

1 AN ACT concerning revenue.

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

4 "Section 5. The Illinois Income Tax Act is amended by  
5 adding Section 502.1 as follows:

6 (35 ILCS 5/502.1 new)

7 Sec. 502.1. Use tax. Beginning with taxable years ending on  
8 or after December 31, 2010, the Department shall print on its  
9 standard individual income tax form a provision indicating that  
10 if the taxpayer wishes to pay his or her use tax liability, he  
11 or she may check a box on the return so indicating and attach a  
12 completed use tax return and use tax payment.

13 The individual income tax return instructions shall  
14 include information explaining the taxes imposed under the Use  
15 Tax Act and informing taxpayers how to file and pay their use  
16 tax obligations, including specific information on how to file  
17 and pay use tax at the same time as the individual income tax  
18 return is filed.

19 This Section shall not apply to any amended return.

20 Section 10. The Use Tax Act is amended by changing Section  
21 10 and by adding Section 10.5 as follows:

1 (35 ILCS 105/10) (from Ch. 120, par. 439.10)

2 Sec. 10. Except as to motor vehicles, aircraft, watercraft,  
3 and trailers, and except as to cigarettes as defined in the  
4 Cigarette Use Tax Act, when tangible personal property is  
5 purchased from a retailer for use in this State by a purchaser  
6 who did not pay the tax imposed by this Act to the retailer,  
7 and who does not file returns with the Department as a retailer  
8 under Section 9 of this Act, such purchaser (by the last day of  
9 the month following the calendar month in which such purchaser  
10 makes any payment upon the selling price of such property)  
11 shall, except as provided in this Section, file a return with  
12 the Department and pay the tax upon that portion of the selling  
13 price so paid by the purchaser during the preceding calendar  
14 month. When tangible personal property, including but not  
15 limited to motor vehicles and aircraft, is purchased by a  
16 lessor, under a lease for one year or longer, executed or in  
17 effect at the time of purchase to an interstate carrier for  
18 hire, who did not pay the tax imposed by this Act to the  
19 retailer, such lessor (by the last day of the month following  
20 the calendar month in which such property reverts to the use of  
21 such lessor) shall file a return with the Department and pay  
22 the tax upon the fair market value of such property on the date  
23 of such reversion. However, in determining the fair market  
24 value at the time of reversion, the fair market value of such  
25 property shall not exceed the original purchase price of the  
26 property that was paid by the lessor at the time of purchase.

1 Such return shall be filed on a form prescribed by the  
2 Department and shall contain such information as the Department  
3 may reasonably require. Such return and payment from the  
4 purchaser shall be submitted to the Department sooner than the  
5 last day of the month after the month in which the purchase is  
6 made to the extent that that may be necessary in order to  
7 secure the title to a motor vehicle or the certificate of  
8 registration for an aircraft. However, except as to motor  
9 vehicles and aircraft, and except as to cigarettes as defined  
10 in the Cigarette Use Tax Act, if the purchaser's annual use tax  
11 liability does not exceed \$600, the purchaser may file the  
12 return on an annual basis on or before April 15th of the year  
13 following the year use tax liability was incurred.

14 Beginning with taxable years ending on or after December  
15 31, 2010, the Department shall print on its standard individual  
16 income tax form a provision indicating that if the taxpayer  
17 wishes to pay his or her use tax liability, he or she may check  
18 a box on the return so indicating and attach a completed use  
19 tax return and use tax payment. The individual income tax  
20 return instructions shall include information explaining the  
21 taxes imposed under this Act and informing taxpayers how to  
22 file and pay their use tax liability, including specific  
23 information on how to file and pay use tax at the same time as  
24 the individual income tax return is filed.

25 If cigarettes, as defined in the Cigarette Use Tax Act, are  
26 purchased from a retailer for use in this State by a purchaser

1 who did not pay the tax imposed by this Act to the retailer,  
2 and who does not file returns with the Department as a retailer  
3 under Section 9 of this Act, such purchaser must, within 30  
4 days after acquiring the cigarettes, file a return with the  
5 Department and pay the tax upon that portion of the selling  
6 price so paid by the purchaser for the cigarettes.

7 In addition with respect to motor vehicles, aircraft,  
8 watercraft, and trailers, a purchaser of such tangible personal  
9 property for use in this State, who purchases such tangible  
10 personal property from an out-of-state retailer, shall file  
11 with the Department, upon a form to be prescribed and supplied  
12 by the Department, a return for each such item of tangible  
13 personal property purchased, except that if, in the same  
14 transaction, (i) a purchaser of motor vehicles, aircraft,  
15 watercraft, or trailers who is a retailer of motor vehicles,  
16 aircraft, watercraft, or trailers purchases more than one motor  
17 vehicle, aircraft, watercraft, or trailer for the purpose of  
18 resale or (ii) a purchaser of motor vehicles, aircraft,  
19 watercraft, or trailers purchases more than one motor vehicle,  
20 aircraft, watercraft, or trailer for use as qualifying rolling  
21 stock as provided in Section 3-55 of this Act, then the  
22 purchaser may report the purchase of all motor vehicles,  
23 aircraft, watercraft, or trailers involved in that transaction  
24 to the Department on a single return prescribed by the  
25 Department. Such return in the case of motor vehicles and  
26 aircraft must show the name and address of the seller, the

1 name, address of 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 2 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 purchaser with respect to such transaction;  
9 the amount of tax collected from the purchaser by the retailer  
10 on such transaction (or satisfactory evidence that such tax is  
11 not due in that particular instance if that is claimed to be  
12 the fact); the place and date of the sale, a sufficient  
13 identification of the property sold, and such other information  
14 as the Department may reasonably require.

15 Such return shall be filed not later than 30 days after  
16 such motor vehicle or aircraft is brought into this State for  
17 use.

18 For purposes of this Section, "watercraft" means a Class 2,  
19 Class 3, or Class 4 watercraft as defined in Section 3-2 of the  
20 Boat Registration and Safety Act, a personal watercraft, or any  
21 boat equipped with an inboard motor.

22 The return and tax remittance or proof of exemption from  
23 the tax that is imposed by this Act may be transmitted to the  
24 Department by way of the State agency with which, or State  
25 officer with whom, the tangible personal property must be  
26 titled or registered (if titling or registration is required)

1 if the Department and such agency or State officer determine  
2 that this procedure will expedite the processing of  
3 applications for title or registration.

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

16 When a purchaser pays a tax imposed by this Act directly to  
17 the Department, the Department (upon request therefor from such  
18 purchaser) shall issue an appropriate receipt to such purchaser  
19 showing that he has paid such tax to the Department. Such  
20 receipt shall be sufficient to relieve the purchaser from  
21 further liability for the tax to which such receipt may refer.

22 A user who is liable to pay use tax directly to the  
23 Department only occasionally and not on a frequently recurring  
24 basis, and who is not required to file returns with the  
25 Department as a retailer under Section 9 of this Act, or under  
26 the "Retailers' Occupation Tax Act", or as a registrant with

1 the Department under the "Service Occupation Tax Act" or the  
2 "Service Use Tax Act", need not register with the Department.  
3 However, if such a user has a frequently recurring direct use  
4 tax liability to pay to the Department, such user shall be  
5 required to register with the Department on forms prescribed by  
6 the Department and to obtain and display a certificate of  
7 registration from the Department. In that event, all of the  
8 provisions of Section 9 of this Act concerning the filing of  
9 regular monthly, quarterly or annual tax returns and all of the  
10 provisions of Section 2a of the "Retailers' Occupation Tax Act"  
11 concerning the requirements for registrants to post bond or  
12 other security with the Department, as the provisions of such  
13 sections now exist or may hereafter be amended, shall apply to  
14 such users to the same extent as if such provisions were  
15 included herein.

16 (Source: P.A. 96-520, eff. 8-14-09; revised 10-30-09.)

17 (35 ILCS 105/10.5 new)

18 Sec. 10.5. Use tax amnesty. The Department shall establish  
19 an amnesty program for all taxpayers owing any tax imposed  
20 under this Act for their purchases of tangible personal  
21 property from a retailer for use in this State (eligible  
22 taxes). The amnesty program shall be for a period from January  
23 1, 2011 through October 15, 2011. The amnesty program shall  
24 provide that, upon payment by a taxpayer of all eligible taxes  
25 due from that taxpayer under this Act for any taxable period

1 ending after June 30, 2004 and prior to January 1, 2011, the  
2 Department shall abate and not seek to collect any interest or  
3 penalties that may be applicable and the Department shall not  
4 seek civil or criminal prosecution for any taxpayer for these  
5 taxes for the period of time for which amnesty has been granted  
6 to the taxpayer. Failure to pay all eligible taxes due to the  
7 State for a taxable period shall invalidate any amnesty granted  
8 under this Section. Amnesty shall be granted only if all  
9 amnesty conditions are satisfied by the taxpayer.

10 Amnesty shall not be granted to taxpayers who are a party  
11 to any criminal investigation or to any civil or criminal  
12 litigation that is pending in any circuit court or appellate  
13 court or the Supreme Court of this State for nonpayment,  
14 delinquency, or fraud in relation to eligible taxes under this  
15 Act.

16 Voluntary payments made under this Section shall be made by  
17 cash, check, guaranteed remittance, or ACH debit.

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