severable under Section  
11 1.31 of the Statute on Statutes.

12 (Source: 09600HB0255sam001.)

13 Section 35. If and only if House Bill 255 of the 96th  
14 General Assembly (as amended by Senate Amendments Nos. 1 and 3)  
15 becomes law and takes effect, then the Illinois Vehicle Code is  
16 amended by changing Section 6-118 as follows:

17 (625 ILCS 5/6-118) (from Ch. 95 1/2, par. 6-118)

18 Sec. 6-118. Fees.

19 (a) The fee for licenses and permits under this Article is  
20 as follows:

21 Original driver's license ..... \$30

22 Original or renewal driver's license

23 issued to 18, 19 and 20 year olds ..... 5

24 All driver's licenses for persons

1	age 69 through age 80 .....	5
2	All driver's licenses for persons	
3	age 81 through age 86 .....	2
4	All driver's licenses for persons	
5	age 87 or older .....	0
6	Renewal driver's license (except for	
7	applicants ages 18, 19 and 20 or	
8	age 69 and older) .....	30
9	Original instruction permit issued to	
10	persons (except those age 69 and older)	
11	who do not hold or have not previously	
12	held an Illinois instruction permit or	
13	driver's license .....	20
14	Instruction permit issued to any person	
15	holding an Illinois driver's license	
16	who wishes a change in classifications,	
17	other than at the time of renewal .....	5
18	Any instruction permit issued to a person	
19	age 69 and older .....	5
20	Instruction permit issued to any person,	
21	under age 69, not currently holding a	
22	valid Illinois driver's license or	
23	instruction permit but who has	
24	previously been issued either document	
25	in Illinois .....	10
26	Restricted driving permit .....	8

1 Monitoring device driving permit ..... 8  
2 Duplicate or corrected driver's license  
3 or permit ..... 5  
4 Duplicate or corrected restricted  
5 driving permit ..... 5  
6 Duplicate or corrected monitoring  
7 device driving permit ..... 5  
8 Original or renewal M or L endorsement..... 5

9 SPECIAL FEES FOR COMMERCIAL DRIVER'S LICENSE

10 The fees for commercial driver licenses and permits  
11 under Article V shall be as follows:

12 Commercial driver's license:

- 13 \$6 for the CDLIS/AAMVAnet Fund
- 14 (Commercial Driver's License Information
- 15 System/American Association of Motor Vehicle
- 16 Administrators network Trust Fund);
- 17 \$20 for the Motor Carrier Safety Inspection Fund;
- 18 \$10 for the driver's license;
- 19 and \$24 for the CDL: ..... \$60

20 Renewal commercial driver's license:

- 21 \$6 for the CDLIS/AAMVAnet Trust Fund;
- 22 \$20 for the Motor Carrier Safety Inspection Fund;
- 23 \$10 for the driver's license; and
- 24 \$24 for the CDL: ..... \$60

25 Commercial driver instruction permit

26 issued to any person holding a valid

1 Illinois driver's license for the  
 2 purpose of changing to a  
 3 CDL classification: \$6 for the  
 4 CDLIS/AAMVAnet Trust Fund;  
 5 \$20 for the Motor Carrier  
 6 Safety Inspection Fund; and  
 7 \$24 for the CDL classification ..... \$50  
 8 Commercial driver instruction permit  
 9 issued to any person holding a valid  
 10 Illinois CDL for the purpose of  
 11 making a change in a classification,  
 12 endorsement or restriction ..... \$5  
 13 CDL duplicate or corrected license ..... \$5

14 In order to ensure the proper implementation of the Uniform  
 15 Commercial Driver License Act, Article V of this Chapter, the  
 16 Secretary of State is empowered to pro-rate the \$24 fee for the  
 17 commercial driver's license proportionate to the expiration  
 18 date of the applicant's Illinois driver's license.

19 The fee for any duplicate license or permit shall be waived  
 20 for any person age 60 or older who presents the Secretary of  
 21 State's office with a police report showing that his license or  
 22 permit was stolen.

23 No additional fee shall be charged for a driver's license,  
 24 or for a commercial driver's license, when issued to the holder  
 25 of an instruction permit for the same classification or type of  
 26 license who becomes eligible for such license.

1 (b) Any person whose license or privilege to operate a  
 2 motor vehicle in this State has been suspended or revoked under  
 3 Section 3-707, any provision of Chapter 6, Chapter 11, or  
 4 Section 7-205, 7-303, or 7-702 of the Family Financial  
 5 Responsibility Law of this Code, shall in addition to any other  
 6 fees required by this Code, pay a reinstatement fee as follows:

7	Suspension under Section 3-707 .....	\$100
8	Summary suspension under Section 11-501.1 .....	\$250
9	Other suspension .....	\$70
10	Revocation .....	\$500

11 However, any person whose license or privilege to operate a  
 12 motor vehicle in this State has been suspended or revoked for a  
 13 second or subsequent time for a violation of Section 11-501 or  
 14 11-501.1 of this Code or a similar provision of a local  
 15 ordinance or a similar out-of-state offense or Section 9-3 of  
 16 the Criminal Code of 1961 and each suspension or revocation was  
 17 for a violation of Section 11-501 or 11-501.1 of this Code or a  
 18 similar provision of a local ordinance or a similar  
 19 out-of-state offense or Section 9-3 of the Criminal Code of  
 20 1961 shall pay, in addition to any other fees required by this  
 21 Code, a reinstatement fee as follows:

22	Summary suspension under Section 11-501.1 .....	\$500
23	Revocation .....	\$500

24 (c) All fees collected under the provisions of this Chapter  
 25 6 shall be paid into the Road Fund in the State Treasury except  
 26 as follows:

1           1. The following amounts shall be paid into the Driver  
2 Education Fund:

3           (A) \$16 of the \$20 fee for an original driver's  
4 instruction permit;

5           (B) \$5 of the \$30 fee for an original driver's  
6 license;

7           (C) \$5 of the \$30 fee for a 4 year renewal driver's  
8 license;

9           (D) \$4 of the \$8 fee for a restricted driving  
10 permit; and

11           (E) \$4 of the \$8 fee for a monitoring device  
12 driving permit.

13           2. \$30 of the \$250 fee for reinstatement of a license  
14 summarily suspended under Section 11-501.1 shall be  
15 deposited into the Drunk and Drugged Driving Prevention  
16 Fund. However, for a person whose license or privilege to  
17 operate a motor vehicle in this State has been suspended or  
18 revoked for a second or subsequent time for a violation of  
19 Section 11-501 or 11-501.1 of this Code or Section 9-3 of  
20 the Criminal Code of 1961, \$190 of the \$500 fee for  
21 reinstatement of a license summarily suspended under  
22 Section 11-501.1, and \$190 of the \$500 fee for  
23 reinstatement of a revoked license shall be deposited into  
24 the Drunk and Drugged Driving Prevention Fund.

25           3. \$6 of such original or renewal fee for a commercial  
26 driver's license and \$6 of the commercial driver

1 instruction permit fee when such permit is issued to any  
2 person holding a valid Illinois driver's license, shall be  
3 paid into the CDLIS/AAMVAnet Trust Fund.

4 4. \$30 of the \$70 fee for reinstatement of a license  
5 suspended under the Family Financial Responsibility Law  
6 shall be paid into the Family Responsibility Fund.

7 5. The \$5 fee for each original or renewal M or L  
8 endorsement shall be deposited into the Cycle Rider Safety  
9 Training Fund.

10 6. \$20 of any original or renewal fee for a commercial  
11 driver's license or commercial driver instruction permit  
12 shall be paid into the Motor Carrier Safety Inspection  
13 Fund.

14 7. The following amounts shall be paid into the General  
15 Revenue Fund:

16 (A) \$190 of the \$250 reinstatement fee for a  
17 summary suspension under Section 11-501.1;

18 (B) \$40 of the \$70 reinstatement fee for any other  
19 suspension provided in subsection (b) of this Section;  
20 and

21 (C) \$440 of the \$500 reinstatement fee for a first  
22 offense revocation and \$310 of the \$500 reinstatement  
23 fee for a second or subsequent revocation.

24 (d) All of the proceeds of the additional fees imposed by  
25 this amendatory Act of the 96th General Assembly shall be  
26 deposited into the Capital Projects Fund.



1           (e) The additional fees imposed by this amendatory Act of  
2           the 96th General Assembly shall become effective 90 days after  
3           becoming law.

4           (Source: P.A. 94-1035, eff. 7-1-07; 95-855, eff. 1-1-09;  
5           09600HB0255sam001.)

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