

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 3. The Use Tax Act is amended by changing Section 2
5 as follows:

6 (35 ILCS 105/2) (from Ch. 120, par. 439.2)

7 Sec. 2. "Use" means the exercise by any person of any right
8 or power over tangible personal property incident to the
9 ownership of that property, except that it does not include the
10 sale of such property in any form as tangible personal property
11 in the regular course of business to the extent that such
12 property is not first subjected to a use for which it was
13 purchased, and does not include the use of such property by its
14 owner for demonstration purposes: Provided that the property
15 purchased is deemed to be purchased for the purpose of resale,
16 despite first being used, to the extent to which it is resold
17 as an ingredient of an intentionally produced product or
18 by-product of manufacturing. "Use" does not mean the
19 demonstration use or interim use of tangible personal property
20 by a retailer before he sells that tangible personal property.
21 For watercraft or aircraft, if the period of demonstration use
22 or interim use by the retailer exceeds 18 months, the retailer
23 shall pay on the retailers' original cost price the tax imposed

1 by this Act, and no credit for that tax is permitted if the
2 watercraft or aircraft is subsequently sold by the retailer.

3 "Use" does not mean the physical incorporation of tangible
4 personal property, to the extent not first subjected to a use
5 for which it was purchased, as an ingredient or constituent,
6 into other tangible personal property (a) which is sold in the
7 regular course of business or (b) which the person
8 incorporating such ingredient or constituent therein has
9 undertaken at the time of such purchase to cause to be
10 transported in interstate commerce to destinations outside the
11 State of Illinois: Provided that the property purchased is
12 deemed to be purchased for the purpose of resale, despite first
13 being used, to the extent to which it is resold as an
14 ingredient of an intentionally produced product or by-product
15 of manufacturing.

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

20 "Purchase at retail" means the acquisition of the ownership
21 of or title to tangible personal property through a sale at
22 retail.

23 "Purchaser" means anyone who, through a sale at retail,
24 acquires the ownership of tangible personal property for a
25 valuable consideration.

26 "Sale at retail" means any transfer of the ownership of or

1 title to tangible personal property to a purchaser, for the
2 purpose of use, and not for the purpose of resale in any form
3 as tangible personal property to the extent not first subjected
4 to a use for which it was purchased, for a valuable
5 consideration: Provided that the property purchased is deemed
6 to be purchased for the purpose of resale, despite first being
7 used, to the extent to which it is resold as an ingredient of
8 an intentionally produced product or by-product of
9 manufacturing. For this purpose, slag produced as an incident
10 to manufacturing pig iron or steel and sold is considered to be
11 an intentionally produced by-product of manufacturing. "Sale
12 at retail" includes any such transfer made for resale unless
13 made in compliance with Section 2c of the Retailers' Occupation
14 Tax Act, as incorporated by reference into Section 12 of this
15 Act. Transactions whereby the possession of the property is
16 transferred but the seller retains the title as security for
17 payment of the selling price are sales.

18 "Sale at retail" shall also be construed to include any
19 Illinois florist's sales transaction in which the purchase
20 order is received in Illinois by a florist and the sale is for
21 use or consumption, but the Illinois florist has a florist in
22 another state deliver the property to the purchaser or the
23 purchaser's donee in such other state.

24 Nonreusable tangible personal property that is used by
25 persons engaged in the business of operating a restaurant,
26 cafeteria, or drive-in is a sale for resale when it is

1 transferred to customers in the ordinary course of business as
2 part of the sale of food or beverages and is used to deliver,
3 package, or consume food or beverages, regardless of where
4 consumption of the food or beverages occurs. Examples of those
5 items include, but are not limited to nonreusable, paper and
6 plastic cups, plates, baskets, boxes, sleeves, buckets or other
7 containers, utensils, straws, placemats, napkins, doggie bags,
8 and wrapping or packaging materials that are transferred to
9 customers as part of the sale of food or beverages in the
10 ordinary course of business.

11 The purchase, employment and transfer of such tangible
12 personal property as newsprint and ink for the primary purpose
13 of conveying news (with or without other information) is not a
14 purchase, use or sale of tangible personal property.

15 "Selling price" means the consideration for a sale valued
16 in money whether received in money or otherwise, including
17 cash, credits, property other than as hereinafter provided, and
18 services, but not including the value of or credit given for
19 traded-in tangible personal property where the item that is
20 traded-in is of like kind and character as that which is being
21 sold, and shall be determined without any deduction on account
22 of the cost of the property sold, the cost of materials used,
23 labor or service cost or any other expense whatsoever, but does
24 not include interest or finance charges which appear as
25 separate items on the bill of sale or sales contract nor
26 charges that are added to prices by sellers on account of the

1 seller's tax liability under the "Retailers' Occupation Tax
2 Act", or on account of the seller's duty to collect, from the
3 purchaser, the tax that is imposed by this Act, or, except as
4 otherwise provided with respect to any cigarette tax imposed by
5 a home rule unit, on account of the seller's tax liability
6 under any local occupation tax administered by the Department,
7 or, except as otherwise provided with respect to any cigarette
8 tax imposed by a home rule unit on account of the seller's duty
9 to collect, from the purchasers, the tax that is imposed under
10 any local use tax administered by the Department. Effective
11 December 1, 1985, "selling price" shall include charges that
12 are added to prices by sellers on account of the seller's tax
13 liability under the Cigarette Tax Act, on account of the
14 seller's duty to collect, from the purchaser, the tax imposed
15 under the Cigarette Use Tax Act, and on account of the seller's
16 duty to collect, from the purchaser, any cigarette tax imposed
17 by a home rule unit.

18 Notwithstanding any law to the contrary, for any motor
19 vehicle, as defined in Section 1-146 of the Vehicle Code, that
20 is sold on or after July 1, 2014 for the purpose of leasing the
21 vehicle for a defined period that is longer than one year and
22 (1) is a motor vehicle of the second division that: (A) is a
23 self-contained motor vehicle designed or permanently converted
24 to provide living quarters for recreational, camping, or travel
25 use, with direct walk through access to the living quarters
26 from the driver's seat; (B) is of the van configuration

1 designed for the transportation of not less than 7 nor more
2 than 16 passengers; or (C) has a gross vehicle weight rating of
3 8,000 pounds or less or (2) is a motor vehicle of the first
4 division, "selling price" or "amount of sale" means the
5 consideration received by the lessor pursuant to the lease
6 contract, including amounts due at lease signing and all
7 monthly or other regular payments charged over the term of the
8 lease. Also included in the selling price is any amount
9 received by the lessor from the lessee for the leased vehicle
10 that is not calculated at the time the lease is executed,
11 including, but not limited to, excess mileage charges and
12 charges for excess wear and tear. For sales that occur in
13 Illinois, with respect to any amount received by the lessor
14 from the lessee for the leased vehicle that is not calculated
15 at the time the lease is executed, the lessor who purchased the
16 motor vehicle does not incur the tax imposed by the Use Tax Act
17 on those amounts, and the retailer who makes the retail sale of
18 the motor vehicle to the lessor is not required to collect the
19 tax imposed by this Act or to pay the tax imposed by the
20 Retailers' Occupation Tax Act on those amounts. However, the
21 lessor who purchased the motor vehicle assumes the liability
22 for reporting and paying the tax on those amounts directly to
23 the Department in the same form (Illinois Retailers' Occupation
24 Tax, and local retailers' occupation taxes, if applicable) in
25 which the retailer would have reported and paid such tax if the
26 retailer had accounted for the tax to the Department. For

1 amounts received by the lessor from the lessee that are not
2 calculated at the time the lease is executed, the lessor must
3 file the return and pay the tax to the Department by the due
4 date otherwise required by this Act for returns other than
5 transaction returns. If the retailer is entitled under this Act
6 to a discount for collecting and remitting the tax imposed
7 under this Act to the Department with respect to the sale of
8 the motor vehicle to the lessor, then the right to the discount
9 provided in this Act shall be transferred to the lessor with
10 respect to the tax paid by the lessor for any amount received
11 by the lessor from the lessee for the leased vehicle that is
12 not calculated at the time the lease is executed; provided that
13 the discount is only allowed if the return is timely filed and
14 for amounts timely paid. The "selling price" of a motor vehicle
15 that is sold on or after July 1, 2014 for the purpose of
16 leasing for a defined period of longer than one year shall not
17 be reduced by the value of or credit given for traded-in
18 tangible personal property owned by the lessor, nor shall it be
19 reduced by the value of or credit given for traded-in tangible
20 personal property owned by the lessee, regardless of whether
21 the trade-in value thereof is assigned by the lessee to the
22 lessor. In the case of a motor vehicle that is sold for the
23 purpose of leasing for a defined period of longer than one
24 year, the sale occurs at the time of the delivery of the
25 vehicle, regardless of the due date of any lease payments. A
26 lessor who incurs a Retailers' Occupation Tax liability on the

1 sale of a motor vehicle coming off lease may not take a credit
2 against that liability for the Use Tax the lessor paid upon the
3 purchase of the motor vehicle (or for any tax the lessor paid
4 with respect to any amount received by the lessor from the
5 lessee for the leased vehicle that was not calculated at the
6 time the lease was executed) if the selling price of the motor
7 vehicle at the time of purchase was calculated using the
8 definition of "selling price" as defined in this paragraph.
9 Notwithstanding any other provision of this Act to the
10 contrary, lessors shall file all returns and make all payments
11 required under this paragraph to the Department by electronic
12 means in the manner and form as required by the Department.
13 This paragraph does not apply to leases of motor vehicles for
14 which, at the time the lease is entered into, the term of the
15 lease is not a defined period, including leases with a defined
16 initial period with the option to continue the lease on a
17 month-to-month or other basis beyond the initial defined
18 period.

19 The phrase "like kind and character" shall be liberally
20 construed (including but not limited to any form of motor
21 vehicle for any form of motor vehicle, or any kind of farm or
22 agricultural implement for any other kind of farm or
23 agricultural implement), while not including a kind of item
24 which, if sold at retail by that retailer, would be exempt from
25 retailers' occupation tax and use tax as an isolated or
26 occasional sale.

1 "Department" means the Department of Revenue.

2 "Person" means any natural individual, firm, partnership,
3 association, joint stock company, joint adventure, public or
4 private corporation, limited liability company, or a receiver,
5 executor, trustee, guardian or other representative appointed
6 by order of any court.

7 "Retailer" means and includes every person engaged in the
8 business of making sales at retail as defined in this Section.

9 A person who holds himself or herself out as being engaged
10 (or who habitually engages) in selling tangible personal
11 property at retail is a retailer hereunder with respect to such
12 sales (and not primarily in a service occupation)
13 notwithstanding the fact that such person designs and produces
14 such tangible personal property on special order for the
15 purchaser and in such a way as to render the property of value
16 only to such purchaser, if such tangible personal property so
17 produced on special order serves substantially the same
18 function as stock or standard items of tangible personal
19 property that are sold at retail.

20 A person whose activities are organized and conducted
21 primarily as a not-for-profit service enterprise, and who
22 engages in selling tangible personal property at retail
23 (whether to the public or merely to members and their guests)
24 is a retailer with respect to such transactions, excepting only
25 a person organized and operated exclusively for charitable,
26 religious or educational purposes either (1), to the extent of

1 sales by such person to its members, students, patients or
2 inmates of tangible personal property to be used primarily for
3 the purposes of such person, or (2), to the extent of sales by
4 such person of tangible personal property which is not sold or
5 offered for sale by persons organized for profit. The selling
6 of school books and school supplies by schools at retail to
7 students is not "primarily for the purposes of" the school
8 which does such selling. This paragraph does not apply to nor
9 subject to taxation occasional dinners, social or similar
10 activities of a person organized and operated exclusively for
11 charitable, religious or educational purposes, whether or not
12 such activities are open to the public.

13 A person who is the recipient of a grant or contract under
14 Title VII of the Older Americans Act of 1965 (P.L. 92-258) and
15 serves meals to participants in the federal Nutrition Program
16 for the Elderly in return for contributions established in
17 amount by the individual participant pursuant to a schedule of
18 suggested fees as provided for in the federal Act is not a
19 retailer under this Act with respect to such transactions.

20 Persons who engage in the business of transferring tangible
21 personal property upon the redemption of trading stamps are
22 retailers hereunder when engaged in such business.

23 The isolated or occasional sale of tangible personal
24 property at retail by a person who does not hold himself out as
25 being engaged (or who does not habitually engage) in selling
26 such tangible personal property at retail or a sale through a

1 bulk vending machine does not make such person a retailer
2 hereunder. However, any person who is engaged in a business
3 which is not subject to the tax imposed by the "Retailers'
4 Occupation Tax Act" because of involving the sale of or a
5 contract to sell real estate or a construction contract to
6 improve real estate, but who, in the course of conducting such
7 business, transfers tangible personal property to users or
8 consumers in the finished form in which it was purchased, and
9 which does not become real estate, under any provision of a
10 construction contract or real estate sale or real estate sales
11 agreement entered into with some other person arising out of or
12 because of such nontaxable business, is a retailer to the
13 extent of the value of the tangible personal property so
14 transferred. If, in such transaction, a separate charge is made
15 for the tangible personal property so transferred, the value of
16 such property, for the purposes of this Act, is the amount so
17 separately charged, but not less than the cost of such property
18 to the transferor; if no separate charge is made, the value of
19 such property, for the purposes of this Act, is the cost to the
20 transferor of such tangible personal property.

21 "Retailer maintaining a place of business in this State",
22 or any like term, means and includes any of the following
23 retailers:

- 24 1. A retailer having or maintaining within this State,
25 directly or by a subsidiary, an office, distribution house,
26 sales house, warehouse or other place of business, or any

1 agent or other representative operating within this State
2 under the authority of the retailer or its subsidiary,
3 irrespective of whether such place of business or agent or
4 other representative is located here permanently or
5 temporarily, or whether such retailer or subsidiary is
6 licensed to do business in this State. However, the
7 ownership of property that is located at the premises of a
8 printer with which the retailer has contracted for printing
9 and that consists of the final printed product, property
10 that becomes a part of the final printed product, or copy
11 from which the printed product is produced shall not result
12 in the retailer being deemed to have or maintain an office,
13 distribution house, sales house, warehouse, or other place
14 of business within this State.

15 1.1. Beginning July 1, 2011, a retailer having a
16 contract with a person located in this State under which
17 the person, for a commission or other consideration based
18 upon the sale of tangible personal property by the
19 retailer, directly or indirectly refers potential
20 customers to the retailer by a link on the person's
21 Internet website. The provisions of this paragraph 1.1
22 shall apply only if the cumulative gross receipts from
23 sales of tangible personal property by the retailer to
24 customers who are referred to the retailer by all persons
25 in this State under such contracts exceed \$10,000 during
26 the preceding 4 quarterly periods ending on the last day of

1 March, June, September, and December.

2 1.2. Beginning July 1, 2011, a retailer having a
3 contract with a person located in this State under which:

4 A. the retailer sells the same or substantially
5 similar line of products as the person located in this
6 State and does so using an identical or substantially
7 similar name, trade name, or trademark as the person
8 located in this State; and

9 B. the retailer provides a commission or other
10 consideration to the person located in this State based
11 upon the sale of tangible personal property by the
12 retailer.

13 The provisions of this paragraph 1.2 shall apply only if
14 the cumulative gross receipts from sales of tangible
15 personal property by the retailer to customers in this
16 State under all such contracts exceed \$10,000 during the
17 preceding 4 quarterly periods ending on the last day of
18 March, June, September, and December.

19 2. A retailer soliciting orders for tangible personal
20 property by means of a telecommunication or television
21 shopping system (which utilizes toll free numbers) which is
22 intended by the retailer to be broadcast by cable
23 television or other means of broadcasting, to consumers
24 located in this State.

25 3. A retailer, pursuant to a contract with a
26 broadcaster or publisher located in this State, soliciting

1 orders for tangible personal property by means of
2 advertising which is disseminated primarily to consumers
3 located in this State and only secondarily to bordering
4 jurisdictions.

5 4. A retailer soliciting orders for tangible personal
6 property by mail if the solicitations are substantial and
7 recurring and if the retailer benefits from any banking,
8 financing, debt collection, telecommunication, or
9 marketing activities occurring in this State or benefits
10 from the location in this State of authorized installation,
11 servicing, or repair facilities.

12 5. A retailer that is owned or controlled by the same
13 interests that own or control any retailer engaging in
14 business in the same or similar line of business in this
15 State.

16 6. A retailer having a franchisee or licensee operating
17 under its trade name if the franchisee or licensee is
18 required to collect the tax under this Section.

19 7. A retailer, pursuant to a contract with a cable
20 television operator located in this State, soliciting
21 orders for tangible personal property by means of
22 advertising which is transmitted or distributed over a
23 cable television system in this State.

24 8. A retailer engaging in activities in Illinois, which
25 activities in the state in which the retail business
26 engaging in such activities is located would constitute

1 maintaining a place of business in that state.

2 "Bulk vending machine" means a vending machine, containing
3 unsorted confections, nuts, toys, or other items designed
4 primarily to be used or played with by children which, when a
5 coin or coins of a denomination not larger than \$0.50 are
6 inserted, are dispensed in equal portions, at random and
7 without selection by the customer.

8 (Source: P.A. 95-723, eff. 6-23-08; 96-1544, eff. 3-10-11.)

9 Section 4. The Retailers' Occupation Tax Act is amended by
10 changing Section 1 as follows:

11 (35 ILCS 120/1) (from Ch. 120, par. 440)

12 Sec. 1. Definitions. "Sale at retail" means any transfer of
13 the ownership of or title to tangible personal property to a
14 purchaser, for the purpose of use or consumption, and not for
15 the purpose of resale in any form as tangible personal property
16 to the extent not first subjected to a use for which it was
17 purchased, for a valuable consideration: Provided that the
18 property purchased is deemed to be purchased for the purpose of
19 resale, despite first being used, to the extent to which it is
20 resold as an ingredient of an intentionally produced product or
21 byproduct of manufacturing. For this purpose, slag produced as
22 an incident to manufacturing pig iron or steel and sold is
23 considered to be an intentionally produced byproduct of
24 manufacturing. Transactions whereby the possession of the

1 property is transferred but the seller retains the title as
2 security for payment of the selling price shall be deemed to be
3 sales.

4 "Sale at retail" shall be construed to include any transfer
5 of the ownership of or title to tangible personal property to a
6 purchaser, for use or consumption by any other person to whom
7 such purchaser may transfer the tangible personal property
8 without a valuable consideration, and to include any transfer,
9 whether made for or without a valuable consideration, for
10 resale in any form as tangible personal property unless made in
11 compliance with Section 2c of this Act.

12 Sales of tangible personal property, which property, to the
13 extent not first subjected to a use for which it was purchased,
14 as an ingredient or constituent, goes into and forms a part of
15 tangible personal property subsequently the subject of a "Sale
16 at retail", are not sales at retail as defined in this Act:
17 Provided that the property purchased is deemed to be purchased
18 for the purpose of resale, despite first being used, to the
19 extent to which it is resold as an ingredient of an
20 intentionally produced product or byproduct of manufacturing.

21 "Sale at retail" shall be construed to include any Illinois
22 florist's sales transaction in which the purchase order is
23 received in Illinois by a florist and the sale is for use or
24 consumption, but the Illinois florist has a florist in another
25 state deliver the property to the purchaser or the purchaser's
26 donee in such other state.

1 Nonreusable tangible personal property that is used by
2 persons engaged in the business of operating a restaurant,
3 cafeteria, or drive-in is a sale for resale when it is
4 transferred to customers in the ordinary course of business as
5 part of the sale of food or beverages and is used to deliver,
6 package, or consume food or beverages, regardless of where
7 consumption of the food or beverages occurs. Examples of those
8 items include, but are not limited to nonreusable, paper and
9 plastic cups, plates, baskets, boxes, sleeves, buckets or other
10 containers, utensils, straws, placemats, napkins, doggie bags,
11 and wrapping or packaging materials that are transferred to
12 customers as part of the sale of food or beverages in the
13 ordinary course of business.

14 The purchase, employment and transfer of such tangible
15 personal property as newsprint and ink for the primary purpose
16 of conveying news (with or without other information) is not a
17 purchase, use or sale of tangible personal property.

18 A person whose activities are organized and conducted
19 primarily as a not-for-profit service enterprise, and who
20 engages in selling tangible personal property at retail
21 (whether to the public or merely to members and their guests)
22 is engaged in the business of selling tangible personal
23 property at retail with respect to such transactions, excepting
24 only a person organized and operated exclusively for
25 charitable, religious or educational purposes either (1), to
26 the extent of sales by such person to its members, students,

1 patients or inmates of tangible personal property to be used
2 primarily for the purposes of such person, or (2), to the
3 extent of sales by such person of tangible personal property
4 which is not sold or offered for sale by persons organized for
5 profit. The selling of school books and school supplies by
6 schools at retail to students is not "primarily for the
7 purposes of" the school which does such selling. The provisions
8 of this paragraph shall not apply to nor subject to taxation
9 occasional dinners, socials or similar activities of a person
10 organized and operated exclusively for charitable, religious
11 or educational purposes, whether or not such activities are
12 open to the public.

13 A person who is the recipient of a grant or contract under
14 Title VII of the Older Americans Act of 1965 (P.L. 92-258) and
15 serves meals to participants in the federal Nutrition Program
16 for the Elderly in return for contributions established in
17 amount by the individual participant pursuant to a schedule of
18 suggested fees as provided for in the federal Act is not
19 engaged in the business of selling tangible personal property
20 at retail with respect to such transactions.

21 "Purchaser" means anyone who, through a sale at retail,
22 acquires the ownership of or title to tangible personal
23 property for a valuable consideration.

24 "Reseller of motor fuel" means any person engaged in the
25 business of selling or delivering or transferring title of
26 motor fuel to another person other than for use or consumption.

1 No person shall act as a reseller of motor fuel within this
2 State without first being registered as a reseller pursuant to
3 Section 2c or a retailer pursuant to Section 2a.

4 "Selling price" or the "amount of sale" means the
5 consideration for a sale valued in money whether received in
6 money or otherwise, including cash, credits, property, other
7 than as hereinafter provided, and services, but not including
8 the value of or credit given for traded-in tangible personal
9 property where the item that is traded-in is of like kind and
10 character as that which is being sold, and shall be determined
11 without any deduction on account of the cost of the property
12 sold, the cost of materials used, labor or service cost or any
13 other expense whatsoever, but does not include charges that are
14 added to prices by sellers on account of the seller's tax
15 liability under this Act, or on account of the seller's duty to
16 collect, from the purchaser, the tax that is imposed by the Use
17 Tax Act, or, except as otherwise provided with respect to any
18 cigarette tax imposed by a home rule unit, on account of the
19 seller's tax liability under any local occupation tax
20 administered by the Department, or, except as otherwise
21 provided with respect to any cigarette tax imposed by a home
22 rule unit on account of the seller's duty to collect, from the
23 purchasers, the tax that is imposed under any local use tax
24 administered by the Department. Effective December 1, 1985,
25 "selling price" shall include charges that are added to prices
26 by sellers on account of the seller's tax liability under the

1 Cigarette Tax Act, on account of the sellers' duty to collect,
2 from the purchaser, the tax imposed under the Cigarette Use Tax
3 Act, and on account of the seller's duty to collect, from the
4 purchaser, any cigarette tax imposed by a home rule unit.

5 Notwithstanding any law to the contrary, for any motor
6 vehicle, as defined in Section 1-146 of the Vehicle Code, that
7 is sold on or after July 1, 2014 for the purpose of leasing the
8 vehicle for a defined period that is longer than one year and
9 (1) is a motor vehicle of the second division that: (A) is a
10 self-contained motor vehicle designed or permanently converted
11 to provide living quarters for recreational, camping, or travel
12 use, with direct walk through access to the living quarters
13 from the driver's seat; (B) is of the van configuration
14 designed for the transportation of not less than 7 nor more
15 than 16 passengers; or (C) has a gross vehicle weight rating of
16 8,000 pounds or less or (2) is a motor vehicle of the first
17 division, "selling price" or "amount of sale" means the
18 consideration received by the lessor pursuant to the lease
19 contract, including amounts due at lease signing and all
20 monthly or other regular payments charged over the term of the
21 lease. Also included in the selling price is any amount
22 received by the lessor from the lessee for the leased vehicle
23 that is not calculated at the time the lease is executed,
24 including, but not limited to, excess mileage charges and
25 charges for excess wear and tear. For sales that occur in
26 Illinois, with respect to any amount received by the lessor

1 from the lessee for the leased vehicle that is not calculated
2 at the time the lease is executed, the lessor who purchased the
3 motor vehicle does not incur the tax imposed by the Use Tax Act
4 on those amounts, and the retailer who makes the retail sale of
5 the motor vehicle to the lessor is not required to collect the
6 tax imposed by the Use Tax Act or to pay the tax imposed by this
7 Act on those amounts. However, the lessor who purchased the
8 motor vehicle assumes the liability for reporting and paying
9 the tax on those amounts directly to the Department in the same
10 form (Illinois Retailers' Occupation Tax, and local retailers'
11 occupation taxes, if applicable) in which the retailer would
12 have reported and paid such tax if the retailer had accounted
13 for the tax to the Department. For amounts received by the
14 lessor from the lessee that are not calculated at the time the
15 lease is executed, the lessor must file the return and pay the
16 tax to the Department by the due date otherwise required by
17 this Act for returns other than transaction returns. If the
18 retailer is entitled under this Act to a discount for
19 collecting and remitting the tax imposed under this Act to the
20 Department with respect to the sale of the motor vehicle to the
21 lessor, then the right to the discount provided in this Act
22 shall be transferred to the lessor with respect to the tax paid
23 by the lessor for any amount received by the lessor from the
24 lessee for the leased vehicle that is not calculated at the
25 time the lease is executed; provided that the discount is only
26 allowed if the return is timely filed and for amounts timely

1 paid. The "selling price" of a motor vehicle that is sold on or
2 after July 1, 2014 for the purpose of leasing for a defined
3 period of longer than one year shall not be reduced by the
4 value of or credit given for traded-in tangible personal
5 property owned by the lessor, nor shall it be reduced by the
6 value of or credit given for traded-in tangible personal
7 property owned by the lessee, regardless of whether the
8 trade-in value thereof is assigned by the lessee to the lessor.
9 In the case of a motor vehicle that is sold for the purpose of
10 leasing for a defined period of longer than one year, the sale
11 occurs at the time of the delivery of the vehicle, regardless
12 of the due date of any lease payments. A lessor who incurs a
13 Retailers' Occupation Tax liability on the sale of a motor
14 vehicle coming off lease may not take a credit against that
15 liability for the Use Tax the lessor paid upon the purchase of
16 the motor vehicle (or for any tax the lessor paid with respect
17 to any amount received by the lessor from the lessee for the
18 leased vehicle that was not calculated at the time the lease
19 was executed) if the selling price of the motor vehicle at the
20 time of purchase was calculated using the definition of
21 "selling price" as defined in this paragraph. Notwithstanding
22 any other provision of this Act to the contrary, lessors shall
23 file all returns and make all payments required under this
24 paragraph to the Department by electronic means in the manner
25 and form as required by the Department. This paragraph does not
26 apply to leases of motor vehicles for which, at the time the

1 lease is entered into, the term of the lease is not a defined
2 period, including leases with a defined initial period with the
3 option to continue the lease on a month-to-month or other basis
4 beyond the initial defined period.

5 The phrase "like kind and character" shall be liberally
6 construed (including but not limited to any form of motor
7 vehicle for any form of motor vehicle, or any kind of farm or
8 agricultural implement for any other kind of farm or
9 agricultural implement), while not including a kind of item
10 which, if sold at retail by that retailer, would be exempt from
11 retailers' occupation tax and use tax as an isolated or
12 occasional sale.

13 "Gross receipts" from the sales of tangible personal
14 property at retail means the total selling price or the amount
15 of such sales, as hereinbefore defined. In the case of charge
16 and time sales, the amount thereof shall be included only as
17 and when payments are received by the seller. Receipts or other
18 consideration derived by a seller from the sale, transfer or
19 assignment of accounts receivable to a wholly owned subsidiary
20 will not be deemed payments prior to the time the purchaser
21 makes payment on such accounts.

22 "Department" means the Department of Revenue.

23 "Person" means any natural individual, firm, partnership,
24 association, joint stock company, joint adventure, public or
25 private corporation, limited liability company, or a receiver,
26 executor, trustee, guardian or other representative appointed

1 by order of any court.

2 The isolated or occasional sale of tangible personal
3 property at retail by a person who does not hold himself out as
4 being engaged (or who does not habitually engage) in selling
5 such tangible personal property at retail, or a sale through a
6 bulk vending machine, does not constitute engaging in a
7 business of selling such tangible personal property at retail
8 within the meaning of this Act; provided that any person who is
9 engaged in a business which is not subject to the tax imposed
10 by this Act because of involving the sale of or a contract to
11 sell real estate or a construction contract to improve real
12 estate or a construction contract to engineer, install, and
13 maintain an integrated system of products, but who, in the
14 course of conducting such business, transfers tangible
15 personal property to users or consumers in the finished form in
16 which it was purchased, and which does not become real estate
17 or was not engineered and installed, under any provision of a
18 construction contract or real estate sale or real estate sales
19 agreement entered into with some other person arising out of or
20 because of such nontaxable business, is engaged in the business
21 of selling tangible personal property at retail to the extent
22 of the value of the tangible personal property so transferred.
23 If, in such a transaction, a separate charge is made for the
24 tangible personal property so transferred, the value of such
25 property, for the purpose of this Act, shall be the amount so
26 separately charged, but not less than the cost of such property

1 to the transferor; if no separate charge is made, the value of
2 such property, for the purposes of this Act, is the cost to the
3 transferor of such tangible personal property. Construction
4 contracts for the improvement of real estate consisting of
5 engineering, installation, and maintenance of voice, data,
6 video, security, and all telecommunication systems do not
7 constitute engaging in a business of selling tangible personal
8 property at retail within the meaning of this Act if they are
9 sold at one specified contract price.

10 A person who holds himself or herself out as being engaged
11 (or who habitually engages) in selling tangible personal
12 property at retail is a person engaged in the business of
13 selling tangible personal property at retail hereunder with
14 respect to such sales (and not primarily in a service
15 occupation) notwithstanding the fact that such person designs
16 and produces such tangible personal property on special order
17 for the purchaser and in such a way as to render the property
18 of value only to such purchaser, if such tangible personal
19 property so produced on special order serves substantially the
20 same function as stock or standard items of tangible personal
21 property that are sold at retail.

22 Persons who engage in the business of transferring tangible
23 personal property upon the redemption of trading stamps are
24 engaged in the business of selling such property at retail and
25 shall be liable for and shall pay the tax imposed by this Act
26 on the basis of the retail value of the property transferred

1 upon redemption of such stamps.

2 "Bulk vending machine" means a vending machine, containing
3 unsorted confections, nuts, toys, or other items designed
4 primarily to be used or played with by children which, when a
5 coin or coins of a denomination not larger than \$0.50 are
6 inserted, are dispensed in equal portions, at random and
7 without selection by the customer.

8 (Source: P.A. 95-723, eff. 6-23-08.)

9 Section 5. The Property Tax Code is amended by changing
10 Sections 20-5 and 20-20 as follows:

11 (35 ILCS 200/20-5)

12 Sec. 20-5. Mailing or e-mailing tax bill to owner.

13 (a) Every township collector, and every county collector in
14 cases where there is no township collector, upon receiving the
15 tax book or books, shall prepare tax bills showing each
16 installment of property taxes assessed, which shall be filled
17 out in accordance with Section 20-40. A copy of the bill shall
18 be mailed by the collector, at least 30 days prior to the date
19 upon which unpaid taxes become delinquent, to the owner of the
20 property taxed or to the person in whose name the property is
21 taxed.

22 (b) The collector may send the bill via e-mail as provided
23 in subsection (b) of Section 20-20. However, no bill shall be
24 sent to a property owner or taxpayer via e-mail unless that

1 owner or taxpayer shall have first made such a request to the
2 collector in writing.

3 (Source: P.A. 86-957; 87-818; 88-455.)

4 (35 ILCS 200/20-20)

5 Sec. 20-20. Changes in address for mailing tax bill.

6 (a) To insure that a person requesting a change of the
7 address to which a property tax bill is sent has a legal
8 interest in the property or authority to act on behalf of the
9 owner of the property, the county collector in every county
10 with less than 3,000,000 inhabitants or less shall establish
11 and enforce a procedure for requiring identification or
12 certification of the identity of taxpayers who request a change
13 in the address to which their tax bill is mailed. No change of
14 address shall be implemented unless the person requesting the
15 change is the owner of the property, a trustee or a person
16 holding the power of attorney from the owner or trustee of the
17 property. However, if a property owner conveys a permanent
18 change of address in writing to the United States Postal
19 Service, then, on or after the effective date of that change of
20 address, the county collector may mail a property tax bill to
21 the property owner at his or her new address regardless of
22 whether or not the owner notifies the collector of the address
23 change.

24 (b) As an alternative to mailing a copy of the bill, the
25 collector may send the tax bill via e-mail at the request of

1 the taxpayer, subject to the provisions of subsection (b) of
2 Section 20-5 of this Act. If the taxpayer makes such a request,
3 then the taxpayer shall notify the collector of any change in
4 his or her e-mail address as soon as possible after the address
5 is changed.

6 (Source: P.A. 97-1084, eff. 8-24-12.)