



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB3886

Introduced 11/21/2011, by Rep. La Shawn K. Ford

SYNOPSIS AS INTRODUCED:

30 ILCS 105/6z-18	from Ch. 127, par. 142z-18
30 ILCS 105/6z-20	from Ch. 127, par. 142z-20
35 ILCS 105/3-10	
35 ILCS 105/3-55	from Ch. 120, par. 439.3-55
35 ILCS 105/9	from Ch. 120, par. 439.9
35 ILCS 110/3-10	from Ch. 120, par. 439.33-10
35 ILCS 110/9	from Ch. 120, par. 439.39
35 ILCS 115/3-10	from Ch. 120, par. 439.103-10
35 ILCS 115/9	from Ch. 120, par. 439.109
35 ILCS 120/2-10	
35 ILCS 120/2k new	
35 ILCS 120/3	from Ch. 120, par. 442

Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Provides that the rate of tax on certain items of tangible personal property purchased from a certified small business is 5.25% (instead of 6.25%). Provides that the rate of tax on certain items of tangible personal property purchased by a small business that participates in a small business incentive program established by the Department of Revenue is 5.25% (instead of 6.25%). Provides that the Department of Revenue shall certify those small businesses and shall establish the small business incentive program. Provides that businesses that participate in the small business incentive program shall be charged a fee of \$250 per year. Effective January 1, 2013.

LRB097 14774 HLH 59799 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

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

4 Section 5. The State Finance Act is amended by changing
5 Sections 6z-18 and 6z-20 as follows:

6 (30 ILCS 105/6z-18) (from Ch. 127, par. 142z-18)

7 Sec. 6z-18. A portion of the money paid into the Local
8 Government Tax Fund from sales of food for human consumption
9 which is to be consumed off the premises where it is sold
10 (other than alcoholic beverages, soft drinks and food which has
11 been prepared for immediate consumption) and prescription and
12 nonprescription medicines, drugs, medical appliances and
13 insulin, urine testing materials, syringes and needles used by
14 diabetics, which occurred in municipalities, shall be
15 distributed to each municipality based upon the sales which
16 occurred in that municipality. The remainder shall be
17 distributed to each county based upon the sales which occurred
18 in the unincorporated area of that county.

19 A portion of the money paid into the Local Government Tax
20 Fund from the 6.25% (or 5.25%, if applicable) general use tax
21 rate on the selling price of tangible personal property which
22 is purchased outside Illinois at retail from a retailer and
23 which is titled or registered by any agency of this State's

1 government shall be distributed to municipalities as provided
2 in this paragraph. Each municipality shall receive the amount
3 attributable to sales for which Illinois addresses for titling
4 or registration purposes are given as being in such
5 municipality. The remainder of the money paid into the Local
6 Government Tax Fund from such sales shall be distributed to
7 counties. Each county shall receive the amount attributable to
8 sales for which Illinois addresses for titling or registration
9 purposes are given as being located in the unincorporated area
10 of such county.

11 A portion of the money paid into the Local Government Tax
12 Fund from the 6.25% (or 5.25%, if applicable) general rate
13 (and, beginning July 1, 2000 and through December 31, 2000, the
14 1.25% rate on motor fuel and gasohol, and beginning on August
15 6, 2010 through August 15, 2010, the 1.25% rate on sales tax
16 holiday items) on sales subject to taxation under the
17 Retailers' Occupation Tax Act and the Service Occupation Tax
18 Act, which occurred in municipalities, shall be distributed to
19 each municipality, based upon the sales which occurred in that
20 municipality. The remainder shall be distributed to each
21 county, based upon the sales which occurred in the
22 unincorporated area of such county.

23 For the purpose of determining allocation to the local
24 government unit, a retail sale by a producer of coal or other
25 mineral mined in Illinois is a sale at retail at the place
26 where the coal or other mineral mined in Illinois is extracted

1 from the earth. This paragraph does not apply to coal or other
2 mineral when it is delivered or shipped by the seller to the
3 purchaser at a point outside Illinois so that the sale is
4 exempt under the United States Constitution as a sale in
5 interstate or foreign commerce.

6 Whenever the Department determines that a refund of money
7 paid into the Local Government Tax Fund should be made to a
8 claimant instead of issuing a credit memorandum, the Department
9 shall notify the State Comptroller, who shall cause the order
10 to be drawn for the amount specified, and to the person named,
11 in such notification from the Department. Such refund shall be
12 paid by the State Treasurer out of the Local Government Tax
13 Fund.

14 As soon as possible after the first day of each month,
15 beginning January 1, 2011, upon certification of the Department
16 of Revenue, the Comptroller shall order transferred, and the
17 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
18 local sales tax increment, as defined in the Innovation
19 Development and Economy Act, collected during the second
20 preceding calendar month for sales within a STAR bond district
21 and deposited into the Local Government Tax Fund, less 3% of
22 that amount, which shall be transferred into the Tax Compliance
23 and Administration Fund and shall be used by the Department,
24 subject to appropriation, to cover the costs of the Department
25 in administering the Innovation Development and Economy Act.

26 After the monthly transfer to the STAR Bonds Revenue Fund,

1 on or before the 25th day of each calendar month, the
2 Department shall prepare and certify to the Comptroller the
3 disbursement of stated sums of money to named municipalities
4 and counties, the municipalities and counties to be those
5 entitled to distribution of taxes or penalties paid to the
6 Department during the second preceding calendar month. The
7 amount to be paid to each municipality or county shall be the
8 amount (not including credit memoranda) collected during the
9 second preceding calendar month by the Department and paid into
10 the Local Government Tax Fund, plus an amount the Department
11 determines is necessary to offset any amounts which were
12 erroneously paid to a different taxing body, and not including
13 an amount equal to the amount of refunds made during the second
14 preceding calendar month by the Department, and not including
15 any amount which the Department determines is necessary to
16 offset any amounts which are payable to a different taxing body
17 but were erroneously paid to the municipality or county, and
18 not including any amounts that are transferred to the STAR
19 Bonds Revenue Fund. Within 10 days after receipt, by the
20 Comptroller, of the disbursement certification to the
21 municipalities and counties, provided for in this Section to be
22 given to the Comptroller by the Department, the Comptroller
23 shall cause the orders to be drawn for the respective amounts
24 in accordance with the directions contained in such
25 certification.

26 When certifying the amount of monthly disbursement to a

1 municipality or county under this Section, the Department shall
2 increase or decrease that amount by an amount necessary to
3 offset any misallocation of previous disbursements. The offset
4 amount shall be the amount erroneously disbursed within the 6
5 months preceding the time a misallocation is discovered.

6 The provisions directing the distributions from the
7 special fund in the State Treasury provided for in this Section
8 shall constitute an irrevocable and continuing appropriation
9 of all amounts as provided herein. The State Treasurer and
10 State Comptroller are hereby authorized to make distributions
11 as provided in this Section.

12 In construing any development, redevelopment, annexation,
13 preannexation or other lawful agreement in effect prior to
14 September 1, 1990, which describes or refers to receipts from a
15 county or municipal retailers' occupation tax, use tax or
16 service occupation tax which now cannot be imposed, such
17 description or reference shall be deemed to include the
18 replacement revenue for such abolished taxes, distributed from
19 the Local Government Tax Fund.

20 (Source: P.A. 96-939, eff. 6-24-10; 96-1012, eff. 7-7-10;
21 97-333, eff. 8-12-11.)

22 (30 ILCS 105/6z-20) (from Ch. 127, par. 142z-20)

23 Sec. 6z-20. Of the money received from the 6.25% (or 5.25%,
24 if applicable) general rate (and, beginning July 1, 2000 and
25 through December 31, 2000, the 1.25% rate on motor fuel and

1 gasohol, and beginning on August 6, 2010 through August 15,
2 2010, the 1.25% rate on sales tax holiday items) on sales
3 subject to taxation under the Retailers' Occupation Tax Act and
4 Service Occupation Tax Act and paid into the County and Mass
5 Transit District Fund, distribution to the Regional
6 Transportation Authority tax fund, created pursuant to Section
7 4.03 of the Regional Transportation Authority Act, for deposit
8 therein shall be made based upon the retail sales occurring in
9 a county having more than 3,000,000 inhabitants. The remainder
10 shall be distributed to each county having 3,000,000 or fewer
11 inhabitants based upon the retail sales occurring in each such
12 county.

13 For the purpose of determining allocation to the local
14 government unit, a retail sale by a producer of coal or other
15 mineral mined in Illinois is a sale at retail at the place
16 where the coal or other mineral mined in Illinois is extracted
17 from the earth. This paragraph does not apply to coal or other
18 mineral when it is delivered or shipped by the seller to the
19 purchaser at a point outside Illinois so that the sale is
20 exempt under the United States Constitution as a sale in
21 interstate or foreign commerce.

22 Of the money received from the 6.25% (or 5.25%, if
23 applicable) general use tax rate on tangible personal property
24 which is purchased outside Illinois at retail from a retailer
25 and which is titled or registered by any agency of this State's
26 government and paid into the County and Mass Transit District

1 Fund, the amount for which Illinois addresses for titling or
2 registration purposes are given as being in each county having
3 more than 3,000,000 inhabitants shall be distributed into the
4 Regional Transportation Authority tax fund, created pursuant
5 to Section 4.03 of the Regional Transportation Authority Act.
6 The remainder of the money paid from such sales shall be
7 distributed to each county based on sales for which Illinois
8 addresses for titling or registration purposes are given as
9 being located in the county. Any money paid into the Regional
10 Transportation Authority Occupation and Use Tax Replacement
11 Fund from the County and Mass Transit District Fund prior to
12 January 14, 1991, which has not been paid to the Authority
13 prior to that date, shall be transferred to the Regional
14 Transportation Authority tax fund.

15 Whenever the Department determines that a refund of money
16 paid into the County and Mass Transit District Fund should be
17 made to a claimant instead of issuing a credit memorandum, the
18 Department shall notify the State Comptroller, who shall cause
19 the order to be drawn for the amount specified, and to the
20 person named, in such notification from the Department. Such
21 refund shall be paid by the State Treasurer out of the County
22 and Mass Transit District Fund.

23 As soon as possible after the first day of each month,
24 beginning January 1, 2011, upon certification of the Department
25 of Revenue, the Comptroller shall order transferred, and the
26 Treasurer shall transfer, to the STAR Bonds Revenue Fund the

1 local sales tax increment, as defined in the Innovation
2 Development and Economy Act, collected during the second
3 preceding calendar month for sales within a STAR bond district
4 and deposited into the County and Mass Transit District Fund,
5 less 3% of that amount, which shall be transferred into the Tax
6 Compliance and Administration Fund and shall be used by the
7 Department, subject to appropriation, to cover the costs of the
8 Department in administering the Innovation Development and
9 Economy Act.

10 After the monthly transfer to the STAR Bonds Revenue Fund,
11 on or before the 25th day of each calendar month, the
12 Department shall prepare and certify to the Comptroller the
13 disbursement of stated sums of money to the Regional
14 Transportation Authority and to named counties, the counties to
15 be those entitled to distribution, as hereinabove provided, of
16 taxes or penalties paid to the Department during the second
17 preceding calendar month. The amount to be paid to the Regional
18 Transportation Authority and each county having 3,000,000 or
19 fewer inhabitants shall be the amount (not including credit
20 memoranda) collected during the second preceding calendar
21 month by the Department and paid into the County and Mass
22 Transit District Fund, plus an amount the Department determines
23 is necessary to offset any amounts which were erroneously paid
24 to a different taxing body, and not including an amount equal
25 to the amount of refunds made during the second preceding
26 calendar month by the Department, and not including any amount

1 which the Department determines is necessary to offset any
2 amounts which were payable to a different taxing body but were
3 erroneously paid to the Regional Transportation Authority or
4 county, and not including any amounts that are transferred to
5 the STAR Bonds Revenue Fund. Within 10 days after receipt, by
6 the Comptroller, of the disbursement certification to the
7 Regional Transportation Authority and counties, provided for
8 in this Section to be given to the Comptroller by the
9 Department, the Comptroller shall cause the orders to be drawn
10 for the respective amounts in accordance with the directions
11 contained in such certification.

12 When certifying the amount of a monthly disbursement to the
13 Regional Transportation Authority or to a county under this
14 Section, the Department shall increase or decrease that amount
15 by an amount necessary to offset any misallocation of previous
16 disbursements. The offset amount shall be the amount
17 erroneously disbursed within the 6 months preceding the time a
18 misallocation is discovered.

19 The provisions directing the distributions from the
20 special fund in the State Treasury provided for in this Section
21 and from the Regional Transportation Authority tax fund created
22 by Section 4.03 of the Regional Transportation Authority Act
23 shall constitute an irrevocable and continuing appropriation
24 of all amounts as provided herein. The State Treasurer and
25 State Comptroller are hereby authorized to make distributions
26 as provided in this Section.

1 In construing any development, redevelopment, annexation,
2 preannexation or other lawful agreement in effect prior to
3 September 1, 1990, which describes or refers to receipts from a
4 county or municipal retailers' occupation tax, use tax or
5 service occupation tax which now cannot be imposed, such
6 description or reference shall be deemed to include the
7 replacement revenue for such abolished taxes, distributed from
8 the County and Mass Transit District Fund or Local Government
9 Distributive Fund, as the case may be.

10 (Source: P.A. 96-939, eff. 6-24-10; 96-1012, eff. 7-7-10;
11 97-333, eff. 8-12-11.)

12 Section 10. The Use Tax Act is amended by changing Sections
13 3-10, 3-55, and 9 as follows:

14 (35 ILCS 105/3-10)

15 Sec. 3-10. Rate of tax. Unless otherwise provided in this
16 Section, the tax imposed by this Act is at the rate of 6.25% of
17 either the selling price or the fair market value, if any, of
18 the tangible personal property. In all cases where property
19 functionally used or consumed is the same as the property that
20 was purchased at retail, then the tax is imposed on the selling
21 price of the property. In all cases where property functionally
22 used or consumed is a by-product or waste product that has been
23 refined, manufactured, or produced from property purchased at
24 retail, then the tax is imposed on the lower of the fair market

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

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 Beginning on August 6, 2010 through August 15, 2010, with
17 respect to sales tax holiday items as defined in Section 3-6 of
18 this 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 1, 2009: the term "soft drinks"
6 means any complete, finished, ready-to-use, non-alcoholic
7 drink, whether carbonated or not, including but not limited to
8 soda water, cola, fruit juice, vegetable juice, carbonated
9 water, and all other preparations commonly known as soft drinks
10 of whatever kind or description that are contained in any
11 closed or sealed bottle, can, carton, or container, regardless
12 of size; but "soft drinks" does not include coffee, tea,
13 non-carbonated water, infant formula, milk or milk products as
14 defined in the Grade A Pasteurized Milk and Milk Products Act,
15 or drinks containing 50% or more natural fruit or vegetable
16 juice.

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

23 Until August 1, 2009, and notwithstanding any other
24 provisions of this Act, "food for human consumption that is to
25 be consumed off the premises where it is sold" includes all
26 food sold through a vending machine, except soft drinks and

1 food products that are dispensed hot from a vending machine,
2 regardless of the location of the vending machine. Beginning
3 August 1, 2009, and notwithstanding any other provisions of
4 this Act, "food for human consumption that is to be consumed
5 off the premises where it is sold" includes all food sold
6 through a vending machine, except soft drinks, candy, and food
7 products that are dispensed hot from a vending machine,
8 regardless of the location of the vending machine.

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

18 Notwithstanding any other provisions of this Act,
19 beginning September 1, 2009, "nonprescription medicines and
20 drugs" does not include grooming and hygiene products. For
21 purposes of this Section, "grooming and hygiene products"
22 includes, but is not limited to, soaps and cleaning solutions,
23 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
24 lotions and screens, unless those products are available by
25 prescription only, regardless of whether the products meet the
26 definition of "over-the-counter-drugs". For the purposes of

1 this paragraph, "over-the-counter-drug" means a drug for human
2 use that contains a label that identifies the product as a drug
3 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"
4 label includes:

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

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

9 With respect to items that are purchased from a business
10 that is certified as a small business under subsection (a) of
11 Section 2k of the Retailers' Occupation Tax Act, the tax is
12 imposed at the rate of 5.25%. Notwithstanding the provisions of
13 this paragraph, the 5.25% rate of tax does not apply to (i)
14 items that qualify for a 1% rate of tax under this Section,
15 (ii) alcoholic beverages, or (iii) cigarettes, as defined in
16 the Cigarette Tax Act, and those items shall continue to be
17 taxed as if they had been purchased from an entity other than a
18 small business.

19 With respect to items that are purchased by a business that
20 is enrolled in the Small Business Incentive Program established
21 under subsection (b) of Section 2k of the Retailers' Occupation
22 Tax Act, the tax is imposed at the rate of 5.25%.
23 Notwithstanding the provisions of this paragraph, the 5.25%
24 rate of tax does not apply to (i) items that qualify for a 1%
25 rate of tax under this Section, (ii) alcoholic beverages, or
26 (iii) cigarettes, as defined in the Cigarette Tax Act, and

1 those items shall continue to be taxed as if they had been
2 purchased by an entity other than a small business.

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. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-38,
11 eff. 7-13-09; 96-1000, eff. 7-2-10; 96-1012, eff. 7-7-10.)

12 (35 ILCS 105/3-55) (from Ch. 120, par. 439.3-55)

13 Sec. 3-55. Multistate exemption. To prevent actual or
14 likely multistate taxation, the tax imposed by this Act does
15 not apply to the use of tangible personal property in this
16 State under the following circumstances:

17 (a) The use, in this State, of tangible personal property
18 acquired outside this State by a nonresident individual and
19 brought into this State by the individual for his or her own
20 use while temporarily within this State or while passing
21 through this State.

22 (b) The use, in this State, of tangible personal property
23 by an interstate carrier for hire as rolling stock moving in
24 interstate commerce or by lessors under a lease of one year or
25 longer executed or in effect at the time of purchase of

1 tangible personal property by interstate carriers for-hire for
2 use as rolling stock moving in interstate commerce as long as
3 so used by the interstate carriers for-hire, and equipment
4 operated by a telecommunications provider, licensed as a common
5 carrier by the Federal Communications Commission, which is
6 permanently installed in or affixed to aircraft moving in
7 interstate commerce.

8 (c) The use, in this State, by owners, lessors, or shippers
9 of tangible personal property that is utilized by interstate
10 carriers for hire for use as rolling stock moving in interstate
11 commerce as long as so used by the interstate carriers for
12 hire, and equipment operated by a telecommunications provider,
13 licensed as a common carrier by the Federal Communications
14 Commission, which is permanently installed in or affixed to
15 aircraft moving in interstate commerce.

16 (d) The use, in this State, of tangible personal property
17 that is acquired outside this State and caused to be brought
18 into this State by a person who has already paid a tax in
19 another State in respect to the sale, purchase, or use of that
20 property, to the extent of the amount of the tax properly due
21 and paid in the other State.

22 (e) The temporary storage, in this State, of tangible
23 personal property that is acquired outside this State and that,
24 after being brought into this State and stored here
25 temporarily, is used solely outside this State or is physically
26 attached to or incorporated into other tangible personal

1 property that is used solely outside this State, or is altered
2 by converting, fabricating, manufacturing, printing,
3 processing, or shaping, and, as altered, is used solely outside
4 this State.

5 (f) The temporary storage in this State of building
6 materials and fixtures that are acquired either in this State
7 or outside this State by an Illinois registered combination
8 retailer and construction contractor, and that the purchaser
9 thereafter uses outside this State by incorporating that
10 property into real estate located outside this State.

11 (g) The use or purchase of tangible personal property by a
12 common carrier by rail or motor that receives the physical
13 possession of the property in Illinois, and that transports the
14 property, or shares with another common carrier in the
15 transportation of the property, out of Illinois on a standard
16 uniform bill of lading showing the seller of the property as
17 the shipper or consignor of the property to a destination
18 outside Illinois, for use outside Illinois.

19 (h) Except as provided in subsection (h-1), the use, in
20 this State, of a motor vehicle that was sold in this State to a
21 nonresident, even though the motor vehicle is delivered to the
22 nonresident in this State, if the motor vehicle is not to be
23 titled in this State, and if a drive-away permit is issued to
24 the motor vehicle as provided in Section 3-603 of the Illinois
25 Vehicle Code or if the nonresident purchaser has vehicle
26 registration plates to transfer to the motor vehicle upon

1 returning to his or her home state. The issuance of the
2 drive-away permit or having the out-of-state registration
3 plates to be transferred shall be prima facie evidence that the
4 motor vehicle will not be titled in this State.

5 (h-1) The exemption under subsection (h) does not apply if
6 the state in which the motor vehicle will be titled does not
7 allow a reciprocal exemption for the use in that state of a
8 motor vehicle sold and delivered in that state to an Illinois
9 resident but titled in Illinois. The tax collected under this
10 Act on the sale of a motor vehicle in this State to a resident
11 of another state that does not allow a reciprocal exemption
12 shall be imposed at a rate equal to the state's rate of tax on
13 taxable property in the state in which the purchaser is a
14 resident, except that the tax shall not exceed the tax that
15 would otherwise be imposed under this Act. At the time of the
16 sale, the purchaser shall execute a statement, signed under
17 penalty of perjury, of his or her intent to title the vehicle
18 in the state in which the purchaser is a resident within 30
19 days after the sale and of the fact of the payment to the State
20 of Illinois of tax in an amount equivalent to the state's rate
21 of tax on taxable property in his or her state of residence and
22 shall submit the statement to the appropriate tax collection
23 agency in his or her state of residence. In addition, the
24 retailer must retain a signed copy of the statement in his or
25 her records. Nothing in this subsection shall be construed to
26 require the removal of the vehicle from this state following

1 the filing of an intent to title the vehicle in the purchaser's
2 state of residence if the purchaser titles the vehicle in his
3 or her state of residence within 30 days after the date of
4 sale. The tax collected under this Act in accordance with this
5 subsection (h-1) shall be proportionately distributed as if the
6 tax were collected at the 6.25% (or 5.25%, if applicable)
7 general rate imposed under this Act.

8 (h-2) The following exemptions apply with respect to
9 certain aircraft:

10 (1) Beginning on July 1, 2007, no tax is imposed under
11 this Act on the purchase of an aircraft, as defined in
12 Section 3 of the Illinois Aeronautics Act, if all of the
13 following conditions are met:

14 (A) the aircraft leaves this State within 15 days
15 after the later of either the issuance of the final
16 billing for the purchase of the aircraft or the
17 authorized approval for return to service, completion
18 of the maintenance record entry, and completion of the
19 test flight and ground test for inspection, as required
20 by 14 C.F.R. 91.407;

21 (B) the aircraft is not based or registered in this
22 State after the purchase of the aircraft; and

23 (C) the purchaser provides the Department with a
24 signed and dated certification, on a form prescribed by
25 the Department, certifying that the requirements of
26 this item (1) are met. The certificate must also

1 include the name and address of the purchaser, the
2 address of the location where the aircraft is to be
3 titled or registered, the address of the primary
4 physical location of the aircraft, and other
5 information that the Department may reasonably
6 require.

7 (2) Beginning on July 1, 2007, no tax is imposed under
8 this Act on the use of an aircraft, as defined in Section 3
9 of the Illinois Aeronautics Act, that is temporarily
10 located in this State for the purpose of a prepurchase
11 evaluation if all of the following conditions are met:

12 (A) the aircraft is not based or registered in this
13 State after the prepurchase evaluation; and

14 (B) the purchaser provides the Department with a
15 signed and dated certification, on a form prescribed by
16 the Department, certifying that the requirements of
17 this item (2) are met. The certificate must also
18 include the name and address of the purchaser, the
19 address of the location where the aircraft is to be
20 titled or registered, the address of the primary
21 physical location of the aircraft, and other
22 information that the Department may reasonably
23 require.

24 (3) Beginning on July 1, 2007, no tax is imposed under
25 this Act on the use of an aircraft, as defined in Section 3
26 of the Illinois Aeronautics Act, that is temporarily

1 located in this State for the purpose of a post-sale
2 customization if all of the following conditions are met:

3 (A) the aircraft leaves this State within 15 days
4 after the authorized approval for return to service,
5 completion of the maintenance record entry, and
6 completion of the test flight and ground test for
7 inspection, as required by 14 C.F.R. 91.407;

8 (B) the aircraft is not based or registered in this
9 State either before or after the post-sale
10 customization; and

11 (C) the purchaser provides the Department with a
12 signed and dated certification, on a form prescribed by
13 the Department, certifying that the requirements of
14 this item (3) are met. The certificate must also
15 include the name and address of the purchaser, the
16 address of the location where the aircraft is to be
17 titled or registered, the address of the primary
18 physical location of the aircraft, and other
19 information that the Department may reasonably
20 require.

21 If tax becomes due under this subsection (h-2) because of
22 the purchaser's use of the aircraft in this State, the
23 purchaser shall file a return with the Department and pay the
24 tax on the fair market value of the aircraft. This return and
25 payment of the tax must be made no later than 30 days after the
26 aircraft is used in a taxable manner in this State. The tax is

1 based on the fair market value of the aircraft on the date that
2 it is first used in a taxable manner in this State.

3 For purposes of this subsection (h-2):

4 "Based in this State" means hangared, stored, or otherwise
5 used, excluding post-sale customizations as defined in this
6 Section, for 10 or more days in each 12-month period
7 immediately following the date of the sale of the aircraft.

8 "Post-sale customization" means any improvement,
9 maintenance, or repair that is performed on an aircraft
10 following a transfer of ownership of the aircraft.

11 "Prepurchase evaluation" means an examination of an
12 aircraft to provide a potential purchaser with information
13 relevant to the potential purchase.

14 "Registered in this State" means an aircraft registered
15 with the Department of Transportation, Aeronautics Division,
16 or titled or registered with the Federal Aviation
17 Administration to an address located in this State.

18 This subsection (h-2) is exempt from the provisions of
19 Section 3-90.

20 (i) Beginning July 1, 1999, the use, in this State, of fuel
21 acquired outside this State and brought into this State in the
22 fuel supply tanks of locomotives engaged in freight hauling and
23 passenger service for interstate commerce. This subsection is
24 exempt from the provisions of Section 3-90.

25 (j) Beginning on January 1, 2002 and through June 30, 2016,
26 the use of tangible personal property purchased from an

1 Illinois retailer by a taxpayer engaged in centralized
2 purchasing activities in Illinois who will, upon receipt of the
3 property in Illinois, temporarily store the property in
4 Illinois (i) for the purpose of subsequently transporting it
5 outside this State for use or consumption thereafter solely
6 outside this State or (ii) for the purpose of being processed,
7 fabricated, or manufactured into, attached to, or incorporated
8 into other tangible personal property to be transported outside
9 this State and thereafter used or consumed solely outside this
10 State. The Director of Revenue shall, pursuant to rules adopted
11 in accordance with the Illinois Administrative Procedure Act,
12 issue a permit to any taxpayer in good standing with the
13 Department who is eligible for the exemption under this
14 subsection (j). The permit issued under this subsection (j)
15 shall authorize the holder, to the extent and in the manner
16 specified in the rules adopted under this Act, to purchase
17 tangible personal property from a retailer exempt from the
18 taxes imposed by this Act. Taxpayers shall maintain all
19 necessary books and records to substantiate the use and
20 consumption of all such tangible personal property outside of
21 the State of Illinois.

22 (Source: P.A. 97-73, eff. 6-30-11.)

23 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

24 Sec. 9. Except as to motor vehicles, watercraft, aircraft,
25 and trailers that are required to be registered with an agency

1 of this State, each retailer required or authorized to collect
2 the tax imposed by this Act shall pay to the Department the
3 amount of such tax (except as otherwise provided) at the time
4 when he is required to file his return for the period during
5 which such tax was collected, less a discount of 2.1% prior to
6 January 1, 1990, and 1.75% on and after January 1, 1990, or \$5
7 per calendar year, whichever is greater, which is allowed to
8 reimburse the retailer for expenses incurred in collecting the
9 tax, keeping records, preparing and filing returns, remitting
10 the tax and supplying data to the Department on request. In the
11 case of retailers who report and pay the tax on a transaction
12 by transaction basis, as provided in this Section, such
13 discount shall be taken with each such tax remittance instead
14 of when such retailer files his periodic return. A retailer
15 need not remit that part of any tax collected by him to the
16 extent that he is required to remit and does remit the tax
17 imposed by the Retailers' Occupation Tax Act, with respect to
18 the sale of the same property.

19 Where such tangible personal property is sold under a
20 conditional sales contract, or under any other form of sale
21 wherein the payment of the principal sum, or a part thereof, is
22 extended beyond the close of the period for which the return is
23 filed, the retailer, in collecting the tax (except as to motor
24 vehicles, watercraft, aircraft, and trailers that are required
25 to be registered with an agency of this State), may collect for
26 each tax return period, only the tax applicable to that part of

1 the selling price actually received during such tax return
2 period.

3 Except as provided in this Section, on or before the
4 twentieth day of each calendar month, such retailer shall file
5 a return for the preceding calendar month. Such return shall be
6 filed on forms prescribed by the Department and shall furnish
7 such information as the Department may reasonably require.

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

- 15 1. The name of the seller;
- 16 2. The address of the principal place of business from
17 which he engages in the business of selling tangible
18 personal property at retail in this State;
- 19 3. The total amount of taxable receipts received by him
20 during the preceding calendar month from sales of tangible
21 personal property by him during such preceding calendar
22 month, including receipts from charge and time sales, but
23 less all deductions allowed by law;
- 24 4. The amount of credit provided in Section 2d of this
25 Act;
- 26 5. The amount of tax due;

1 5-5. The signature of the taxpayer; and

2 6. Such other reasonable information as the Department
3 may require.

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

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

1 Department, for the immediately preceding calendar year
2 divided by 12. Beginning on October 1, 2002, a taxpayer who has
3 a tax liability in the amount set forth in subsection (b) of
4 Section 2505-210 of the Department of Revenue Law shall make
5 all payments required by rules of the Department by electronic
6 funds transfer.

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

12 Any taxpayer not required to make payments by electronic
13 funds transfer may make payments by electronic funds transfer
14 with the permission of the Department.

15 All taxpayers required to make payment by electronic funds
16 transfer and any taxpayers authorized to voluntarily make
17 payments by electronic funds transfer shall make those payments
18 in the manner authorized by the Department.

19 The Department shall adopt such rules as are necessary to
20 effectuate a program of electronic funds transfer and the
21 requirements of this Section.

22 Before October 1, 2000, if the taxpayer's average monthly
23 tax liability to the Department under this Act, the Retailers'
24 Occupation Tax Act, the Service Occupation Tax Act, the Service
25 Use Tax Act was \$10,000 or more during the preceding 4 complete
26 calendar quarters, he shall file a return with the Department

1 each month by the 20th day of the month next following the
2 month during which such tax liability is incurred and shall
3 make payments to the Department on or before the 7th, 15th,
4 22nd and last day of the month during which such liability is
5 incurred. On and after October 1, 2000, if the taxpayer's
6 average monthly tax liability to the Department under this Act,
7 the Retailers' Occupation Tax Act, the Service Occupation Tax
8 Act, and the Service Use Tax Act was \$20,000 or more during the
9 preceding 4 complete calendar quarters, he shall file a return
10 with the Department each month by the 20th day of the month
11 next following the month during which such tax liability is
12 incurred and shall make payment to the Department on or before
13 the 7th, 15th, 22nd and last day of the month during which such
14 liability is incurred. If the month during which such tax
15 liability is incurred began prior to January 1, 1985, each
16 payment shall be in an amount equal to 1/4 of the taxpayer's
17 actual liability for the month or an amount set by the
18 Department not to exceed 1/4 of the average monthly liability
19 of the taxpayer to the Department for the preceding 4 complete
20 calendar quarters (excluding the month of highest liability and
21 the month of lowest liability in such 4 quarter period). If the
22 month during which such tax liability is incurred begins on or
23 after January 1, 1985, and prior to January 1, 1987, each
24 payment shall be in an amount equal to 22.5% of the taxpayer's
25 actual liability for the month or 27.5% of the taxpayer's
26 liability for the same calendar month of the preceding year. If

1 the month during which such tax liability is incurred begins on
2 or after January 1, 1987, and prior to January 1, 1988, each
3 payment shall be in an amount equal to 22.5% of the taxpayer's
4 actual liability for the month or 26.25% of the taxpayer's
5 liability for the same calendar month of the preceding year. If
6 the month during which such tax liability is incurred begins on
7 or after January 1, 1988, and prior to January 1, 1989, or
8 begins on or after January 1, 1996, each payment shall be in an
9 amount equal to 22.5% of the taxpayer's actual liability for
10 the month or 25% of the taxpayer's liability for the same
11 calendar month of the preceding year. If the month during which
12 such tax liability is incurred begins on or after January 1,
13 1989, and prior to January 1, 1996, each payment shall be in an
14 amount equal to 22.5% of the taxpayer's actual liability for
15 the month or 25% of the taxpayer's liability for the same
16 calendar month of the preceding year or 100% of the taxpayer's
17 actual liability for the quarter monthly reporting period. The
18 amount of such quarter monthly payments shall be credited
19 against the final tax liability of the taxpayer's return for
20 that month. Before October 1, 2000, once applicable, the
21 requirement of the making of quarter monthly payments to the
22 Department shall continue until such taxpayer's average
23 monthly liability to the Department during the preceding 4
24 complete calendar quarters (excluding the month of highest
25 liability and the month of lowest liability) is less than
26 \$9,000, or until such taxpayer's average monthly liability to

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

1 quarter monthly payment is not paid at the time or in the
2 amount required by this Section, then the taxpayer shall be
3 liable for penalties and interest on the difference between the
4 minimum amount due and the amount of such quarter monthly
5 payment actually and timely paid, except insofar as the
6 taxpayer has previously made payments for that month to the
7 Department in excess of the minimum payments previously due as
8 provided in this Section. The Department shall make reasonable
9 rules and regulations to govern the quarter monthly payment
10 amount and quarter monthly payment dates for taxpayers who file
11 on other than a calendar monthly basis.

12 If any such payment provided for in this Section exceeds
13 the taxpayer's liabilities under this Act, the Retailers'
14 Occupation Tax Act, the Service Occupation Tax Act and the
15 Service Use Tax Act, as shown by an original monthly return,
16 the Department shall issue to the taxpayer a credit memorandum
17 no later than 30 days after the date of payment, which
18 memorandum may be submitted by the taxpayer to the Department
19 in payment of tax liability subsequently to be remitted by the
20 taxpayer to the Department or be assigned by the taxpayer to a
21 similar taxpayer under this Act, the Retailers' Occupation Tax
22 Act, the Service Occupation Tax Act or the Service Use Tax Act,
23 in accordance with reasonable rules and regulations to be
24 prescribed by the Department, except that if such excess
25 payment is shown on an original monthly return and is made
26 after December 31, 1986, no credit memorandum shall be issued,

1 unless requested by the taxpayer. If no such request is made,
2 the taxpayer may credit such excess payment against tax
3 liability subsequently to be remitted by the taxpayer to the
4 Department under this Act, the Retailers' Occupation Tax Act,
5 the Service Occupation Tax Act or the Service Use Tax Act, in
6 accordance with reasonable rules and regulations prescribed by
7 the Department. If the Department subsequently determines that
8 all or any part of the credit taken was not actually due to the
9 taxpayer, the taxpayer's 2.1% or 1.75% vendor's discount shall
10 be reduced by 2.1% or 1.75% of the difference between the
11 credit taken and that actually due, and the taxpayer shall be
12 liable for penalties and interest on such difference.

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

24 If the retailer is otherwise required to file a monthly or
25 quarterly return and if the retailer's average monthly tax
26 liability to the Department does not exceed \$50, the Department

1 may authorize his returns to be filed on an annual basis, with
2 the return for a given year being due by January 20 of the
3 following year.

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

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

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

1 watercraft, motor vehicle, or trailer to a purchaser for use as
2 a qualifying rolling stock as provided in Section 3-55 of this
3 Act, then that seller may report the transfer of all the
4 aircraft, watercraft, motor vehicles or trailers involved in
5 that transaction to the Department on the same uniform
6 invoice-transaction reporting return form. For purposes of
7 this Section, "watercraft" means a Class 2, Class 3, or Class 4
8 watercraft as defined in Section 3-2 of the Boat Registration
9 and Safety Act, a personal watercraft, or any boat equipped
10 with an inboard motor.

11 The transaction reporting return in the case of motor
12 vehicles or trailers that are required to be registered with an
13 agency of this State, shall be the same document as the Uniform
14 Invoice referred to in Section 5-402 of the Illinois Vehicle
15 Code and must show the name and address of the seller; the name
16 and address of the purchaser; the amount of the selling price
17 including the amount allowed by the retailer for traded-in
18 property, if any; the amount allowed by the retailer for the
19 traded-in tangible personal property, if any, to the extent to
20 which Section 2 of this Act allows an exemption for the value
21 of traded-in property; the balance payable after deducting such
22 trade-in allowance from the total selling price; the amount of
23 tax due from the retailer with respect to such transaction; the
24 amount of tax collected from the purchaser by the retailer on
25 such transaction (or satisfactory evidence that such tax is not
26 due in that particular instance, if that is claimed to be the

1 fact); the place and date of the sale; a sufficient
2 identification of the property sold; such other information as
3 is required in Section 5-402 of the Illinois Vehicle Code, and
4 such other information as the Department may reasonably
5 require.

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

22 Such transaction reporting return shall be filed not later
23 than 20 days after the date of delivery of the item that is
24 being sold, but may be filed by the retailer at any time sooner
25 than that if he chooses to do so. The transaction reporting
26 return and tax remittance or proof of exemption from the tax

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

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

21 No retailer's failure or refusal to remit tax under this
22 Act precludes a user, who has paid the proper tax to the
23 retailer, from obtaining his certificate of title or other
24 evidence of title or registration (if titling or registration
25 is required) upon satisfying the Department that such user has
26 paid the proper tax (if tax is due) to the retailer. The

1 Department shall adopt appropriate rules to carry out the
2 mandate of this paragraph.

3 If the user who would otherwise pay tax to the retailer
4 wants the transaction reporting return filed and the payment of
5 tax or proof of exemption made to the Department before the
6 retailer is willing to take these actions and such user has not
7 paid the tax to the retailer, such user may certify to the fact
8 of such delay by the retailer, and may (upon the Department
9 being satisfied of the truth of such certification) transmit
10 the information required by the transaction reporting return
11 and the remittance for tax or proof of exemption directly to
12 the Department and obtain his tax receipt or exemption
13 determination, in which event the transaction reporting return
14 and tax remittance (if a tax payment was required) shall be
15 credited by the Department to the proper retailer's account
16 with the Department, but without the 2.1% or 1.75% discount
17 provided for in this Section being allowed. When the user pays
18 the tax directly to the Department, he shall pay the tax in the
19 same amount and in the same form in which it would be remitted
20 if the tax had been remitted to the Department by the retailer.

21 Where a retailer collects the tax with respect to the
22 selling price of tangible personal property which he sells and
23 the purchaser thereafter returns such tangible personal
24 property and the retailer refunds the selling price thereof to
25 the purchaser, such retailer shall also refund, to the
26 purchaser, the tax so collected from the purchaser. When filing

1 his return for the period in which he refunds such tax to the
2 purchaser, the retailer may deduct the amount of the tax so
3 refunded by him to the purchaser from any other use tax which
4 such retailer may be required to pay or remit to the
5 Department, as shown by such return, if the amount of the tax
6 to be deducted was previously remitted to the Department by
7 such retailer. If the retailer has not previously remitted the
8 amount of such tax to the Department, he is entitled to no
9 deduction under this Act upon refunding such tax to the
10 purchaser.

11 Any retailer filing a return under this Section shall also
12 include (for the purpose of paying tax thereon) the total tax
13 covered by such return upon the selling price of tangible
14 personal property purchased by him at retail from a retailer,
15 but as to which the tax imposed by this Act was not collected
16 from the retailer filing such return, and such retailer shall
17 remit the amount of such tax to the Department when filing such
18 return.

19 If experience indicates such action to be practicable, the
20 Department may prescribe and furnish a combination or joint
21 return which will enable retailers, who are required to file
22 returns hereunder and also under the Retailers' Occupation Tax
23 Act, to furnish all the return information required by both
24 Acts on the one form.

25 Where the retailer has more than one business registered
26 with the Department under separate registration under this Act,

1 such retailer may not file each return that is due as a single
2 return covering all such registered businesses, but shall file
3 separate returns for each such registered business.

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

14 Beginning January 1, 1990, each month the Department shall
15 pay into the County and Mass Transit District Fund 4% of the
16 net revenue realized for the preceding month from the 6.25% (or
17 5.25%, as applicable) general rate on the selling price of
18 tangible personal property which is purchased outside Illinois
19 at retail from a retailer and which is titled or registered by
20 an agency of this State's government.

21 Beginning January 1, 1990, each month the Department shall
22 pay into the State and Local Sales Tax Reform Fund, a special
23 fund in the State Treasury, 20% of the net revenue realized for
24 the preceding month from the 6.25% (or 5.25%, as applicable)
25 general rate on the selling price of tangible personal
26 property, other than tangible personal property which is

1 purchased outside Illinois at retail from a retailer and which
2 is titled or registered by an agency of this State's
3 government.

4 Beginning August 1, 2000, each month the Department shall
5 pay into the State and Local Sales Tax Reform Fund 100% of the
6 net revenue realized for the preceding month from the 1.25%
7 rate on the selling price of motor fuel and gasohol. Beginning
8 September 1, 2010, each month the Department shall pay into the
9 State and Local Sales Tax Reform Fund 100% of the net revenue
10 realized for the preceding month from the 1.25% rate on the
11 selling price of sales tax holiday items.

12 Beginning January 1, 1990, each month the Department shall
13 pay into the Local Government Tax Fund 16% of the net revenue
14 realized for the preceding month from the 6.25% (or 5.25%, as
15 applicable) general rate on the selling price of tangible
16 personal property which is purchased outside Illinois at retail
17 from a retailer and which is titled or registered by an agency
18 of this State's government.

19 Beginning October 1, 2009, each month the Department shall
20 pay into the Capital Projects Fund an amount that is equal to
21 an amount estimated by the Department to represent 80% of the
22 net revenue realized for the preceding month from the sale of
23 candy, grooming and hygiene products, and soft drinks that had
24 been taxed at a rate of 1% prior to September 1, 2009 but that
25 is now taxed at 6.25% or 5.25%.

26 Beginning July 1, 2011, each month the Department shall pay

1 into the Clean Air Act (CAA) Permit Fund 80% of the net revenue
2 realized for the preceding month from the 6.25% (or 5.25%, if
3 applicable) general rate on the selling price of sorbents used
4 in Illinois in the process of sorbent injection as used to
5 comply with the Environmental Protection Act or the federal
6 Clean Air Act, but the total payment into the Clean Air Act
7 (CAA) Permit Fund under this Act and the Retailers' Occupation
8 Tax Act shall not exceed \$2,000,000 in any fiscal year.

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
26	2010	139,000,000

1	2011	146,000,000
2	2012	153,000,000
3	2013	161,000,000
4	2014	170,000,000
5	2015	179,000,000
6	2016	189,000,000
7	2017	199,000,000
8	2018	210,000,000
9	2019	221,000,000
10	2020	233,000,000
11	2021	246,000,000
12	2022	260,000,000
13	2023	275,000,000
14	2024	275,000,000
15	2025	275,000,000
16	2026	279,000,000
17	2027	292,000,000
18	2028	307,000,000
19	2029	322,000,000
20	2030	338,000,000
21	2031	350,000,000
22	2032	350,000,000

23 and
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 2060.

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 (or 5.25%, if applicable) general rate on the selling price of
25 tangible personal 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 As soon as possible after the first day of each month, upon
20 certification of the Department of Revenue, the Comptroller
21 shall order transferred and the Treasurer shall transfer from
22 the General Revenue Fund to the Motor Fuel Tax Fund an amount
23 equal to 1.7% of 80% of the net revenue realized under this Act
24 for the second preceding month. Beginning April 1, 2000, this
25 transfer is no longer required and shall not be made.

26 Net revenue realized for a month shall be the revenue

1 collected by the State pursuant to this Act, less the amount
2 paid out during that month as refunds to taxpayers for
3 overpayment of liability.

4 For greater simplicity of administration, manufacturers,
5 importers and wholesalers whose products are sold at retail in
6 Illinois by numerous retailers, and who wish to do so, may
7 assume the responsibility for accounting and paying to the
8 Department all tax accruing under this Act with respect to such
9 sales, if the retailers who are affected do not make written
10 objection to the Department to this arrangement.

11 (Source: P.A. 96-34, eff. 7-13-09; 96-38, eff. 7-13-09; 96-898,
12 eff. 5-27-10; 96-1012, eff. 7-7-10; 97-95, eff. 7-12-11;
13 97-333, eff. 8-12-11.)

14 Section 15. The Service Use Tax Act is amended by changing
15 Sections 3-10 and 9 as follows:

16 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

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

23 Beginning on July 1, 2000 and through December 31, 2000,
24 with respect to motor fuel, as defined in Section 1.1 of the

1 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of
2 the Use Tax Act, the tax is imposed at the rate of 1.25%.

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

14 With respect to majority blended ethanol fuel, as defined
15 in the Use Tax Act, the tax imposed by this Act does not apply
16 to the selling price of property transferred as an incident to
17 the sale of service on or after July 1, 2003 and on or before
18 December 31, 2013 but applies to 100% of the selling price
19 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 selling price
23 of property transferred as an incident to the sale of service
24 on or after July 1, 2003 and on or before December 31, 2013 and
25 (ii) 100% of the proceeds of the selling price thereafter. If,
26 at any time, however, the tax under this Act on sales of

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

6 With respect to 100% biodiesel, as defined in the Use Tax
7 Act, and biodiesel blends, as defined in the Use Tax Act, with
8 more than 10% but no more than 99% biodiesel, the tax imposed
9 by this Act does not apply to the proceeds 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 but
12 applies to 100% of the selling price thereafter.

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

23 The tax shall be imposed at the rate of 1% on food prepared
24 for immediate consumption and transferred incident to a sale of
25 service subject to this Act or the Service Occupation Tax Act
26 by an entity licensed under the Hospital Licensing Act, the

1 Nursing Home Care Act, the ID/DD Community Care Act, the
2 Specialized Mental Health Rehabilitation Act, or the Child Care
3 Act of 1969. The tax shall also be imposed at the rate of 1% on
4 food for human consumption that is to be consumed off the
5 premises where it is sold (other than alcoholic beverages, soft
6 drinks, and food that has been prepared for immediate
7 consumption and is not otherwise included in this paragraph)
8 and prescription and nonprescription medicines, drugs, medical
9 appliances, modifications to a motor vehicle for the purpose of
10 rendering it usable by a disabled person, and insulin, urine
11 testing materials, syringes, and needles used by diabetics, for
12 human use. For the purposes of this Section, until September 1,
13 2009: the term "soft drinks" means any complete, finished,
14 ready-to-use, non-alcoholic drink, whether carbonated or not,
15 including but not limited to soda water, cola, fruit juice,
16 vegetable juice, carbonated water, and all other preparations
17 commonly known as soft drinks of whatever kind or description
18 that are contained in any closed or sealed bottle, can, carton,
19 or container, regardless of size; but "soft drinks" does not
20 include coffee, tea, non-carbonated water, infant formula,
21 milk or milk products as defined in the Grade A Pasteurized
22 Milk and Milk Products Act, or drinks containing 50% or more
23 natural fruit or vegetable juice.

24 Notwithstanding any other provisions of this Act,
25 beginning September 1, 2009, "soft drinks" means non-alcoholic
26 beverages that contain natural or artificial sweeteners. "Soft

1 drinks" do not include beverages that contain milk or milk
2 products, soy, rice or similar milk substitutes, or greater
3 than 50% of vegetable or fruit juice by volume.

4 Until August 1, 2009, and notwithstanding any other
5 provisions of this Act, "food for human consumption that is to
6 be consumed off the premises where it is sold" includes all
7 food sold through a vending machine, except soft drinks and
8 food products that are dispensed hot from a vending machine,
9 regardless of the location of the vending machine. Beginning
10 August 1, 2009, and notwithstanding any other provisions of
11 this Act, "food for human consumption that is to be consumed
12 off the premises where it is sold" includes all food sold
13 through a vending machine, except soft drinks, candy, and food
14 products that are dispensed hot from a vending machine,
15 regardless of the location of the vending machine.

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

25 Notwithstanding any other provisions of this Act,
26 beginning September 1, 2009, "nonprescription medicines and

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

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

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

16 With respect to items that are purchased from a business
17 that is certified as a small business under subsection (a) of
18 Section 2k of the Retailers' Occupation Tax Act, the tax is
19 imposed at the rate of 5.25%. Notwithstanding the provisions of
20 this paragraph, the 5.25% rate of tax does not apply to (i)
21 items that qualify for a 1% rate of tax under this Section,
22 (ii) alcoholic beverages, or (iii) cigarettes, as defined in
23 the Cigarette Tax Act, and those items shall continue to be
24 taxed as if they had been purchased from an entity other than a
25 small business.

26 With respect to items that are purchased by a business that

1 is enrolled in the Small Business Incentive Program established
2 under subsection (b) of Section 2k of the Retailers' Occupation
3 Tax Act, the tax is imposed at the rate of 5.25%.
4 Notwithstanding the provisions of this paragraph, the 5.25%
5 rate of tax does not apply to (i) items that qualify for a 1%
6 rate of tax under this Section, (ii) alcoholic beverages, or
7 (iii) cigarettes, as defined in the Cigarette Tax Act, and
8 those items shall continue to be taxed as if they had been
9 purchased by an entity other than a small business.

10 If the property that is acquired from a serviceman is
11 acquired outside Illinois and used outside Illinois before
12 being brought to Illinois for use here and is taxable under
13 this Act, the "selling price" on which the tax is computed
14 shall be reduced by an amount that represents a reasonable
15 allowance for depreciation for the period of prior out-of-state
16 use.

17 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-38,
18 eff. 7-13-09; 96-339, eff. 7-1-10; 96-1000, eff. 7-2-10; 97-38,
19 eff. 6-28-11; 97-227, eff. 1-1-12; revised 9-12-11.)

20 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

21 Sec. 9. Each serviceman required or authorized to collect
22 the tax herein imposed shall pay to the Department the amount
23 of such tax (except as otherwise provided) at the time when he
24 is required to file his return for the period during which such
25 tax was collected, less a discount of 2.1% prior to January 1,

1 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar
2 year, whichever is greater, which is allowed to reimburse the
3 serviceman for expenses incurred in collecting the tax, keeping
4 records, preparing and filing returns, remitting the tax and
5 supplying data to the Department on request. A serviceman need
6 not remit that part of any tax collected by him to the extent
7 that he is required to pay and does pay the tax imposed by the
8 Service Occupation Tax Act with respect to his sale of service
9 involving the incidental transfer by him of the same property.

10 Except as provided hereinafter in this Section, on or
11 before the twentieth day of each calendar month, such
12 serviceman shall file a return for the preceding calendar month
13 in accordance with reasonable Rules and Regulations to be
14 promulgated by the Department. Such return shall be filed on a
15 form prescribed by the Department and shall contain such
16 information as the Department may reasonably require.

17 The Department may require returns to be filed on a
18 quarterly basis. If so required, a return for each calendar
19 quarter shall be filed on or before the twentieth day of the
20 calendar month following the end of such calendar quarter. The
21 taxpayer shall also file a return with the Department for each
22 of the first two months of each calendar quarter, on or before
23 the twentieth day of the following calendar month, stating:

24 1. The name of the seller;

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

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

5 4. The amount of credit provided in Section 2d of this
6 Act;

7 5. The amount of tax due;

8 5-5. The signature of the taxpayer; and

9 6. Such other reasonable information as the Department
10 may require.

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

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

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

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

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

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

26 The Department shall adopt such rules as are necessary to

1 effectuate a program of electronic funds transfer and the
2 requirements of this Section.

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

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

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

23 Notwithstanding any other provision in this Act concerning
24 the time within which a serviceman may file his return, in the
25 case of any serviceman who ceases to engage in a kind of
26 business which makes him responsible for filing returns under

1 this Act, such serviceman shall file a final return under this
2 Act with the Department not more than 1 month after
3 discontinuing such business.

4 Where a serviceman collects the tax with respect to the
5 selling price of property which he sells and the purchaser
6 thereafter returns such property and the serviceman refunds the
7 selling price thereof to the purchaser, such serviceman shall
8 also refund, to the purchaser, the tax so collected from the
9 purchaser. When filing his return for the period in which he
10 refunds such tax to the purchaser, the serviceman may deduct
11 the amount of the tax so refunded by him to the purchaser from
12 any other Service Use Tax, Service Occupation Tax, retailers'
13 occupation tax or use tax which such serviceman may be required
14 to pay or remit to the Department, as shown by such return,
15 provided that the amount of the tax to be deducted shall
16 previously have been remitted to the Department by such
17 serviceman. If the serviceman shall not previously have
18 remitted the amount of such tax to the Department, he shall be
19 entitled to no deduction hereunder upon refunding such tax to
20 the purchaser.

21 Any serviceman filing a return hereunder shall also include
22 the total tax upon the selling price of tangible personal
23 property purchased for use by him as an incident to a sale of
24 service, and such serviceman shall remit the amount of such tax
25 to the Department when filing such return.

26 If experience indicates such action to be practicable, the

1 Department may prescribe and furnish a combination or joint
2 return which will enable servicemen, who are required to file
3 returns hereunder and also under the Service Occupation Tax
4 Act, to furnish all the return information required by both
5 Acts on the one form.

6 Where the serviceman has more than one business registered
7 with the Department under separate registration hereunder,
8 such serviceman shall not file each return that is due as a
9 single return covering all such registered businesses, but
10 shall file separate returns for each such registered business.

11 Beginning January 1, 1990, each month the Department shall
12 pay into the State and Local Tax Reform Fund, a special fund in
13 the State Treasury, the net revenue realized for the preceding
14 month from the 1% tax on sales of food for human consumption
15 which is to be consumed off the premises where it is sold
16 (other than alcoholic beverages, soft drinks and food which has
17 been prepared for immediate consumption) and prescription and
18 nonprescription medicines, drugs, medical appliances and
19 insulin, urine testing materials, syringes and needles used by
20 diabetics.

21 Beginning January 1, 1990, each month the Department shall
22 pay into the State and Local Sales Tax Reform Fund 20% of the
23 net revenue realized for the preceding month from the 6.25% (or
24 5.25%, if applicable) general rate on transfers of tangible
25 personal property, other than tangible personal property which
26 is purchased outside Illinois at retail from a retailer and

1 which is titled or registered by an agency of this State's
2 government.

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

7 Beginning October 1, 2009, each month the Department shall
8 pay into the Capital Projects Fund an amount that is equal to
9 an amount estimated by the Department to represent 80% of the
10 net revenue realized for the preceding month from the sale of
11 candy, grooming and hygiene products, and soft drinks that had
12 been taxed at a rate of 1% prior to September 1, 2009 but that
13 is now taxed at 6.25% or 5.25%.

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

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

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

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

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

1	2005	108,000,000
2	2006	113,000,000
3	2007	119,000,000
4	2008	126,000,000
5	2009	132,000,000
6	2010	139,000,000
7	2011	146,000,000
8	2012	153,000,000
9	2013	161,000,000
10	2014	170,000,000
11	2015	179,000,000
12	2016	189,000,000
13	2017	199,000,000
14	2018	210,000,000
15	2019	221,000,000
16	2020	233,000,000
17	2021	246,000,000
18	2022	260,000,000
19	2023	275,000,000
20	2024	275,000,000
21	2025	275,000,000
22	2026	279,000,000
23	2027	292,000,000
24	2028	307,000,000
25	2029	322,000,000
26	2030	338,000,000

1 2031 350,000,000

2 2032 350,000,000

3 and

4 each fiscal year

5 thereafter that bonds

6 are outstanding under

7 Section 13.2 of the

8 Metropolitan Pier and

9 Exposition Authority Act,

10 but not after fiscal year 2060.

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

24 Subject to payment of amounts into the Build Illinois Fund
25 and the McCormick Place Expansion Project Fund pursuant to the
26 preceding paragraphs or in any amendments thereto hereafter

1 enacted, beginning July 1, 1993, the Department shall each
2 month pay into the Illinois Tax Increment Fund 0.27% of 80% of
3 the net revenue realized for the preceding month from the 6.25%
4 (or 5.25%, if applicable) general rate on the selling price of
5 tangible personal property.

6 Subject to payment of amounts into the Build Illinois Fund
7 and the McCormick Place Expansion Project Fund pursuant to the
8 preceding paragraphs or in any amendments thereto hereafter
9 enacted, beginning with the receipt of the first report of
10 taxes paid by an eligible business and continuing for a 25-year
11 period, the Department shall each month pay into the Energy
12 Infrastructure Fund 80% of the net revenue realized from the
13 6.25% general rate on the selling price of Illinois-mined coal
14 that was sold to an eligible business. For purposes of this
15 paragraph, the term "eligible business" means a new electric
16 generating facility certified pursuant to Section 605-332 of
17 the Department of Commerce and Economic Opportunity Law of the
18 Civil Administrative Code of Illinois.

19 All remaining moneys received by the Department pursuant to
20 this Act shall be paid into the General Revenue Fund of the
21 State Treasury.

22 As soon as possible after the first day of each month, upon
23 certification of the Department of Revenue, the Comptroller
24 shall order transferred and the Treasurer shall transfer from
25 the General Revenue Fund to the Motor Fuel Tax Fund an amount
26 equal to 1.7% of 80% of the net revenue realized under this Act

1 for the second preceding month. Beginning April 1, 2000, this
2 transfer is no longer required and shall not be made.

3 Net revenue realized for a month shall be the revenue
4 collected by the State pursuant to this Act, less the amount
5 paid out during that month as refunds to taxpayers for
6 overpayment of liability.

7 (Source: P.A. 96-34, eff. 7-13-09; 96-38, eff. 7-13-09; 96-898,
8 eff. 5-27-10.)

9 Section 20. The Service Occupation Tax Act is amended by
10 changing Sections 3-10 and 9 as follows:

11 (35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

12 Sec. 3-10. Rate of tax. Unless otherwise provided in this
13 Section, the tax imposed by this Act is at the rate of 6.25% of
14 the "selling price", as defined in Section 2 of the Service Use
15 Tax Act, of the tangible personal property. For the purpose of
16 computing this tax, in no event shall the "selling price" be
17 less than the cost price to the serviceman of the tangible
18 personal property transferred. The selling price of each item
19 of tangible personal property transferred as an incident of a
20 sale of service may be shown as a distinct and separate item on
21 the serviceman's billing to the service customer. If the
22 selling price is not so shown, the selling price of the
23 tangible personal property is deemed to be 50% of the
24 serviceman's entire billing to the service customer. When,

1 however, a serviceman contracts to design, develop, and produce
2 special order machinery or equipment, the tax imposed by this
3 Act shall be based on the serviceman's cost price of the
4 tangible personal property transferred incident to the
5 completion of the contract.

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

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

21 With respect to majority blended ethanol fuel, as defined
22 in the Use Tax Act, the tax imposed by this Act does not apply
23 to 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
25 December 31, 2013 but applies to 100% of the selling price
26 thereafter.

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

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

21 At the election of any registered serviceman made for each
22 fiscal year, sales of service in which the aggregate annual
23 cost price of tangible personal property transferred as an
24 incident to the sales of service is less than 35%, or 75% in
25 the case of servicemen transferring prescription drugs or
26 servicemen engaged in graphic arts production, of the aggregate

1 annual total gross receipts from all sales of service, the tax
2 imposed by this Act shall be based on the serviceman's cost
3 price of the tangible personal property transferred incident to
4 the sale of those services.

5 The tax shall be imposed at the rate of 1% on food prepared
6 for immediate consumption and transferred incident to a sale of
7 service subject to this Act or the Service Occupation Tax Act
8 by an entity licensed under the Hospital Licensing Act, the
9 Nursing Home Care Act, the ID/DD Community Care Act, the
10 Specialized Mental Health Rehabilitation Act, or the Child Care
11 Act of 1969. The tax shall also be imposed at the rate of 1% on
12 food for human consumption that is to be consumed off the
13 premises where it is sold (other than alcoholic beverages, soft
14 drinks, and food that has been prepared for immediate
15 consumption and is not otherwise included in this paragraph)
16 and prescription and nonprescription medicines, drugs, medical
17 appliances, modifications to a motor vehicle for the purpose of
18 rendering it usable by a disabled person, and insulin, urine
19 testing materials, syringes, and needles used by diabetics, for
20 human use. For the purposes of this Section, until September 1,
21 2009: the term "soft drinks" means any complete, finished,
22 ready-to-use, non-alcoholic drink, whether carbonated or not,
23 including but not limited to soda water, cola, fruit juice,
24 vegetable juice, carbonated water, and all other preparations
25 commonly known as soft drinks of whatever kind or description
26 that are contained in any closed or sealed can, carton, or

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

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

12 Until August 1, 2009, and notwithstanding any other
13 provisions of this Act, "food for human consumption that is to
14 be consumed off the premises where it is sold" includes all
15 food sold through a vending machine, except soft drinks and
16 food products that are dispensed hot from a vending machine,
17 regardless of the location of the vending machine. Beginning
18 August 1, 2009, and notwithstanding any other provisions of
19 this Act, "food for human consumption that is to be consumed
20 off the premises where it is sold" includes all food sold
21 through a vending machine, except soft drinks, candy, and food
22 products that are dispensed hot from a vending machine,
23 regardless of the location of the vending machine.

24 Notwithstanding any other provisions of this Act,
25 beginning September 1, 2009, "food for human consumption that
26 is to be consumed off the premises where it is sold" does not

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

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

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

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

24 With respect to items that are purchased from a business
25 that is certified as a small business under subsection (a) of
26 Section 2k of the Retailers' Occupation Tax Act, the tax is

1 imposed at the rate of 5.25%. Notwithstanding the provisions of
2 this paragraph, the 5.25% rate of tax does not apply to (i)
3 items that qualify for a 1% rate of tax under this Section,
4 (ii) alcoholic beverages, or (iii) cigarettes, as defined in
5 the Cigarette Tax Act, and those items shall continue to be
6 taxed as if they had been purchased from an entity other than a
7 small business.

8 With respect to items that are purchased by a business that
9 is enrolled in the Small Business Incentive Program established
10 under subsection (b) of Section 2k of the Retailers' Occupation
11 Tax Act, the tax is imposed at the rate of 5.25%.
12 Notwithstanding the provisions of this paragraph, the 5.25%
13 rate of tax does not apply to (i) items that qualify for a 1%
14 rate of tax under this Section, (ii) alcoholic beverages, or
15 (iii) cigarettes, as defined in the Cigarette Tax Act, and
16 those items shall continue to be taxed as if they had been
17 purchased by an entity other than a small business.

18 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-38,
19 eff. 7-13-09; 96-339, eff. 7-1-10; 96-1000, eff. 7-2-10; 97-38,
20 eff. 6-28-11; 97-227, eff. 1-1-12; revised 9-12-11.)

21 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

22 Sec. 9. Each serviceman required or authorized to collect
23 the tax herein imposed shall pay to the Department the amount
24 of such tax at the time when he is required to file his return
25 for the period during which such tax was collectible, less a

1 discount of 2.1% prior to January 1, 1990, and 1.75% on and
2 after January 1, 1990, or \$5 per calendar year, whichever is
3 greater, which is allowed to reimburse the serviceman for
4 expenses incurred in collecting the tax, keeping records,
5 preparing and filing returns, remitting the tax and supplying
6 data to the Department on request.

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 serviceman, in collecting the tax may collect, for
12 each tax return period, only the tax applicable to the part of
13 the selling price actually received during such tax return
14 period.

15 Except as provided hereinafter in this Section, on or
16 before the twentieth day of each calendar month, such
17 serviceman shall file a return for the preceding calendar month
18 in accordance with reasonable rules and regulations to be
19 promulgated by the Department of Revenue. Such return shall be
20 filed on a form prescribed by the Department and shall contain
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 business as a serviceman in this State;

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

10 4. The amount of credit provided in Section 2d of this
11 Act;

12 5. The amount of tax due;

13 5-5. The signature of the taxpayer; and

14 6. Such other reasonable information as the Department
15 may require.

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

20 Prior to October 1, 2003, and on and after September 1,
21 2004 a serviceman may accept a Manufacturer's Purchase Credit
22 certification from a purchaser in satisfaction of Service Use
23 Tax as provided in Section 3-70 of the Service Use Tax Act if
24 the purchaser provides the appropriate documentation as
25 required by Section 3-70 of the Service Use Tax Act. A
26 Manufacturer's Purchase Credit certification, accepted prior

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

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

25 If the serviceman's average monthly tax liability to the
26 Department does not exceed \$50, the Department may authorize

1 his returns to be filed on an annual basis, with the return for
2 a given year being due by January 20 of the following year.

3 Such quarter annual and annual returns, as to form and
4 substance, shall be subject to the same requirements as monthly
5 returns.

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

13 Beginning October 1, 1993, a taxpayer who has an average
14 monthly tax liability of \$150,000 or more shall make all
15 payments required by rules of the Department by electronic
16 funds transfer. Beginning October 1, 1994, a taxpayer who has
17 an average monthly tax liability of \$100,000 or more shall make
18 all payments required by rules of the Department by electronic
19 funds transfer. Beginning October 1, 1995, a taxpayer who has
20 an average monthly tax liability of \$50,000 or more shall make
21 all payments required by rules of the Department by electronic
22 funds transfer. Beginning October 1, 2000, a taxpayer who has
23 an annual tax liability of \$200,000 or more shall make all
24 payments required by rules of the Department by electronic
25 funds transfer. The term "annual tax liability" shall be the
26 sum of the taxpayer's liabilities under this Act, and under all

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

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

17 Any taxpayer not required to make payments by electronic
18 funds transfer may make payments by electronic funds transfer
19 with the permission of the Department.

20 All taxpayers required to make payment by electronic funds
21 transfer and any taxpayers authorized to voluntarily make
22 payments by electronic funds transfer shall make those payments
23 in the manner authorized by the Department.

24 The Department shall adopt such rules as are necessary to
25 effectuate a program of electronic funds transfer and the
26 requirements of this Section.

1 Where a serviceman collects the tax with respect to the
2 selling price of tangible personal property which he sells and
3 the purchaser thereafter returns such tangible personal
4 property and the serviceman refunds the selling price thereof
5 to the purchaser, such serviceman shall also refund, to the
6 purchaser, the tax so collected from the purchaser. When filing
7 his return for the period in which he refunds such tax to the
8 purchaser, the serviceman may deduct the amount of the tax so
9 refunded by him to the purchaser from any other Service
10 Occupation Tax, Service Use Tax, Retailers' Occupation Tax or
11 Use Tax which such serviceman may be required to pay or remit
12 to the Department, as shown by such return, provided that the
13 amount of the tax to be deducted shall previously have been
14 remitted to the Department by such serviceman. If the
15 serviceman shall not previously have remitted the amount of
16 such tax to the Department, he shall be entitled to no
17 deduction hereunder upon refunding such tax to the purchaser.

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

25 Where the serviceman has more than one business registered
26 with the Department under separate registrations hereunder,

1 such serviceman shall file separate returns for each registered
2 business.

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

12 Beginning January 1, 1990, each month the Department shall
13 pay into the County and Mass Transit District Fund 4% of the
14 revenue realized for the preceding month from the 6.25% (or
15 5.25%, if applicable) general rate.

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

20 Beginning January 1, 1990, each month the Department shall
21 pay into the Local Government Tax Fund 16% of the revenue
22 realized for the preceding month from the 6.25% (or 5.25%, if
23 applicable) general rate on transfers of tangible personal
24 property.

25 Beginning August 1, 2000, each month the Department shall
26 pay into the Local Government Tax Fund 80% of the net revenue

1 realized for the preceding month from the 1.25% rate on the
2 selling price of motor fuel and gasohol.

3 Beginning October 1, 2009, each month the Department shall
4 pay into the Capital Projects Fund an amount that is equal to
5 an amount estimated by the Department to represent 80% of the
6 net revenue realized for the preceding month from the sale of
7 candy, grooming and hygiene products, and soft drinks that had
8 been taxed at a rate of 1% prior to September 1, 2009 but that
9 is now taxed at 6.25% or 5.25%.

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

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

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

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

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

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

1	2009	132,000,000
2	2010	139,000,000
3	2011	146,000,000
4	2012	153,000,000
5	2013	161,000,000
6	2014	170,000,000
7	2015	179,000,000
8	2016	189,000,000
9	2017	199,000,000
10	2018	210,000,000
11	2019	221,000,000
12	2020	233,000,000
13	2021	246,000,000
14	2022	260,000,000
15	2023	275,000,000
16	2024	275,000,000
17	2025	275,000,000
18	2026	279,000,000
19	2027	292,000,000
20	2028	307,000,000
21	2029	322,000,000
22	2030	338,000,000
23	2031	350,000,000
24	2032	350,000,000
25	and	
26	each fiscal year	

1 thereafter that bonds
2 are outstanding under
3 Section 13.2 of the
4 Metropolitan Pier and
5 Exposition Authority Act,
6 but not after fiscal year 2060.

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

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 July 1, 1993, the Department shall each
24 month pay into the Illinois Tax Increment Fund 0.27% of 80% of
25 the net revenue realized for the preceding month from the 6.25%
26 (or 5.25%, if applicable) general rate on the selling price of

1 tangible personal property.

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 with the receipt of the first report of
6 taxes paid by an eligible business and continuing for a 25-year
7 period, the Department shall each month pay into the Energy
8 Infrastructure Fund 80% of the net revenue realized from the
9 6.25% general rate on the selling price of Illinois-mined coal
10 that was sold to an eligible business. For purposes of this
11 paragraph, the term "eligible business" means a new electric
12 generating facility certified pursuant to Section 605-332 of
13 the Department of Commerce and Economic Opportunity Law of the
14 Civil Administrative Code of Illinois.

15 Remaining moneys received by the Department pursuant to
16 this Act shall be paid into the General Revenue Fund of the
17 State Treasury.

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

1 gross receipts reported to the Department of Revenue for the
2 same period, the taxpayer shall attach to his annual return a
3 schedule showing a reconciliation of the 2 amounts and the
4 reasons for the difference. The taxpayer's annual return to the
5 Department shall also disclose the cost of goods sold by the
6 taxpayer during the year covered by such return, opening and
7 closing inventories of such goods for such year, cost of goods
8 used from stock or taken from stock and given away by the
9 taxpayer during such year, pay roll information of the
10 taxpayer's business during such year and any additional
11 reasonable information which the Department deems would be
12 helpful in determining the accuracy of the monthly, quarterly
13 or annual returns filed by such taxpayer as hereinbefore
14 provided for in this Section.

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

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

25 (ii) On and after January 1, 1994, the taxpayer shall
26 be liable for a penalty as described in Section 3-4 of the

1 Uniform Penalty and Interest Act.

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

10 The foregoing portion of this Section concerning the filing
11 of an annual information return shall not apply to a serviceman
12 who is not required to file an income tax return with the
13 United States Government.

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

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

25 For greater simplicity of administration, it shall be
26 permissible for manufacturers, importers and wholesalers whose

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

7 (Source: P.A. 96-34, eff. 7-13-09; 96-38, eff. 7-13-09; 96-898,
8 eff. 5-27-10.)

9 Section 25. The Retailers' Occupation Tax Act is amended by
10 changing Sections 2-10 and 3 and by adding Section 2k as
11 follows:

12 (35 ILCS 120/2-10)

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

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

21 Beginning on August 6, 2010 through August 15, 2010, with
22 respect to sales tax holiday items as defined in Section 2-8 of
23 this Act, the tax is imposed at the rate of 1.25%.

24 Within 14 days after the effective date of this amendatory

1 Act of the 91st General Assembly, each retailer of motor fuel
2 and gasohol shall cause the following notice to be posted in a
3 prominently visible place on each retail dispensing device that
4 is used to dispense motor fuel or gasohol in the State of
5 Illinois: "As of July 1, 2000, the State of Illinois has
6 eliminated the State's share of sales tax on motor fuel and
7 gasohol through December 31, 2000. The price on this pump
8 should reflect the elimination of the tax." The notice shall be
9 printed in bold print on a sign that is no smaller than 4
10 inches by 8 inches. The sign shall be clearly visible to
11 customers. Any retailer who fails to post or maintain a
12 required sign through December 31, 2000 is guilty of a petty
13 offense for which the fine shall be \$500 per day per each
14 retail premises where a violation occurs.

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

25 With respect to majority blended ethanol fuel, as defined
26 in the Use Tax Act, the tax imposed by this Act does not apply

1 to the proceeds of sales made on or after July 1, 2003 and on or
2 before December 31, 2013 but applies to 100% of the proceeds of
3 sales made thereafter.

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

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

21 With respect to food for human consumption that is to be
22 consumed off the premises where it is sold (other than
23 alcoholic beverages, soft drinks, and food that has been
24 prepared for immediate consumption) 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, the tax is imposed at the rate of 1%. For the purposes of
4 this Section, until September 1, 2009: the term "soft drinks"
5 means any complete, finished, ready-to-use, non-alcoholic
6 drink, whether carbonated or not, including but not limited to
7 soda water, cola, fruit juice, vegetable juice, carbonated
8 water, and all other preparations commonly known as soft drinks
9 of whatever kind or description that are contained in any
10 closed or sealed bottle, can, carton, or container, regardless
11 of size; but "soft drinks" does not include coffee, tea,
12 non-carbonated water, infant formula, milk or milk products as
13 defined in the Grade A Pasteurized Milk and Milk Products Act,
14 or drinks containing 50% or more natural fruit or vegetable
15 juice.

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

22 Until August 1, 2009, and notwithstanding any other
23 provisions of this Act, "food for human consumption that is to
24 be consumed off the premises where it is sold" includes all
25 food sold through a vending machine, except soft drinks and
26 food products that are dispensed hot from a vending machine,

1 regardless of the location of the vending machine. Beginning
2 August 1, 2009, and notwithstanding any other provisions of
3 this Act, "food for human consumption that is to be consumed
4 off the premises where it is sold" includes all food sold
5 through a vending machine, except soft drinks, candy, and food
6 products that are dispensed hot from a vending machine,
7 regardless of the location of the vending machine.

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

17 Notwithstanding any other provisions of this Act,
18 beginning September 1, 2009, "nonprescription medicines and
19 drugs" does not include grooming and hygiene products. For
20 purposes of this Section, "grooming and hygiene products"
21 includes, but is not limited to, soaps and cleaning solutions,
22 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
23 lotions and screens, unless those products are available by
24 prescription only, regardless of whether the products meet the
25 definition of "over-the-counter-drugs". For the purposes of
26 this paragraph, "over-the-counter-drug" means a drug for human

1 use that contains a label that identifies the product as a drug
2 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"
3 label includes:

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

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

8 With respect to items that are purchased from a business
9 that is certified as a small business under subsection (a) of
10 Section 2k of this Act, the tax is imposed at the rate of
11 5.25%. Notwithstanding the provisions of this paragraph, the
12 5.25% rate of tax does not apply to (i) items that qualify for
13 a 1% rate of tax under this Section, (ii) alcoholic beverages,
14 or (iii) cigarettes, as defined in the Cigarette Tax Act, and
15 those items shall continue to be taxed as if they had been
16 purchased from an entity other than a small business.

17 With respect to items that are purchased by a business that
18 is enrolled in the Small Business Incentive Program established
19 under subsection (b) of Section 2k of this Act, the tax is
20 imposed at the rate of 5.25%. Notwithstanding the provisions of
21 this paragraph, the 5.25% rate of tax does not apply to (i)
22 items that qualify for a 1% rate of tax under this Section,
23 (ii) alcoholic beverages, or (iii) cigarettes, as defined in
24 the Cigarette Tax Act, and those items shall continue to be
25 taxed as if they had been purchased by an entity other than a
26 small business.

1 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-38,
2 eff. 7-13-09; 96-1000, eff. 7-2-10; 96-1012, eff. 7-7-10.)

3 (35 ILCS 120/2k new)

4 Sec. 2k. Certification of small businesses.

5 (a) The Department shall certify small businesses that
6 qualify for the 5.25% reduced rate of tax as provided in the
7 Use Tax Act, the Service Use Tax Act, the Service Occupation
8 Tax Act, and this Act. Certifications shall be made according
9 to criteria established by the Department by rule; however, no
10 business may be certified as a small business under this
11 Section if that business is ineligible to receive a small
12 business set aside under Section 45-45 of the Illinois
13 Procurement Code.

14 (b) In addition, the Department shall develop a small
15 business incentive program. Businesses that enroll in the small
16 business incentive program are eligible to purchase and use
17 tangible personal property at a reduced rate of tax as provided
18 in the Use Tax Act, the Service Use Tax Act, the Service
19 Occupation Tax Act, and this Act. The Department may, by rule,
20 establish eligibility criteria for the small business
21 incentive program; however, no business is eligible to
22 participate in the program if that business is ineligible to
23 receive a small business set aside under Section 45-45 of the
24 Illinois Procurement Code. Businesses that successfully enroll
25 in the small business incentive program established under this

1 subsection (b) shall pay an annual fee of \$250 to the
2 Department. Moneys collected from that fee shall be deposited
3 into the General Revenue Fund.

4 (35 ILCS 120/3) (from Ch. 120, par. 442)

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

10 1. The name of the seller;

11 2. His residence address and the address of his
12 principal place of business and the address of the
13 principal place of business (if that is a different
14 address) from which he engages in the business of selling
15 tangible personal property at retail in this State;

16 3. Total amount of receipts received by him during the
17 preceding calendar month or quarter, as the case may be,
18 from sales of tangible personal property, and from services
19 furnished, by him during such preceding calendar month or
20 quarter;

21 4. Total amount received by him during the preceding
22 calendar month or quarter on charge and time sales of
23 tangible personal property, and from services furnished,
24 by him prior to the month or quarter for which the return
25 is filed;

- 1 5. Deductions allowed by law;
- 2 6. Gross receipts which were received by him during the
- 3 preceding calendar month or quarter and upon the basis of
- 4 which the tax is imposed;
- 5 7. The amount of credit provided in Section 2d of this
- 6 Act;
- 7 8. The amount of tax due;
- 8 9. The signature of the taxpayer; and
- 9 10. Such other reasonable information as the
- 10 Department may require.

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

15 Each return shall be accompanied by the statement of
16 prepaid tax issued pursuant to Section 2e for which credit is
17 claimed.

18 Prior to October 1, 2003, and on and after September 1,
19 2004 a retailer may accept a Manufacturer's Purchase Credit
20 certification from a purchaser in satisfaction of Use Tax as
21 provided in Section 3-85 of the Use Tax Act if the purchaser
22 provides the appropriate documentation as required by Section
23 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit
24 certification, accepted by a retailer prior to October 1, 2003
25 and on and after September 1, 2004 as provided in Section 3-85
26 of the Use Tax Act, may be used by that retailer to satisfy

1 Retailers' Occupation Tax liability in the amount claimed in
2 the certification, not to exceed 6.25% of the receipts subject
3 to tax from a qualifying purchase. A Manufacturer's Purchase
4 Credit reported on any original or amended return filed under
5 this Act after October 20, 2003 for reporting periods prior to
6 September 1, 2004 shall be disallowed. Manufacturer's
7 Purchaser Credit reported on annual returns due on or after
8 January 1, 2005 will be disallowed for periods prior to
9 September 1, 2004. No Manufacturer's Purchase Credit may be
10 used after September 30, 2003 through August 31, 2004 to
11 satisfy any tax liability imposed under this Act, including any
12 audit liability.

13 The Department may require returns to be filed on a
14 quarterly basis. If so required, a return for each calendar
15 quarter shall be filed on or before the twentieth day of the
16 calendar month following the end of such calendar quarter. The
17 taxpayer shall also file a return with the Department for each
18 of the first two months of each calendar quarter, on or before
19 the twentieth day of the following calendar month, stating:

20 1. The name of the seller;

21 2. The address of the principal place of business from
22 which he engages in the business of selling tangible
23 personal property at retail in this State;

24 3. The total amount of taxable receipts received by him
25 during the preceding calendar month from sales of tangible
26 personal property by him during such preceding calendar

1 month, including receipts from charge and time sales, but
2 less all deductions allowed by law;

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

5 5. The amount of tax due; and

6 6. Such other reasonable information as the Department
7 may require.

8 Beginning on October 1, 2003, any person who is not a
9 licensed distributor, importing distributor, or manufacturer,
10 as defined in the Liquor Control Act of 1934, but is engaged in
11 the business of selling, at retail, alcoholic liquor shall file
12 a statement with the Department of Revenue, in a format and at
13 a time prescribed by the Department, showing the total amount
14 paid for alcoholic liquor purchased during the preceding month
15 and such other information as is reasonably required by the
16 Department. The Department may adopt rules to require that this
17 statement be filed in an electronic or telephonic format. Such
18 rules may provide for exceptions from the filing requirements
19 of this paragraph. For the purposes of this paragraph, the term
20 "alcoholic liquor" shall have the meaning prescribed in the
21 Liquor Control Act of 1934.

22 Beginning on October 1, 2003, every distributor, importing
23 distributor, and manufacturer of alcoholic liquor as defined in
24 the Liquor Control Act of 1934, shall file a statement with the
25 Department of Revenue, no later than the 10th day of the month
26 for the preceding month during which transactions occurred, by

1 electronic means, showing the total amount of gross receipts
2 from the sale of alcoholic liquor sold or distributed during
3 the preceding month to purchasers; identifying the purchaser to
4 whom it was sold or distributed; the purchaser's tax
5 registration number; and such other information reasonably
6 required by the Department. A distributor, importing
7 distributor, or manufacturer of alcoholic liquor must
8 personally deliver, mail, or provide by electronic means to
9 each retailer listed on the monthly statement a report
10 containing a cumulative total of that distributor's, importing
11 distributor's, or manufacturer's total sales of alcoholic
12 liquor to that retailer no later than the 10th day of the month
13 for the preceding month during which the transaction occurred.
14 The distributor, importing distributor, or manufacturer shall
15 notify the retailer as to the method by which the distributor,
16 importing distributor, or manufacturer will provide the sales
17 information. If the retailer is unable to receive the sales
18 information by electronic means, the distributor, importing
19 distributor, or manufacturer shall furnish the sales
20 information by personal delivery or by mail. For purposes of
21 this paragraph, the term "electronic means" includes, but is
22 not limited to, the use of a secure Internet website, e-mail,
23 or facsimile.

24 If a total amount of less than \$1 is payable, refundable or
25 creditable, such amount shall be disregarded if it is less than
26 50 cents and shall be increased to \$1 if it is 50 cents or more.

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

26 Before August 1 of each year beginning in 1993, the

1 Department shall notify all taxpayers required to make payments
2 by electronic funds transfer. All taxpayers required to make
3 payments by electronic funds transfer shall make those payments
4 for a minimum of one year beginning on October 1.

5 Any taxpayer not required to make payments by electronic
6 funds transfer may make payments by electronic funds transfer
7 with the permission of the Department.

8 All taxpayers required to make payment by electronic funds
9 transfer and any taxpayers authorized to voluntarily make
10 payments by electronic funds transfer shall make those payments
11 in the manner authorized by the Department.

12 The Department shall adopt such rules as are necessary to
13 effectuate a program of electronic funds transfer and the
14 requirements of this Section.

15 Any amount which is required to be shown or reported on any
16 return or other document under this Act shall, if such amount
17 is not a whole-dollar amount, be increased to the nearest
18 whole-dollar amount in any case where the fractional part of a
19 dollar is 50 cents or more, and decreased to the nearest
20 whole-dollar amount where the fractional part of a dollar is
21 less than 50 cents.

22 If the retailer is otherwise required to file a monthly
23 return and if the retailer's average monthly tax liability to
24 the Department does not exceed \$200, the Department may
25 authorize his returns to be filed on a quarter annual basis,
26 with the return for January, February and March of a given year

1 being due by April 20 of such year; with the return for April,
2 May and June of a given year being due by July 20 of such year;
3 with the return for July, August and September of a given year
4 being due by October 20 of such year, and with the return for
5 October, November and December of a given year being due by
6 January 20 of the following year.

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

13 Such quarter annual and annual returns, as to form and
14 substance, shall be subject to the same requirements as monthly
15 returns.

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

23 Where the same person has more than one business registered
24 with the Department under separate registrations under this
25 Act, such person may not file each return that is due as a
26 single return covering all such registered businesses, but

1 shall file separate returns for each such registered 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 retailer or trailer retailer for the
13 purpose of resale or (ii) a retailer of aircraft, watercraft,
14 motor 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 2-5 of this
17 Act, then that seller may report the transfer of all aircraft,
18 watercraft, motor vehicles or trailers involved in that
19 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 Any retailer who sells only motor vehicles, watercraft,
26 aircraft, or trailers that are required to be registered with

1 an agency of this State, so that all retailers' occupation tax
2 liability is required to be reported, and is reported, on such
3 transaction reporting returns and who is not otherwise required
4 to file monthly or quarterly returns, need not file monthly or
5 quarterly returns. However, those retailers shall be required
6 to file returns on an annual basis.

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

1 require.

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

18 Such transaction reporting return shall be filed not later
19 than 20 days after the day of delivery of the item that is
20 being sold, but may be filed by the retailer at any time sooner
21 than that if he chooses to do so. The transaction reporting
22 return and tax remittance or proof of exemption from the
23 Illinois use tax may be transmitted to the Department by way of
24 the State agency with which, or State officer with whom the
25 tangible personal property must be titled or registered (if
26 titling or registration is required) if the Department and such

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

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

17 No retailer's failure or refusal to remit tax under this
18 Act precludes a user, who has paid the proper tax to the
19 retailer, from obtaining his certificate of title or other
20 evidence of title or registration (if titling or registration
21 is required) upon satisfying the Department that such user has
22 paid the proper tax (if tax is due) to the retailer. The
23 Department shall adopt appropriate rules to carry out the
24 mandate of this paragraph.

25 If the user who would otherwise pay tax to the retailer
26 wants the transaction reporting return filed and the payment of

1 the tax or proof of exemption made to the Department before the
2 retailer is willing to take these actions and such user has not
3 paid the tax to the retailer, such user may certify to the fact
4 of such delay by the retailer and may (upon the Department
5 being satisfied of the truth of such certification) transmit
6 the information required by the transaction reporting return
7 and the remittance for tax or proof of exemption directly to
8 the Department and obtain his tax receipt or exemption
9 determination, in which event the transaction reporting return
10 and tax remittance (if a tax payment was required) shall be
11 credited by the Department to the proper retailer's account
12 with the Department, but without the 2.1% or 1.75% discount
13 provided for in this Section being allowed. When the user pays
14 the tax directly to the Department, he shall pay the tax in the
15 same amount and in the same form in which it would be remitted
16 if the tax had been remitted to the Department by the retailer.

17 Refunds made by the seller during the preceding return
18 period to purchasers, on account of tangible personal property
19 returned to the seller, shall be allowed as a deduction under
20 subdivision 5 of his monthly or quarterly return, as the case
21 may be, in case the seller had theretofore included the
22 receipts from the sale of such tangible personal property in a
23 return filed by him and had paid the tax imposed by this Act
24 with respect to such receipts.

25 Where the seller is a corporation, the return filed on
26 behalf of such corporation shall be signed by the president,

1 vice-president, secretary or treasurer or by the properly
2 accredited agent of such corporation.

3 Where the seller is a limited liability company, the return
4 filed on behalf of the limited liability company shall be
5 signed by a manager, member, or properly accredited agent of
6 the limited liability company.

7 Except as provided in this Section, the retailer filing the
8 return under this Section shall, at the time of filing such
9 return, pay to the Department the amount of tax imposed by this
10 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%
11 on and after January 1, 1990, or \$5 per calendar year,
12 whichever is greater, which is allowed to reimburse the
13 retailer for the expenses incurred in keeping records,
14 preparing and filing returns, remitting the tax and supplying
15 data to the Department on request. Any prepayment made pursuant
16 to Section 2d of this Act shall be included in the amount on
17 which such 2.1% or 1.75% discount is computed. In the case of
18 retailers who report and pay the tax on a transaction by
19 transaction basis, as provided in this Section, such discount
20 shall be taken with each such tax remittance instead of when
21 such retailer files his periodic return.

22 Before October 1, 2000, if the taxpayer's average monthly
23 tax liability to the Department under this Act, the Use Tax
24 Act, the Service Occupation Tax Act, and the Service Use Tax
25 Act, excluding any liability for prepaid sales tax to be
26 remitted in accordance with Section 2d of this Act, was \$10,000

1 or more during the preceding 4 complete calendar quarters, he
2 shall file a return with the Department each month by the 20th
3 day of the month next following the month during which such tax
4 liability is incurred and shall make payments to the Department
5 on or before the 7th, 15th, 22nd and last day of the month
6 during which such liability is incurred. On and after October
7 1, 2000, if the taxpayer's average monthly tax liability to the
8 Department under this Act, the Use Tax Act, the Service
9 Occupation Tax Act, and the Service Use Tax Act, excluding any
10 liability for prepaid sales tax to be remitted in accordance
11 with Section 2d of this Act, was \$20,000 or more during the
12 preceding 4 complete calendar quarters, he shall file a return
13 with the Department each month by the 20th day of the month
14 next following the month during which such tax liability is
15 incurred and shall make payment to the Department on or before
16 the 7th, 15th, 22nd and last day of the month during which such
17 liability is incurred. If the month during which such tax
18 liability is incurred began prior to January 1, 1985, each
19 payment shall be in an amount equal to 1/4 of the taxpayer's
20 actual liability for the month or an amount set by the
21 Department not to exceed 1/4 of the average monthly liability
22 of the taxpayer to the Department for the preceding 4 complete
23 calendar quarters (excluding the month of highest liability and
24 the month of lowest liability in such 4 quarter period). If the
25 month during which such tax liability is incurred begins on or
26 after January 1, 1985 and prior to January 1, 1987, each

1 payment shall be in an amount equal to 22.5% of the taxpayer's
2 actual liability for the month or 27.5% of the taxpayer's
3 liability for the same calendar month of the preceding year. If
4 the month during which such tax liability is incurred begins on
5 or after January 1, 1987 and prior to January 1, 1988, each
6 payment shall be in an amount equal to 22.5% of the taxpayer's
7 actual liability for the month or 26.25% of the taxpayer's
8 liability for the same calendar month of the preceding year. If
9 the month during which such tax liability is incurred begins on
10 or after January 1, 1988, and prior to January 1, 1989, or
11 begins on or after January 1, 1996, each payment shall be in an
12 amount equal to 22.5% of the taxpayer's actual liability for
13 the month or 25% of the taxpayer's liability for the same
14 calendar month of the preceding year. If the month during which
15 such tax liability is incurred begins on or after January 1,
16 1989, and prior to January 1, 1996, each payment shall be in an
17 amount equal to 22.5% of the taxpayer's actual liability for
18 the month or 25% of the taxpayer's liability for the same
19 calendar month of the preceding year or 100% of the taxpayer's
20 actual liability for the quarter monthly reporting period. The
21 amount of such quarter monthly payments shall be credited
22 against the final tax liability of the taxpayer's return for
23 that month. Before October 1, 2000, once applicable, the
24 requirement of the making of quarter monthly payments to the
25 Department by taxpayers having an average monthly tax liability
26 of \$10,000 or more as determined in the manner provided above

1 shall continue until such taxpayer's average monthly liability
2 to the Department during the preceding 4 complete calendar
3 quarters (excluding the month of highest liability and the
4 month of lowest liability) is less than \$9,000, or until such
5 taxpayer's average monthly liability to the Department as
6 computed for each calendar quarter of the 4 preceding complete
7 calendar quarter period is less than \$10,000. However, if a
8 taxpayer can show the Department that a substantial change in
9 the taxpayer's business has occurred which causes the taxpayer
10 to anticipate that his average monthly tax liability for the
11 reasonably foreseeable future will fall below the \$10,000
12 threshold stated above, then such taxpayer may petition the
13 Department for a change in such taxpayer's reporting status. On
14 and after October 1, 2000, once applicable, the requirement of
15 the making of quarter monthly payments to the Department by
16 taxpayers having an average monthly tax liability of \$20,000 or
17 more as determined in the manner provided above shall continue
18 until such taxpayer's average monthly liability to the
19 Department during the preceding 4 complete calendar quarters
20 (excluding the month of highest liability and the month of
21 lowest liability) is less than \$19,000 or until such taxpayer's
22 average monthly liability to the Department as computed for
23 each calendar quarter of the 4 preceding complete calendar
24 quarter period is less than \$20,000. However, if a taxpayer can
25 show the Department that a substantial change in the taxpayer's
26 business has occurred which causes the taxpayer to anticipate

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

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

1 Department on or before the 7th, 15th, 22nd and last day of the
2 month during which such liability is incurred. If the month
3 during which such tax liability is incurred began prior to the
4 effective date of this amendatory Act of 1985, each payment
5 shall be in an amount not less than 22.5% of the taxpayer's
6 actual liability under Section 2d. If the month during which
7 such tax liability is incurred begins on or after January 1,
8 1986, each payment shall be in an amount equal to 22.5% of the
9 taxpayer's actual liability for the month or 27.5% of the
10 taxpayer's liability for the same calendar month of the
11 preceding calendar year. If the month during which such tax
12 liability is incurred begins on or after January 1, 1987, each
13 payment shall be in an amount equal to 22.5% of the taxpayer's
14 actual liability for the month or 26.25% of the taxpayer's
15 liability for the same calendar month of the preceding year.
16 The amount of such quarter monthly payments shall be credited
17 against the final tax liability of the taxpayer's return for
18 that month filed under this Section or Section 2f, as the case
19 may be. Once applicable, the requirement of the making of
20 quarter monthly payments to the Department pursuant to this
21 paragraph shall continue until such taxpayer's average monthly
22 prepaid tax collections during the preceding 2 complete
23 calendar quarters is \$25,000 or less. If any such quarter
24 monthly payment is not paid at the time or in the amount
25 required, the taxpayer shall be liable for penalties and
26 interest on such difference, except insofar as the taxpayer has

1 previously made payments for that month in excess of the
2 minimum payments previously due.

3 The provisions of this paragraph apply on and after October
4 1, 2001. Without regard to whether a taxpayer is required to
5 make quarter monthly payments as specified above, any taxpayer
6 who is required by Section 2d of this Act to collect and remit
7 prepaid taxes and has collected prepaid taxes that average in
8 excess of \$20,000 per month during the preceding 4 complete
9 calendar quarters shall file a return with the Department as
10 required by Section 2f and shall make payments to the
11 Department on or before the 7th, 15th, 22nd and last day of the
12 month during which the liability is incurred. Each payment
13 shall be in an amount equal to 22.5% of the taxpayer's actual
14 liability for the month or 25% of the taxpayer's liability for
15 the same calendar month of the preceding year. The amount of
16 the quarter monthly payments shall be credited against the
17 final tax liability of the taxpayer's return for that month
18 filed under this Section or Section 2f, as the case may be.
19 Once applicable, the requirement of the making of quarter
20 monthly payments to the Department pursuant to this paragraph
21 shall continue until the taxpayer's average monthly prepaid tax
22 collections during the preceding 4 complete calendar quarters
23 (excluding the month of highest liability and the month of
24 lowest liability) is less than \$19,000 or until such taxpayer's
25 average monthly liability to the Department as computed for
26 each calendar quarter of the 4 preceding complete calendar

1 quarters is less than \$20,000. If any such quarter monthly
2 payment is not paid at the time or in the amount required, the
3 taxpayer shall be liable for penalties and interest on such
4 difference, except insofar as the taxpayer has previously made
5 payments for that month in excess of the minimum payments
6 previously due.

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

1 due, and that taxpayer shall be liable for penalties and
2 interest on such difference.

3 If a retailer of motor fuel is entitled to a credit under
4 Section 2d of this Act which exceeds the taxpayer's liability
5 to the Department under this Act for the month which the
6 taxpayer is filing a return, the Department shall issue the
7 taxpayer a credit memorandum for the excess.

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

18 Beginning January 1, 1990, each month the Department shall
19 pay into the County and Mass Transit District Fund, a special
20 fund in the State treasury which is hereby created, 4% of the
21 net revenue realized for the preceding month from the 6.25% (or
22 5.25%, if applicable) general rate.

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

1 September 1, 2010, each month the Department shall pay into the
2 County and Mass Transit District Fund 20% of the net revenue
3 realized for the preceding month from the 1.25% rate on the
4 selling price of sales tax holiday items.

5 Beginning January 1, 1990, each month the Department shall
6 pay into the Local Government Tax Fund 16% of the net revenue
7 realized for the preceding month from the 6.25% (or 5.25%, if
8 applicable) general rate on the selling price of tangible
9 personal property.

10 Beginning August 1, 2000, each month the Department shall
11 pay into the Local Government Tax Fund 80% of the net revenue
12 realized for the preceding month from the 1.25% rate on the
13 selling price of motor fuel and gasohol. Beginning September 1,
14 2010, each month the Department shall pay into the Local
15 Government Tax Fund 80% of the net revenue realized for the
16 preceding month from the 1.25% rate on the selling price of
17 sales tax holiday items.

18 Beginning October 1, 2009, each month the Department shall
19 pay into the Capital Projects Fund an amount that is equal to
20 an amount estimated by the Department to represent 80% of the
21 net revenue realized for the preceding month from the sale of
22 candy, grooming and hygiene products, and soft drinks that had
23 been taxed at a rate of 1% prior to September 1, 2009 but that
24 is now taxed at 6.25% or 5.25%.

25 Beginning July 1, 2011, each month the Department shall pay
26 into the Clean Air Act (CAA) Permit Fund 80% of the net revenue

1 realized for the preceding month from the 6.25% (or 5.25%, if
2 applicable) general rate on the selling price of sorbents used
3 in Illinois in the process of sorbent injection as used to
4 comply with the Environmental Protection Act or the federal
5 Clean Air Act, but the total payment into the Clean Air Act
6 (CAA) Permit Fund under this Act and the Use Tax Act shall not
7 exceed \$2,000,000 in any fiscal year.

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

1 fiscal years 1986 through 1993:

2	Fiscal Year	Annual Specified Amount
3	1986	\$54,800,000
4	1987	\$76,650,000
5	1988	\$80,480,000
6	1989	\$88,510,000
7	1990	\$115,330,000
8	1991	\$145,470,000
9	1992	\$182,730,000
10	1993	\$206,520,000;

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

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

1 clause (b) of the first sentence of this paragraph and shall
 2 reduce the amount otherwise payable for such fiscal year
 3 pursuant to that clause (b). The moneys received by the
 4 Department pursuant to this Act and required to be deposited
 5 into the Build Illinois Fund are subject to the pledge, claim
 6 and charge set forth in Section 12 of the Build Illinois Bond
 7 Act.

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

	Fiscal Year	Total Deposit
21	1993	\$0
22	1994	53,000,000
23	1995	58,000,000
24	1996	61,000,000
25	1997	64,000,000

1	1998	68,000,000
2	1999	71,000,000
3	2000	75,000,000
4	2001	80,000,000
5	2002	93,000,000
6	2003	99,000,000
7	2004	103,000,000
8	2005	108,000,000
9	2006	113,000,000
10	2007	119,000,000
11	2008	126,000,000
12	2009	132,000,000
13	2010	139,000,000
14	2011	146,000,000
15	2012	153,000,000
16	2013	161,000,000
17	2014	170,000,000
18	2015	179,000,000
19	2016	189,000,000
20	2017	199,000,000
21	2018	210,000,000
22	2019	221,000,000
23	2020	233,000,000
24	2021	246,000,000
25	2022	260,000,000
26	2023	275,000,000

1	2024	275,000,000
2	2025	275,000,000
3	2026	279,000,000
4	2027	292,000,000
5	2028	307,000,000
6	2029	322,000,000
7	2030	338,000,000
8	2031	350,000,000
9	2032	350,000,000

10 and

11 each fiscal year

12 thereafter that bonds

13 are outstanding under

14 Section 13.2 of the

15 Metropolitan Pier and

16 Exposition Authority Act,

17 but not after fiscal year 2060.

18 Beginning July 20, 1993 and in each month of each fiscal
19 year thereafter, one-eighth of the amount requested in the
20 certificate of the Chairman of the Metropolitan Pier and
21 Exposition Authority for that fiscal year, less the amount
22 deposited into the McCormick Place Expansion Project Fund by
23 the State Treasurer in the respective month under subsection
24 (g) of Section 13 of the Metropolitan Pier and Exposition
25 Authority Act, plus cumulative deficiencies in the deposits
26 required under this Section for previous months and years,

1 shall be deposited into the McCormick Place Expansion Project
2 Fund, until the full amount requested for the fiscal year, but
3 not in excess of the amount specified above as "Total Deposit",
4 has been deposited.

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

13 Subject to payment of amounts into the Build Illinois Fund
14 and the McCormick Place Expansion Project Fund pursuant to the
15 preceding paragraphs or in any amendments thereto hereafter
16 enacted, beginning with the receipt of the first report of
17 taxes paid by an eligible business and continuing for a 25-year
18 period, the Department shall each month pay into the Energy
19 Infrastructure Fund 80% of the net revenue realized from the
20 6.25% (or 5.25%, if applicable) general rate on the selling
21 price of Illinois-mined coal that was sold to an eligible
22 business. For purposes of this paragraph, the term "eligible
23 business" means a new electric generating facility certified
24 pursuant to Section 605-332 of the Department of Commerce and
25 Economic Opportunity Law of the Civil Administrative Code of
26 Illinois.

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

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

1 helpful in determining the accuracy of the monthly, quarterly
2 or annual returns filed by such retailer as provided for in
3 this Section.

4 If the annual information return required by this Section
5 is not filed when and as required, the taxpayer shall be liable
6 as follows:

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

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

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

25 The provisions of this Section concerning the filing of an
26 annual information return do not apply to a retailer who is not

1 required to file an income tax return with the United States
2 Government.

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

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

14 For greater simplicity of administration, manufacturers,
15 importers and wholesalers whose products are sold at retail in
16 Illinois by numerous retailers, and who wish to do so, may
17 assume the responsibility for accounting and paying to the
18 Department all tax accruing under this Act with respect to such
19 sales, if the retailers who are affected do not make written
20 objection to the Department to this arrangement.

21 Any person who promotes, organizes, provides retail
22 selling space for concessionaires or other types of sellers at
23 the Illinois State Fair, DuQuoin State Fair, county fairs,
24 local fairs, art shows, flea markets and similar exhibitions or
25 events, including any transient merchant as defined by Section
26 2 of the Transient Merchant Act of 1987, is required to file a

1 report with the Department providing the name of the merchant's
2 business, the name of the person or persons engaged in
3 merchant's business, the permanent address and Illinois
4 Retailers Occupation Tax Registration Number of the merchant,
5 the dates and location of the event and other reasonable
6 information that the Department may require. The report must be
7 filed not later than the 20th day of the month next following
8 the month during which the event with retail sales was held.
9 Any person who fails to file a report required by this Section
10 commits a business offense and is subject to a fine not to
11 exceed \$250.

12 Any person engaged in the business of selling tangible
13 personal property at retail as a concessionaire or other type
14 of seller at the Illinois State Fair, county fairs, art shows,
15 flea markets and similar exhibitions or events, or any
16 transient merchants, as defined by Section 2 of the Transient
17 Merchant Act of 1987, may be required to make a daily report of
18 the amount of such sales to the Department and to make a daily
19 payment of the full amount of tax due. The Department shall
20 impose this requirement when it finds that there is a
21 significant risk of loss of revenue to the State at such an
22 exhibition or event. Such a finding shall be based on evidence
23 that a substantial number of concessionaires or other sellers
24 who are not residents of Illinois will be engaging in the
25 business of selling tangible personal property at retail at the
26 exhibition or event, or other evidence of a significant risk of

1 loss of revenue to the State. The Department shall notify
2 concessionaires and other sellers affected by the imposition of
3 this requirement. In the absence of notification by the
4 Department, the concessionaires and other sellers shall file
5 their returns as otherwise required in this Section.

6 (Source: P.A. 96-34, eff. 7-13-09; 96-38, eff. 7-13-09; 96-898,
7 eff. 5-27-10; 96-1012, eff. 7-7-10; 97-95, eff. 7-12-11;
8 97-333, eff. 8-12-11.)

9 Section 99. Effective date. This Act takes effect January
10 1, 2013.