

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 adding
5 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, individual purchasers with an
9 annual use tax liability that does not exceed \$600 may, in lieu
10 of the filing and payment requirements of Section 10 of the Use
11 Tax Act, file and pay in compliance with this Section.

12 Beginning with taxable years ending on or after December
13 31, 2010, the Department shall print on its standard individual
14 income tax form a provision indicating that if the taxpayer's
15 annual individual use tax liability does not exceed \$600, he or
16 she may report and pay individual use tax liability at the same
17 time as his or her individual income tax liability. If the
18 taxpayer elects to report and pay his or her individual use tax
19 liability at the same time as his or her standard individual
20 income tax liability in accordance with this Section, then the
21 use tax shown due on the return may be (i) treated as being due
22 at the same time as the income tax obligation, (ii) assessed,
23 collected, and deposited in the same manner as income taxes,

1 and (iii) treated as an income tax liability for all purposes.

2 The individual income tax return instructions shall
3 include information explaining the tax imposed under the Use
4 Tax Act and informing taxpayers how to report and pay their use
5 tax obligations, including specific information on how to
6 report and pay individual use tax at the same time as the
7 individual income tax return is filed.

8 This Section shall not apply to any amended return.

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

11 (35 ILCS 105/10) (from Ch. 120, par. 439.10)

12 Sec. 10. Except as to motor vehicles, aircraft, watercraft,
13 and trailers, and except as to cigarettes as defined in the
14 Cigarette Use Tax Act, when tangible personal property is
15 purchased from a retailer for use in this State by a purchaser
16 who did not pay the tax imposed by this Act to the retailer,
17 and who does not file returns with the Department as a retailer
18 under Section 9 of this Act, such purchaser (by the last day of
19 the month following the calendar month in which such purchaser
20 makes any payment upon the selling price of such property)
21 shall, except as otherwise provided in this Section, file a
22 return with the Department and pay the tax upon that portion of
23 the selling price so paid by the purchaser during the preceding
24 calendar month. When tangible personal property, including but

1 not limited to motor vehicles and aircraft, is purchased by a
2 lessor, under a lease for one year or longer, executed or in
3 effect at the time of purchase to an interstate carrier for
4 hire, who did not pay the tax imposed by this Act to the
5 retailer, such lessor (by the last day of the month following
6 the calendar month in which such property reverts to the use of
7 such lessor) shall file a return with the Department and pay
8 the tax upon the fair market value of such property on the date
9 of such reversion. However, in determining the fair market
10 value at the time of reversion, the fair market value of such
11 property shall not exceed the original purchase price of the
12 property that was paid by the lessor at the time of purchase.
13 Such return shall be filed on a form prescribed by the
14 Department and shall contain such information as the Department
15 may reasonably require. Such return and payment from the
16 purchaser shall be submitted to the Department sooner than the
17 last day of the month after the month in which the purchase is
18 made to the extent that that may be necessary in order to
19 secure the title to a motor vehicle or the certificate of
20 registration for an aircraft. However, except as to motor
21 vehicles and aircraft, and except as to cigarettes as defined
22 in the Cigarette Use Tax Act, if the purchaser's annual use tax
23 liability does not exceed \$600, the purchaser may file the
24 return on an annual basis on or before April 15th of the year
25 following the year use tax liability was incurred. Individual
26 purchasers with an annual use tax liability that does not

1 exceed \$600 may, in lieu of the filing and payment requirements
2 in this Section, file and pay in compliance with Section 502.1
3 of the Illinois Income Tax Act.

4 If cigarettes, as defined in the Cigarette Use Tax Act, are
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 must, within 30
9 days after acquiring the cigarettes, file a return with the
10 Department and pay the tax upon that portion of the selling
11 price so paid by the purchaser for the cigarettes.

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

1 purchaser may report the purchase of all motor vehicles,
2 aircraft, watercraft, or trailers involved in that transaction
3 to the Department on a single return prescribed by the
4 Department. Such return in the case of motor vehicles and
5 aircraft must show the name and address of the seller, the
6 name, address of purchaser, the amount of the selling price
7 including the amount allowed by the retailer for traded in
8 property, if any; the amount allowed by the retailer for the
9 traded-in tangible personal property, if any, to the extent to
10 which Section 2 of this Act allows an exemption for the value
11 of traded-in property; the balance payable after deducting such
12 trade-in allowance from the total selling price; the amount of
13 tax due from the purchaser with respect to such transaction;
14 the amount of tax collected from the purchaser by the retailer
15 on such transaction (or satisfactory evidence that such tax is
16 not due in that particular instance if that is claimed to be
17 the fact); the place and date of the sale, a sufficient
18 identification of the property sold, and such other information
19 as the Department may reasonably require.

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

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

1 The return and tax remittance or proof of exemption from
2 the tax that is imposed by this Act may be transmitted to the
3 Department by way of the State agency with which, or State
4 officer with whom, the tangible personal property must be
5 titled or registered (if titling or registration is required)
6 if the Department and such agency or State officer determine
7 that this procedure will expedite the processing of
8 applications for title or registration.

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

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

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

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

22 (35 ILCS 105/10.5 new)

23 Sec. 10.5. Individual use tax amnesty. The Department shall
24 establish an amnesty program for all individual taxpayers owing
25 any tax imposed under this Act for their purchases of tangible

1 personal property from a retailer for use in this State
2 (eligible taxes). The amnesty program shall be for a period
3 from January 1, 2011 through October 15, 2011. The amnesty
4 program shall provide that, upon payment by an individual
5 taxpayer of all eligible taxes due from that taxpayer under
6 this Act for any taxable period ending after June 30, 2004 and
7 prior to January 1, 2011, the Department shall abate and not
8 seek to collect any interest or penalties that may be
9 applicable and the Department shall not seek civil or criminal
10 prosecution for any taxpayer for these taxes for the period of
11 time for which amnesty has been granted to the taxpayer.
12 Failure to pay all eligible taxes due to the State for a
13 taxable period shall invalidate any amnesty granted under this
14 Section. Amnesty shall be granted only if all amnesty
15 conditions are satisfied by the taxpayer.

16 Amnesty shall not be granted to business taxpayers. Amnesty
17 shall not be granted to taxpayers who are a party to any
18 criminal investigation or to any civil or criminal litigation
19 that is pending in any circuit court or appellate court or the
20 Supreme Court of this State for nonpayment, delinquency, or
21 fraud in relation to eligible taxes under this Act. Amnesty
22 shall not be granted to any taxpayer who is under audit for
23 eligible taxes or who is contacted in writing by the Department
24 concerning eligible taxes prior to the taxpayer reporting and
25 paying the eligible taxes.

26 Voluntary payments made under this Section shall be made by

1 cash, check, guaranteed remittance, or ACH debit.

2 Section 99. Effective date. This Act takes effect upon
3 becoming law.