



## 98TH GENERAL ASSEMBLY

### State of Illinois

2013 and 2014

HB5900

by Rep. John D. Cavaletto - David Reis

#### 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 105/9	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 120/3	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. Reduces the rate of tax on propane to 1.25%. Makes changes concerning the distribution of the proceeds of the tax imposed on propane. Effective immediately.

LRB098 19112 HLH 55620 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% general use tax rate on the selling price  
21 of tangible personal property which is purchased outside  
22 Illinois at retail from a retailer and which is titled or  
23 registered by any agency of this State's government shall be

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

10 A portion of the money paid into the Local Government Tax  
11 Fund from the 6.25% general rate (and, beginning July 1, 2000  
12 and through December 31, 2000, the 1.25% rate on motor fuel and  
13 gasohol, and beginning on August 6, 2010 through August 15,  
14 2010, the 1.25% rate on sales tax holiday items, and, from June  
15 1, 2014 through August 31, 2014, the 1.25% rate on propane) on  
16 sales subject to taxation under the Retailers' Occupation Tax  
17 Act and the Service Occupation Tax Act, which occurred in  
18 municipalities, shall be distributed to each municipality,  
19 based upon the sales which occurred in that municipality. The  
20 remainder shall be distributed to each county, based upon the  
21 sales which occurred in the unincorporated area of such county.

22 For the purpose of determining allocation to the local  
23 government unit, a retail sale by a producer of coal or other  
24 mineral mined in Illinois is a sale at retail at the place  
25 where the coal or other mineral mined in Illinois is extracted  
26 from the earth. This paragraph does not apply to coal or other

1 mineral when it is delivered or shipped by the seller to the  
2 purchaser at a point outside Illinois so that the sale is  
3 exempt under the United States Constitution as a sale in  
4 interstate or foreign commerce.

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

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

25 After the monthly transfer to the STAR Bonds Revenue Fund,  
26 on or before the 25th day of each calendar month, the

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

25 When certifying the amount of monthly disbursement to a  
26 municipality or county under this Section, the Department shall

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

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

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

19 As soon as possible after the effective date of this  
20 amendatory Act of the 98th General Assembly, the State  
21 Comptroller shall order and the State Treasurer shall transfer  
22 \$6,600,000 from the Local Government Tax Fund to the Illinois  
23 State Medical Disciplinary Fund.

24 (Source: P.A. 97-333, eff. 8-12-11; 98-3, eff. 3-8-13.)

1           Sec. 6z-20. Of the money received from the 6.25% general  
2 rate (and, beginning July 1, 2000 and through December 31,  
3 2000, the 1.25% rate on motor fuel and gasohol, and beginning  
4 on August 6, 2010 through August 15, 2010, the 1.25% rate on  
5 sales tax holiday items, and, from June 1, 2014 through August  
6 31, 2014, the 1.25% rate on propane) on sales subject to  
7 taxation under the Retailers' Occupation Tax Act and Service  
8 Occupation Tax Act and paid into the County and Mass Transit  
9 District Fund, distribution to the Regional Transportation  
10 Authority tax fund, created pursuant to Section 4.03 of the  
11 Regional Transportation Authority Act, for deposit therein  
12 shall be made based upon the retail sales occurring in a county  
13 having more than 3,000,000 inhabitants. The remainder shall be  
14 distributed to each county having 3,000,000 or fewer  
15 inhabitants based upon the retail sales occurring in each such  
16 county.

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

26           Of the money received from the 6.25% general use tax rate

1 on tangible personal property which is purchased outside  
2 Illinois at retail from a retailer and which is titled or  
3 registered by any agency of this State's government and paid  
4 into the County and Mass Transit District Fund, the amount for  
5 which Illinois addresses for titling or registration purposes  
6 are given as being in each county having more than 3,000,000  
7 inhabitants shall be distributed into the Regional  
8 Transportation Authority tax fund, created pursuant to Section  
9 4.03 of the Regional Transportation Authority Act. The  
10 remainder of the money paid from such sales shall be  
11 distributed to each county based on sales for which Illinois  
12 addresses for titling or registration purposes are given as  
13 being located in the county. Any money paid into the Regional  
14 Transportation Authority Occupation and Use Tax Replacement  
15 Fund from the County and Mass Transit District Fund prior to  
16 January 14, 1991, which has not been paid to the Authority  
17 prior to that date, shall be transferred to the Regional  
18 Transportation Authority tax fund.

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



1           As soon as possible after the first day of each month,  
2 beginning January 1, 2011, upon certification of the Department  
3 of Revenue, the Comptroller shall order transferred, and the  
4 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
5 local sales tax increment, as defined in the Innovation  
6 Development and Economy Act, collected during the second  
7 preceding calendar month for sales within a STAR bond district  
8 and deposited into the County and Mass Transit District Fund,  
9 less 3% of that amount, which shall be transferred into the Tax  
10 Compliance and Administration Fund and shall be used by the  
11 Department, subject to appropriation, to cover the costs of the  
12 Department in administering the Innovation Development and  
13 Economy Act.

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

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

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

23 The provisions directing the distributions from the  
24 special fund in the State Treasury provided for in this Section  
25 and from the Regional Transportation Authority tax fund created  
26 by Section 4.03 of the Regional Transportation Authority Act

1 shall constitute an irrevocable and continuing appropriation  
2 of all amounts as provided herein. The State Treasurer and  
3 State Comptroller are hereby authorized to make distributions  
4 as provided in this Section.

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

14 (Source: P.A. 96-939, eff. 6-24-10; 96-1012, eff. 7-7-10;  
15 97-333, eff. 8-12-11.)

16 Section 10. The Use Tax Act is amended by changing Sections  
17 3-10 and 9 as follows:

18 (35 ILCS 105/3-10)

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

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

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

20 Beginning on August 6, 2010 through August 15, 2010, with  
21 respect to sales tax holiday items as defined in Section 3-6 of  
22 this Act, the tax is imposed at the rate of 1.25%.

23 With respect to gasohol, the tax imposed by this Act  
24 applies to (i) 70% of the proceeds of sales made on or after  
25 January 1, 1990, and before July 1, 2003, (ii) 80% of the  
26 proceeds of sales made on or after July 1, 2003 and on or

1 before December 31, 2018, and (iii) 100% of the proceeds of  
2 sales made thereafter. If, at any time, however, the tax under  
3 this Act on sales of gasohol is imposed at the rate of 1.25%,  
4 then the tax imposed by this Act applies to 100% of the  
5 proceeds of sales of gasohol made during that time.

6 With respect to majority blended ethanol fuel, the tax  
7 imposed by this Act does not apply to the proceeds of sales  
8 made on or after July 1, 2003 and on or before December 31,  
9 2018 but applies to 100% of the proceeds of sales made  
10 thereafter.

11 With respect to biodiesel blends with no less than 1% and  
12 no more than 10% biodiesel, the tax imposed by this Act applies  
13 to (i) 80% of the proceeds of sales made on or after July 1,  
14 2003 and on or before December 31, 2018 and (ii) 100% of the  
15 proceeds of sales made thereafter. If, at any time, however,  
16 the tax under this Act on sales of biodiesel blends with no  
17 less than 1% and no more than 10% biodiesel is imposed at the  
18 rate of 1.25%, then the tax imposed by this Act applies to 100%  
19 of the proceeds of sales of biodiesel blends with no less than  
20 1% and no more than 10% biodiesel made during that time.

21 With respect to 100% biodiesel and biodiesel blends with  
22 more than 10% but no more than 99% biodiesel, the tax imposed  
23 by this Act does not apply to the proceeds of sales made on or  
24 after July 1, 2003 and on or before December 31, 2018 but  
25 applies to 100% of the proceeds of sales made thereafter.

26 With respect to food for human consumption that is to be

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

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

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

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

22           Notwithstanding any other provisions of this Act,  
23 beginning September 1, 2009, "nonprescription medicines and  
24 drugs" does not include grooming and hygiene products. For  
25 purposes of this Section, "grooming and hygiene products"  
26 includes, but is not limited to, soaps and cleaning solutions,

1 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan  
2 lotions and screens, unless those products are available by  
3 prescription only, regardless of whether the products meet the  
4 definition of "over-the-counter-drugs". For the purposes of  
5 this paragraph, "over-the-counter-drug" means a drug for human  
6 use that contains a label that identifies the product as a drug  
7 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"  
8 label includes:

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

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

13 Beginning on the effective date of this amendatory Act of  
14 the 98th General Assembly, "prescription and nonprescription  
15 medicines and drugs" includes medical cannabis purchased from a  
16 registered dispensing organization under the Compassionate Use  
17 of Medical Cannabis Pilot Program Act.

18 Beginning June 1, 2014 through August 31, 2014, with  
19 respect to propane, the tax is imposed at the rate of 1.25%.

20 If the property that is purchased at retail from a retailer  
21 is acquired outside Illinois and used outside Illinois before  
22 being brought to Illinois for use here and is taxable under  
23 this Act, the "selling price" on which the tax is computed  
24 shall be reduced by an amount that represents a reasonable  
25 allowance for depreciation for the period of prior out-of-state  
26 use.



1 (Source: P.A. 97-636, eff. 6-1-12; 98-122, eff. 1-1-14.)

2 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

3 Sec. 9. Except as to motor vehicles, watercraft, aircraft,  
4 and trailers that are required to be registered with an agency  
5 of this State, each retailer required or authorized to collect  
6 the tax imposed by this Act shall pay to the Department the  
7 amount of such tax (except as otherwise provided) at the time  
8 when he is required to file his return for the period during  
9 which such tax was collected, less a discount of 2.1% prior to  
10 January 1, 1990, and 1.75% on and after January 1, 1990, or \$5  
11 per calendar year, whichever is greater, which is allowed to  
12 reimburse the retailer for expenses incurred in collecting the  
13 tax, keeping records, preparing and filing returns, remitting  
14 the tax and supplying data to the Department on request. In the  
15 case of retailers who report and pay the tax on a transaction  
16 by transaction basis, as provided in this Section, such  
17 discount shall be taken with each such tax remittance instead  
18 of when such retailer files his periodic return. The Department  
19 may disallow the discount for retailers whose certificate of  
20 registration is revoked at the time the return is filed, but  
21 only if the Department's decision to revoke the certificate of  
22 registration has become final. A retailer need not remit that  
23 part of any tax collected by him to the extent that he is  
24 required to remit and does remit the tax imposed by the  
25 Retailers' Occupation Tax Act, with respect to the sale of the

1 same property.

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

12 Except as provided in this Section, on or before the  
13 twentieth day of each calendar month, such retailer shall file  
14 a return for the preceding calendar month. Such return shall be  
15 filed on forms prescribed by the Department and shall furnish  
16 such 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 the business of selling tangible

1 personal property at retail in this State;

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

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

9 5. The amount of tax due;

10 5-5. The signature of the taxpayer; and

11 6. Such other reasonable information as the Department  
12 may require.

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

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

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

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

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

24 All taxpayers required to make payment by electronic funds  
25 transfer and any taxpayers authorized to voluntarily make  
26 payments by electronic funds transfer shall make those payments

1 in the manner authorized by the Department.

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

5 Before October 1, 2000, if the taxpayer's average monthly  
6 tax liability to the Department under this Act, the Retailers'  
7 Occupation Tax Act, the Service Occupation Tax Act, the Service  
8 Use Tax Act was \$10,000 or more during the preceding 4 complete  
9 calendar quarters, he shall file a return with the Department  
10 each month by the 20th day of the month next following the  
11 month during which such tax liability is incurred and shall  
12 make payments to the Department on or before the 7th, 15th,  
13 22nd and last day of the month during which such liability is  
14 incurred. On and after October 1, 2000, if the taxpayer's  
15 average monthly tax liability to the Department under this Act,  
16 the Retailers' Occupation Tax Act, the Service Occupation Tax  
17 Act, and the Service Use Tax Act was \$20,000 or more during the  
18 preceding 4 complete calendar quarters, he shall file a return  
19 with the Department each month by the 20th day of the month  
20 next following the month during which such tax liability is  
21 incurred and shall make payment to the Department on or before  
22 the 7th, 15th, 22nd and last day of the month during which such  
23 liability is incurred. If the month during which such tax  
24 liability is incurred began prior to January 1, 1985, each  
25 payment shall be in an amount equal to 1/4 of the taxpayer's  
26 actual liability for the month or an amount set by the

1 Department not to exceed 1/4 of the average monthly liability  
2 of the taxpayer to the Department for the preceding 4 complete  
3 calendar quarters (excluding the month of highest liability and  
4 the month of lowest liability in such 4 quarter period). If the  
5 month during which such tax liability is incurred begins on or  
6 after January 1, 1985, and prior to January 1, 1987, each  
7 payment shall be in an amount equal to 22.5% of the taxpayer's  
8 actual liability for the month or 27.5% of the taxpayer's  
9 liability for the same calendar month of the preceding year. If  
10 the month during which such tax liability is incurred begins on  
11 or after January 1, 1987, and prior to January 1, 1988, each  
12 payment shall be in an amount equal to 22.5% of the taxpayer's  
13 actual liability for the month or 26.25% of the taxpayer's  
14 liability for the same calendar month of the preceding year. If  
15 the month during which such tax liability is incurred begins on  
16 or after January 1, 1988, and prior to January 1, 1989, or  
17 begins on or after January 1, 1996, each payment shall be in an  
18 amount equal to 22.5% of the taxpayer's actual liability for  
19 the month or 25% of the taxpayer's liability for the same  
20 calendar month of the preceding year. If the month during which  
21 such tax liability is incurred begins on or after January 1,  
22 1989, and prior to January 1, 1996, each payment shall be in an  
23 amount equal to 22.5% of the taxpayer's actual liability for  
24 the month or 25% of the taxpayer's liability for the same  
25 calendar month of the preceding year or 100% of the taxpayer's  
26 actual liability for the quarter monthly reporting period. The

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

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

21 If any such payment provided for in this Section exceeds  
22 the taxpayer's liabilities under this Act, the Retailers'  
23 Occupation Tax Act, the Service Occupation Tax Act and the  
24 Service Use Tax Act, as shown by an original monthly return,  
25 the Department shall issue to the taxpayer a credit memorandum  
26 no later than 30 days after the date of payment, which



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

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

1 year being due by April 20 of such year; with the return for  
2 April, May and June of a given year being due by July 20 of such  
3 year; with the return for July, August and September of a given  
4 year being due by October 20 of such year, and with the return  
5 for 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 to the Department does not exceed \$50, the Department  
10 may authorize his returns to be filed on an annual basis, with  
11 the return for a given year being due by January 20 of the  
12 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 In addition, with respect to motor vehicles, watercraft,  
24 aircraft, and trailers that are required to be registered with  
25 an agency of this State, every retailer selling this kind of  
26 tangible personal property shall file, with the Department,

1 upon a form to be prescribed and supplied by the Department, a  
2 separate return for each such item of tangible personal  
3 property which the retailer sells, except that if, in the same  
4 transaction, (i) a retailer of aircraft, watercraft, motor  
5 vehicles or trailers transfers more than one aircraft,  
6 watercraft, motor vehicle or trailer to another aircraft,  
7 watercraft, motor vehicle or trailer retailer for the purpose  
8 of resale or (ii) a retailer of aircraft, watercraft, motor  
9 vehicles, or trailers transfers more than one aircraft,  
10 watercraft, motor vehicle, or trailer to a purchaser for use as  
11 a qualifying rolling stock as provided in Section 3-55 of this  
12 Act, then that seller may report the transfer of all the  
13 aircraft, watercraft, motor vehicles or trailers involved in  
14 that transaction to the Department on the same uniform  
15 invoice-transaction reporting return form. For purposes of  
16 this Section, "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 The transaction reporting return in the case of motor  
21 vehicles or trailers that are required to be registered with an  
22 agency of this State, shall be the same document as the Uniform  
23 Invoice referred to in Section 5-402 of the Illinois Vehicle  
24 Code and must show the name and address of the seller; the name  
25 and address of the purchaser; the amount of the selling price  
26 including the amount allowed by the retailer for traded-in

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

15 The transaction reporting return in the case of watercraft  
16 and aircraft must show the name and address of the seller; the  
17 name and address of the purchaser; the amount of the selling  
18 price including the amount allowed by the retailer for  
19 traded-in property, if any; the amount allowed by the retailer  
20 for the traded-in tangible personal property, if any, to the  
21 extent to which Section 2 of this Act allows an exemption for  
22 the value of traded-in property; the balance payable after  
23 deducting such trade-in allowance from the total selling price;  
24 the amount of tax due from the retailer with respect to such  
25 transaction; the amount of tax collected from the purchaser by  
26 the retailer on such transaction (or satisfactory evidence that

1 such tax is not due in that particular instance, if that is  
2 claimed to be the fact); the place and date of the sale, a  
3 sufficient identification of the property sold, and such other  
4 information as the Department may reasonably require.

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

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

1 support of such purchaser's application for an Illinois  
2 certificate or other evidence of title or registration to such  
3 tangible personal property.

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

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

1 the tax directly to the Department, he shall pay the tax in the  
2 same amount and in the same form in which it would be remitted  
3 if the tax had been remitted to the Department by the retailer.

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

20 Any retailer filing a return under this Section shall also  
21 include (for the purpose of paying tax thereon) the total tax  
22 covered by such return upon the selling price of tangible  
23 personal property purchased by him at retail from a retailer,  
24 but as to which the tax imposed by this Act was not collected  
25 from the retailer filing such return, and such retailer shall  
26 remit the amount of such tax to the Department when filing such

1 return.

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

8 Where the retailer has more than one business registered  
9 with the Department under separate registration under this Act,  
10 such retailer may not file each return that is due as a single  
11 return covering all such registered businesses, but shall file  
12 separate returns for each such registered business.

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

23 Beginning January 1, 1990, each month the Department shall  
24 pay into the County and Mass Transit District Fund 4% of the  
25 net revenue realized for the preceding month from the 6.25%  
26 general rate on the selling price of tangible personal property



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

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, 20% of the net revenue realized for  
7 the preceding month from the 6.25% general rate on the selling  
8 price of tangible personal property, other than tangible  
9 personal property which is purchased outside Illinois at retail  
10 from a retailer and which is titled or registered by an agency  
11 of this State's government.

12 Beginning August 1, 2000, each month the Department shall  
13 pay into the State and Local Sales Tax Reform Fund 100% of the  
14 net revenue realized for the preceding month from the 1.25%  
15 rate on the selling price of motor fuel and gasohol. Beginning  
16 September 1, 2010, each month the Department shall pay into the  
17 State and Local Sales Tax Reform Fund 100% of the net revenue  
18 realized for the preceding month from the 1.25% rate on the  
19 selling price of sales tax holiday items.

20 Beginning July 1, 2014 and through September 1, 2014, each  
21 month the Department shall pay into the State and Local Sales  
22 Tax Reform Fund 100% of the net revenue realized for the  
23 preceding month from the 1.25% rate on the selling price of  
24 propane.

25 Beginning January 1, 1990, each month the Department shall  
26 pay into the Local Government Tax Fund 16% of the net revenue

1 realized for the preceding month from the 6.25% general rate on  
2 the selling price of tangible personal property which is  
3 purchased outside Illinois at retail from a retailer and which  
4 is titled or registered by an agency of this State's  
5 government.

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

13 Beginning July 1, 2011, each month the Department shall pay  
14 into the Clean Air Act (CAA) Permit Fund 80% of the net revenue  
15 realized for the preceding month from the 6.25% general rate on  
16 the selling price of sorbents used in Illinois in the process  
17 of sorbent injection as used to comply with the Environmental  
18 Protection Act or the federal Clean Air Act, but the total  
19 payment into the Clean Air Act (CAA) Permit Fund under this Act  
20 and the Retailers' Occupation Tax Act shall not exceed  
21 \$2,000,000 in any fiscal year.

22 Beginning July 1, 2013, each month the Department shall pay  
23 into the Underground Storage Tank Fund from the proceeds  
24 collected under this Act, the Service Use Tax Act, the Service  
25 Occupation Tax Act, and the Retailers' Occupation Tax Act an  
26 amount equal to the average monthly deficit in the Underground

1 Storage Tank Fund during the prior year, as certified annually  
2 by the Illinois Environmental Protection Agency, but the total  
3 payment into the Underground Storage Tank Fund under this Act,  
4 the Service Use Tax Act, the Service Occupation Tax Act, and  
5 the Retailers' Occupation Tax Act shall not exceed \$18,000,000  
6 in any State fiscal year. As used in this paragraph, the  
7 "average monthly deficit" shall be equal to the difference  
8 between the average monthly claims for payment by the fund and  
9 the average monthly revenues deposited into the fund, excluding  
10 payments made pursuant to this paragraph.

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

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

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

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

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

10	Fiscal Year	Total Deposit
11	1993	\$0
12	1994	53,000,000
13	1995	58,000,000
14	1996	61,000,000
15	1997	64,000,000
16	1998	68,000,000
17	1999	71,000,000
18	2000	75,000,000
19	2001	80,000,000
20	2002	93,000,000
21	2003	99,000,000
22	2004	103,000,000
23	2005	108,000,000
24	2006	113,000,000
25	2007	119,000,000
26	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 and ending on September 30,  
24      2013, the Department shall each month pay into the Illinois Tax  
25      Increment Fund 0.27% of 80% of the net revenue realized for the  
26      preceding month from the 6.25% general rate on the selling



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

21 As soon as possible after the first day of each month, upon  
22 certification of the Department of Revenue, the Comptroller  
23 shall order transferred and the Treasurer shall transfer from  
24 the General Revenue Fund to the Motor Fuel Tax Fund an amount  
25 equal to 1.7% of 80% of the net revenue realized under this Act  
26 for the second preceding month. Beginning April 1, 2000, this

1 transfer is no longer required and shall not be made.

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

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

13 (Source: P.A. 97-95, eff. 7-12-11; 97-333, eff. 8-12-11; 98-24,  
14 eff. 6-19-13; 98-109, eff. 7-25-13; 98-496, eff. 1-1-14;  
15 revised 9-9-13.)

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

18 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

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

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

5           With respect to gasohol, as defined in the Use Tax Act, the  
6           tax imposed by this Act applies to (i) 70% of the selling price  
7           of property transferred as an incident to the sale of service  
8           on or after January 1, 1990, and before July 1, 2003, (ii) 80%  
9           of the selling price of property transferred as an incident to  
10          the sale of service on or after July 1, 2003 and on or before  
11          December 31, 2018, and (iii) 100% of the selling price  
12          thereafter. If, at any time, however, the tax under this Act on  
13          sales of gasohol, as defined in the Use Tax Act, is imposed at  
14          the rate of 1.25%, then the tax imposed by this Act applies to  
15          100% of the proceeds of sales of gasohol made during that time.

16          With respect to majority blended ethanol fuel, as defined  
17          in the Use Tax Act, the tax imposed by this Act does not apply  
18          to the selling price of property transferred as an incident to  
19          the sale of service on or after July 1, 2003 and on or before  
20          December 31, 2018 but applies to 100% of the selling price  
21          thereafter.

22          With respect to biodiesel blends, as defined in the Use Tax  
23          Act, with no less than 1% and no more than 10% biodiesel, the  
24          tax imposed by this Act applies to (i) 80% of the selling price  
25          of property transferred as an incident to the sale of service  
26          on or after July 1, 2003 and on or before December 31, 2018 and

1 (ii) 100% of the proceeds of the selling price thereafter. If,  
2 at any time, however, the tax under this Act on sales of  
3 biodiesel blends, as defined in the Use Tax Act, with no less  
4 than 1% and no more than 10% biodiesel is imposed at the rate  
5 of 1.25%, then the tax imposed by this Act applies to 100% of  
6 the proceeds of sales of biodiesel blends with no less than 1%  
7 and no more than 10% biodiesel made during that time.

8 With respect to 100% biodiesel, as defined in the Use Tax  
9 Act, and biodiesel blends, as defined in the Use Tax Act, with  
10 more than 10% but no more than 99% biodiesel, the tax imposed  
11 by this Act does not apply to the proceeds of the selling price  
12 of property transferred as an incident to the sale of service  
13 on or after July 1, 2003 and on or before December 31, 2018 but  
14 applies to 100% of the selling price thereafter.

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

25 The tax shall be imposed at the rate of 1% on food prepared  
26 for immediate consumption and transferred incident to a sale of

1 service subject to this Act or the Service Occupation Tax Act  
2 by an entity licensed under the Hospital Licensing Act, the  
3 Nursing Home Care Act, the ID/DD Community Care Act, the  
4 Specialized Mental Health Rehabilitation Act of 2013, or the  
5 Child Care Act of 1969. The tax shall also be imposed at the  
6 rate of 1% on food for human consumption that is to be consumed  
7 off the premises where it is sold (other than alcoholic  
8 beverages, soft drinks, and food that has been prepared for  
9 immediate consumption and is not otherwise included in this  
10 paragraph) and prescription and nonprescription medicines,  
11 drugs, medical appliances, modifications to a motor vehicle for  
12 the purpose of rendering it usable by a disabled person, and  
13 insulin, urine testing materials, syringes, and needles used by  
14 diabetics, for human use. For the purposes of this Section,  
15 until September 1, 2009: the term "soft drinks" means any  
16 complete, finished, ready-to-use, non-alcoholic drink, whether  
17 carbonated or not, including but not limited to soda water,  
18 cola, fruit juice, vegetable juice, carbonated water, and all  
19 other preparations commonly known as soft drinks of whatever  
20 kind or description that are contained in any closed or sealed  
21 bottle, can, carton, or container, regardless of size; but  
22 "soft drinks" does not include coffee, tea, non-carbonated  
23 water, infant formula, milk or milk products as defined in the  
24 Grade A Pasteurized Milk and Milk Products Act, or drinks  
25 containing 50% or more natural fruit or vegetable juice.

26 Notwithstanding any other provisions of this Act,

1 beginning September 1, 2009, "soft drinks" means non-alcoholic  
2 beverages that contain natural or artificial sweeteners. "Soft  
3 drinks" do not include beverages that contain milk or milk  
4 products, soy, rice or similar milk substitutes, or greater  
5 than 50% of vegetable or fruit juice by volume.

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

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

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

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

18           Beginning on January 1, 2014 (the effective date of Public  
19 Act 98-122) ~~this amendatory Act of the 98th General Assembly,~~  
20 "prescription and nonprescription medicines and drugs"  
21 includes medical cannabis purchased from a registered  
22 dispensing organization under the Compassionate Use of Medical  
23 Cannabis Pilot Program Act.

24           Beginning June 1, 2014 through August 31, 2014, with  
25 respect to propane, the tax is imposed at the rate of 1.25%.

26           If the property that is acquired from a serviceman is

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

7 (Source: P.A. 97-38, eff. 6-28-11; 97-227, eff. 1-1-12; 97-636,  
8 eff. 6-1-12; 98-104, eff. 7-22-13; 98-122, eff. 1-1-14; revised  
9 8-9-13.)

10 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

11 Sec. 9. Each serviceman required or authorized to collect  
12 the tax herein imposed shall pay to the Department the amount  
13 of such tax (except as otherwise provided) at the time when he  
14 is required to file his return for the period during which such  
15 tax was collected, less a discount of 2.1% prior to January 1,  
16 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar  
17 year, whichever is greater, which is allowed to reimburse the  
18 serviceman for expenses incurred in collecting the tax, keeping  
19 records, preparing and filing returns, remitting the tax and  
20 supplying data to the Department on request. The Department may  
21 disallow the discount for servicemen whose certificate of  
22 registration is revoked at the time the return is filed, but  
23 only if the Department's decision to revoke the certificate of  
24 registration has become final. A serviceman need not remit that  
25 part of any tax collected by him to the extent that he is



1 required to pay and does pay the tax imposed by the Service  
2 Occupation Tax Act with respect to his sale of service  
3 involving the incidental transfer by him of the same property.

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

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

- 18 1. The name of the seller;
- 19 2. The address of the principal place of business from  
20 which he engages in business as a serviceman in this State;
- 21 3. The total amount of taxable receipts received by him  
22 during the preceding calendar month, including receipts  
23 from charge and time sales, but less all deductions allowed  
24 by law;
- 25 4. The amount of credit provided in Section 2d of this  
26 Act;

- 1           5. The amount of tax due;
- 2           5-5. The signature of the taxpayer; and
- 3           6. Such other reasonable information as the Department
- 4           may require.

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

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

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

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

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

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

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

23 If the serviceman is otherwise required to file a monthly  
24 return and if the serviceman's average monthly tax liability to  
25 the Department does not exceed \$200, the Department may  
26 authorize his returns to be filed on a quarter annual basis,

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

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

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

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

24 Where a serviceman collects the tax with respect to the  
25 selling price of property which he sells and the purchaser  
26 thereafter returns such property and the serviceman refunds the

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

15 Any serviceman filing a return hereunder shall also include  
16 the total tax upon the selling price of tangible personal  
17 property purchased for use by him as an incident to a sale of  
18 service, and such serviceman shall remit the amount of such tax  
19 to the Department when filing such return.

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

26 Where the serviceman has more than one business registered

1 with the Department under separate registration hereunder,  
2 such serviceman shall not file each return that is due as a  
3 single return covering all such registered businesses, but  
4 shall file separate returns for each such registered business.

5 Beginning January 1, 1990, each month the Department shall  
6 pay into the State and Local Tax Reform Fund, a special fund in  
7 the State Treasury, the net revenue realized for the preceding  
8 month from the 1% tax on 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.

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

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

26 Beginning July 1, 2014 and through September 1, 2014, each

1 month the Department shall pay into the State and Local Sales  
2 Tax Reform Fund 100% of the net revenue realized for the  
3 preceding month from the 1.25% rate on the selling price of  
4 propane.

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

12 Beginning July 1, 2013, each month the Department shall pay  
13 into the Underground Storage Tank Fund from the proceeds  
14 collected under this Act, the Use Tax Act, the Service  
15 Occupation Tax Act, and the Retailers' Occupation Tax Act an  
16 amount equal to the average monthly deficit in the Underground  
17 Storage Tank Fund during the prior year, as certified annually  
18 by the Illinois Environmental Protection Agency, but the total  
19 payment into the Underground Storage Tank Fund under this Act,  
20 the Use Tax Act, the Service Occupation Tax Act, and the  
21 Retailers' Occupation Tax Act shall not exceed \$18,000,000 in  
22 any State fiscal year. As used in this paragraph, the "average  
23 monthly deficit" shall be equal to the difference between the  
24 average monthly claims for payment by the fund and the average  
25 monthly revenues deposited into the fund, excluding payments  
26 made pursuant to this paragraph.

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



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

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

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

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

1	2017	199,000,000
2	2018	210,000,000
3	2019	221,000,000
4	2020	233,000,000
5	2021	246,000,000
6	2022	260,000,000
7	2023	275,000,000
8	2024	275,000,000
9	2025	275,000,000
10	2026	279,000,000
11	2027	292,000,000
12	2028	307,000,000
13	2029	322,000,000
14	2030	338,000,000
15	2031	350,000,000
16	2032	350,000,000

17                   and

18                    each fiscal year

19                   thereafter that bonds

20                   are outstanding under

21                   Section 13.2 of the

22                   Metropolitan Pier and

23                   Exposition Authority Act,

24                   but not after fiscal year 2060.

25                   Beginning July 20, 1993 and in each month of each fiscal

26                   year thereafter, one-eighth of the amount requested in the

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

12 Subject to payment of amounts into the Build Illinois Fund  
13 and the McCormick Place Expansion Project Fund pursuant to the  
14 preceding paragraphs or in any amendments thereto hereafter  
15 enacted, beginning July 1, 1993 and ending on September 30,  
16 2013, the Department shall each month pay into the Illinois Tax  
17 Increment Fund 0.27% of 80% of the net revenue realized for the  
18 preceding month from the 6.25% general rate on the selling  
19 price of tangible personal property.

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

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

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

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 (Source: P.A. 98-24, eff. 6-19-13; 98-109, eff. 7-25-13;  
26 98-298, eff. 8-9-13; 98-496, eff. 1-1-14; revised 9-9-13.)

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

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

4           Sec. 3-10. Rate of tax. Unless otherwise provided in this  
5 Section, the tax imposed by this Act is at the rate of 6.25% of  
6 the "selling price", as defined in Section 2 of the Service Use  
7 Tax Act, of the tangible personal property. For the purpose of  
8 computing this tax, in no event shall the "selling price" be  
9 less than the cost price to the serviceman of the tangible  
10 personal property transferred. The selling price of each item  
11 of tangible personal property transferred as an incident of a  
12 sale of service may be shown as a distinct and separate item on  
13 the serviceman's billing to the service customer. If the  
14 selling price is not so shown, the selling price of the  
15 tangible personal property is deemed to be 50% of the  
16 serviceman's entire billing to the service customer. When,  
17 however, a serviceman contracts to design, develop, and produce  
18 special order machinery or equipment, the tax imposed by this  
19 Act shall be based on the serviceman's cost price of the  
20 tangible personal property transferred incident to the  
21 completion of the contract.

22           Beginning on July 1, 2000 and through December 31, 2000,  
23 with respect to motor fuel, as defined in Section 1.1 of the  
24 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of

1 the Use Tax Act, the tax is imposed at the rate of 1.25%.

2 With respect to gasohol, as defined in the Use Tax Act, the  
3 tax imposed by this Act shall apply to (i) 70% of the cost  
4 price of property transferred as an incident to the sale of  
5 service on or after January 1, 1990, and before July 1, 2003,  
6 (ii) 80% of the selling price of property transferred as an  
7 incident to the sale of service on or after July 1, 2003 and on  
8 or before December 31, 2018, and (iii) 100% of the cost price  
9 thereafter. If, at any time, however, the tax under this Act on  
10 sales of gasohol, as defined in the Use Tax Act, is imposed at  
11 the rate of 1.25%, then the tax imposed by this Act applies to  
12 100% of the proceeds of sales of gasohol made during that time.

13 With respect to majority blended ethanol fuel, as defined  
14 in the Use Tax Act, the tax imposed by this Act does not apply  
15 to the selling price of property transferred as an incident to  
16 the sale of service on or after July 1, 2003 and on or before  
17 December 31, 2018 but applies to 100% of the selling price  
18 thereafter.

19 With respect to biodiesel blends, as defined in the Use Tax  
20 Act, with no less than 1% and no more than 10% biodiesel, the  
21 tax imposed by this Act applies to (i) 80% of the selling price  
22 of property transferred as an incident to the sale of service  
23 on or after July 1, 2003 and on or before December 31, 2018 and  
24 (ii) 100% of the proceeds of the selling price thereafter. If,  
25 at any time, however, the tax under this Act on sales of  
26 biodiesel blends, as defined in the Use Tax Act, with no less



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

5 With respect to 100% biodiesel, as defined in the Use Tax  
6 Act, and biodiesel blends, as defined in the Use Tax Act, with  
7 more than 10% but no more than 99% biodiesel material, the tax  
8 imposed by this Act does not apply to the proceeds of the  
9 selling price of property transferred as an incident to the  
10 sale of service on or after July 1, 2003 and on or before  
11 December 31, 2018 but applies to 100% of the selling price  
12 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 incident to  
22 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 of 2013, or the  
3 Child Care Act of 1969. The tax shall also be imposed at the  
4 rate of 1% on food for human consumption that is to be consumed  
5 off the premises where it is sold (other than alcoholic  
6 beverages, soft drinks, and food that has been prepared for  
7 immediate consumption and is not otherwise included in this  
8 paragraph) and prescription and nonprescription medicines,  
9 drugs, medical appliances, modifications to a motor vehicle for  
10 the purpose of rendering it usable by a disabled person, and  
11 insulin, urine testing materials, syringes, and needles used by  
12 diabetics, for human use. For the purposes of this Section,  
13 until September 1, 2009: the term "soft drinks" means any  
14 complete, finished, ready-to-use, non-alcoholic drink, whether  
15 carbonated or not, including but not limited to soda water,  
16 cola, fruit juice, vegetable juice, carbonated water, and all  
17 other preparations commonly known as soft drinks of whatever  
18 kind or description that are contained in any closed or sealed  
19 can, carton, or container, regardless of size; but "soft  
20 drinks" does not include coffee, tea, non-carbonated water,  
21 infant formula, milk or milk products as defined in the Grade A  
22 Pasteurized Milk and Milk Products Act, or drinks containing  
23 50% or more 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 Beginning on January 1, 2014 (the effective date of Public  
17 Act 98-122) ~~this amendatory Act of the 98th General Assembly,~~  
18 "prescription and nonprescription medicines and drugs"  
19 includes medical cannabis purchased from a registered  
20 dispensing organization under the Compassionate Use of Medical  
21 Cannabis Pilot Program Act.

22 Beginning June 1, 2014 through August 31, 2014, with  
23 respect to propane, the tax is imposed at the rate of 1.25%.

24 (Source: P.A. 97-38, eff. 6-28-11; 97-227, eff. 1-1-12; 97-636,  
25 eff. 6-1-12; 98-104, eff. 7-22-13; 98-122, eff. 1-1-14; revised  
26 8-9-13.)

1 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

2 Sec. 9. Each serviceman required or authorized to collect  
3 the tax herein imposed shall pay to the Department the amount  
4 of such tax at the time when he is required to file his return  
5 for the period during which such tax was collectible, less a  
6 discount of 2.1% prior to January 1, 1990, and 1.75% on and  
7 after January 1, 1990, or \$5 per calendar year, whichever is  
8 greater, which is allowed to reimburse the serviceman for  
9 expenses incurred in collecting the tax, keeping records,  
10 preparing and filing returns, remitting the tax and supplying  
11 data to the Department on request. The Department may disallow  
12 the discount for servicemen whose certificate of registration  
13 is revoked at the time the return is filed, but only if the  
14 Department's decision to revoke the certificate of  
15 registration has become final.

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

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

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

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

- 13 1. The name of the seller;
- 14 2. The address of the principal place of business from  
15 which he engages in business as a serviceman in this State;
- 16 3. The total amount of taxable receipts received by him  
17 during the preceding calendar month, including receipts  
18 from charge and time sales, but less all deductions allowed  
19 by law;
- 20 4. The amount of credit provided in Section 2d of this  
21 Act;
- 22 5. The amount of tax due;
- 23 5-5. The signature of the taxpayer; and
- 24 6. Such other reasonable information as the Department  
25 may require.

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

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

4 Prior to October 1, 2003, and on and after September 1,  
5 2004 a serviceman may accept a Manufacturer's Purchase Credit  
6 certification from a purchaser in satisfaction of Service Use  
7 Tax as provided in Section 3-70 of the Service Use Tax Act if  
8 the purchaser provides the appropriate documentation as  
9 required by Section 3-70 of the Service Use Tax Act. A  
10 Manufacturer's Purchase Credit certification, accepted prior  
11 to October 1, 2003 or on or after September 1, 2004 by a  
12 serviceman as provided in Section 3-70 of the Service Use Tax  
13 Act, may be used by that serviceman to satisfy Service  
14 Occupation Tax liability in the amount claimed in the  
15 certification, not to exceed 6.25% of the receipts subject to  
16 tax from a qualifying purchase. A Manufacturer's Purchase  
17 Credit reported on any original or amended return filed under  
18 this Act after October 20, 2003 for reporting periods prior to  
19 September 1, 2004 shall be disallowed. Manufacturer's Purchase  
20 Credit reported on annual returns due on or after January 1,  
21 2005 will be disallowed for periods prior to September 1, 2004.  
22 No Manufacturer's Purchase Credit may be used after September  
23 30, 2003 through August 31, 2004 to satisfy any tax liability  
24 imposed under this Act, including any audit liability.

25 If the serviceman's average monthly tax liability to the  
26 Department does not exceed \$200, the Department may authorize

1 his returns to be filed on a quarter annual basis, with the  
2 return for January, February and March of a given year being  
3 due by April 20 of such year; with the return for April, May  
4 and June of a given year being due by July 20 of such year; with  
5 the return for July, August and September of a given year being  
6 due by October 20 of such year, and with the return for  
7 October, November and December of a given year being due by  
8 January 20 of the following year.

9 If the serviceman's average monthly tax liability to the  
10 Department does not exceed \$50, the Department may authorize  
11 his returns to be filed on an annual basis, with the return for  
12 a given year being due by January 20 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 serviceman may file his return, in the  
18 case of any serviceman who ceases to engage in a kind of  
19 business which makes him responsible for filing returns under  
20 this Act, such serviceman shall file a final return under this  
21 Act with the Department not more than 1 month after  
22 discontinuing such business.

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



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

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

1 Any taxpayer not required to make payments by electronic  
2 funds transfer may make payments by electronic funds transfer  
3 with the permission of the Department.

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

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

11 Where a serviceman collects the tax with respect to the  
12 selling price of tangible personal property which he sells and  
13 the purchaser thereafter returns such tangible personal  
14 property and the serviceman refunds the selling price thereof  
15 to the purchaser, such serviceman shall also refund, to the  
16 purchaser, the tax so collected from the purchaser. When filing  
17 his return for the period in which he refunds such tax to the  
18 purchaser, the serviceman may deduct the amount of the tax so  
19 refunded by him to the purchaser from any other Service  
20 Occupation Tax, Service Use Tax, Retailers' Occupation Tax or  
21 Use Tax which such serviceman may be required to pay or remit  
22 to the Department, as shown by such return, provided that the  
23 amount of the tax to be deducted shall previously have been  
24 remitted to the Department by such serviceman. If the  
25 serviceman shall not previously have remitted the amount of  
26 such tax to the Department, he shall be entitled to no

1 deduction hereunder upon refunding such tax to the purchaser.

2 If experience indicates such action to be practicable, the  
3 Department may prescribe and furnish a combination or joint  
4 return which will enable servicemen, who are required to file  
5 returns hereunder and also under the Retailers' Occupation Tax  
6 Act, the Use Tax Act or the Service Use Tax Act, to furnish all  
7 the return information required by all said Acts on the one  
8 form.

9 Where the serviceman has more than one business registered  
10 with the Department under separate registrations hereunder,  
11 such serviceman shall file separate returns for each registered  
12 business.

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

22 Beginning January 1, 1990, each month the Department shall  
23 pay into the County and Mass Transit District Fund 4% of the  
24 revenue realized for the preceding month from the 6.25% general  
25 rate.

26 Beginning August 1, 2000, each month the Department shall

1 pay into the County and Mass Transit District Fund 20% of the  
2 net revenue realized for the preceding month from the 1.25%  
3 rate on the selling price of motor fuel and gasohol.

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

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

12 Beginning October 1, 2009, each month the Department shall  
13 pay into the Capital Projects Fund an amount that is equal to  
14 an amount estimated by the Department to represent 80% of the  
15 net revenue realized for the preceding month from the sale of  
16 candy, grooming and hygiene products, and soft drinks that had  
17 been taxed at a rate of 1% prior to September 1, 2009 but that  
18 are ~~is~~ now taxed at 6.25%.

19 Beginning July 1, 2014 and through September 1, 2014, each  
20 month the Department shall pay into the County and Mass Transit  
21 District Fund 20% of the net revenue realized for the preceding  
22 month from the 1.25% rate on the selling price of propane.

23 Beginning July 1, 2014 and through September 1, 2014, each  
24 month the Department shall pay into the Local Government Tax  
25 Fund 80% of the net revenue realized for the preceding month  
26 from the 1.25% rate on the selling price of propane.

1           Beginning July 1, 2013, each month the Department shall pay  
2 into the Underground Storage Tank Fund from the proceeds  
3 collected under this Act, the Use Tax Act, the Service Use Tax  
4 Act, and the Retailers' Occupation Tax Act an amount equal to  
5 the average monthly deficit in the Underground Storage Tank  
6 Fund during the prior year, as certified annually by the  
7 Illinois Environmental Protection Agency, but the total  
8 payment into the Underground Storage Tank Fund under this Act,  
9 the Use Tax Act, the Service Use Tax Act, and the Retailers'  
10 Occupation Tax Act shall not exceed \$18,000,000 in any State  
11 fiscal year. As used in this paragraph, the "average monthly  
12 deficit" shall be equal to the difference between the average  
13 monthly claims for payment by the fund and the average monthly  
14 revenues deposited into the fund, excluding payments made  
15 pursuant to this paragraph.

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

1 the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case  
2 may be, of moneys being hereinafter called the "Tax Act  
3 Amount", and (2) the amount transferred to the Build Illinois  
4 Fund from the State and Local Sales Tax Reform Fund shall be  
5 less than the Annual Specified Amount (as defined in Section 3  
6 of the Retailers' Occupation Tax Act), an amount equal to the  
7 difference shall be immediately paid into the Build Illinois  
8 Fund from other moneys received by the Department pursuant to  
9 the Tax Acts; and further provided, that if on the last  
10 business day of any month the sum of (1) the Tax Act Amount  
11 required to be deposited into the Build Illinois Account in the  
12 Build Illinois Fund during such month and (2) the amount  
13 transferred during such month to the Build Illinois Fund from  
14 the State and Local Sales Tax Reform Fund shall have been less  
15 than 1/12 of the Annual Specified Amount, an amount equal to  
16 the difference shall be immediately paid into the Build  
17 Illinois Fund from other moneys received by the Department  
18 pursuant to the Tax Acts; and, further provided, that in no  
19 event shall the payments required under the preceding proviso  
20 result in aggregate payments into the Build Illinois Fund  
21 pursuant to this clause (b) for any fiscal year in excess of  
22 the greater of (i) the Tax Act Amount or (ii) the Annual  
23 Specified Amount for such fiscal year; and, further provided,  
24 that the amounts payable into the Build Illinois Fund under  
25 this clause (b) shall be payable only until such time as the  
26 aggregate amount on deposit under each trust indenture securing

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

1 Build Illinois Fund are subject to the pledge, claim and charge  
 2 set forth in Section 12 of the Build Illinois Bond Act.

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

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



1	2003	99,000,000
2	2004	103,000,000
3	2005	108,000,000
4	2006	113,000,000
5	2007	119,000,000
6	2008	126,000,000
7	2009	132,000,000
8	2010	139,000,000
9	2011	146,000,000
10	2012	153,000,000
11	2013	161,000,000
12	2014	170,000,000
13	2015	179,000,000
14	2016	189,000,000
15	2017	199,000,000
16	2018	210,000,000
17	2019	221,000,000
18	2020	233,000,000
19	2021	246,000,000
20	2022	260,000,000
21	2023	275,000,000
22	2024	275,000,000
23	2025	275,000,000
24	2026	279,000,000
25	2027	292,000,000
26	2028	307,000,000

1	2029	322,000,000
2	2030	338,000,000
3	2031	350,000,000
4	2032	350,000,000

5 and

6 each fiscal year

7 thereafter that bonds

8 are outstanding under

9 Section 13.2 of the

10 Metropolitan Pier and

11 Exposition Authority Act,

12 but not after fiscal year 2060.

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

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 July 1, 1993 and ending on September 30,  
4 2013, the Department shall each month pay into the Illinois Tax  
5 Increment Fund 0.27% of 80% of the net revenue realized for the  
6 preceding month from the 6.25% general rate on the selling  
7 price of tangible personal property.

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

21 Of the remainder of the moneys received by the Department  
22 pursuant to this Act, 75% shall be paid into the General  
23 Revenue Fund of the State Treasury and 25% shall be reserved in  
24 a special account and used only for the transfer to the Common  
25 School Fund as part of the monthly transfer from the General  
26 Revenue Fund in accordance with Section 8a of the State Finance

1 Act.

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

25 If the annual information return required by this Section  
26 is not filed when and as required, the taxpayer shall be liable

1 as follows:

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

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

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

20 The foregoing portion of this Section concerning the filing  
21 of an annual information return shall not apply to a serviceman  
22 who is not required to file an income tax return with the  
23 United States Government.

24 As soon as possible after the first day of each month, upon  
25 certification of the Department of Revenue, the Comptroller  
26 shall order transferred and the Treasurer shall transfer from

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

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

9 For greater simplicity of administration, it shall be  
10 permissible for manufacturers, importers and wholesalers whose  
11 products are sold by numerous servicemen in Illinois, and who  
12 wish to do so, to assume the responsibility for accounting and  
13 paying to the Department all tax accruing under this Act with  
14 respect to such sales, if the servicemen who are affected do  
15 not make written objection to the Department to this  
16 arrangement.

17 (Source: P.A. 98-24, eff. 6-19-13; 98-109, eff. 7-25-13;  
18 98-298, eff. 8-9-13; 98-496, eff. 1-1-14; revised 9-9-13.)

19 Section 25. The Retailers' Occupation Tax Act is amended by  
20 changing Sections 2-10 and 3 as follows:

21 (35 ILCS 120/2-10)

22 Sec. 2-10. Rate of tax. Unless otherwise provided in this  
23 Section, the tax imposed by this Act is at the rate of 6.25% of  
24 gross receipts from sales of tangible personal property made in

1 the course of business.

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

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

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

24 With respect to gasohol, as defined in the Use Tax Act, the  
25 tax imposed by this Act applies to (i) 70% of the proceeds of  
26 sales made on or after January 1, 1990, and before July 1,

1 2003, (ii) 80% of the proceeds of sales made on or after July  
2 1, 2003 and on or before December 31, 2018, and (iii) 100% of  
3 the proceeds of sales made thereafter. If, at any time,  
4 however, the tax under this Act on sales of gasohol, as defined  
5 in the Use Tax Act, is imposed at the rate of 1.25%, then the  
6 tax imposed by this Act applies to 100% of the proceeds of  
7 sales of gasohol made during that time.

8 With respect to majority blended ethanol fuel, as defined  
9 in the Use Tax Act, the tax imposed by this Act does not apply  
10 to the proceeds of sales made on or after July 1, 2003 and on or  
11 before December 31, 2018 but applies to 100% of the proceeds of  
12 sales made thereafter.

13 With respect to biodiesel blends, as defined in the Use Tax  
14 Act, with no less than 1% and no more than 10% biodiesel, the  
15 tax imposed by this Act applies to (i) 80% of the proceeds of  
16 sales made on or after July 1, 2003 and on or before December  
17 31, 2018 and (ii) 100% of the proceeds of sales made  
18 thereafter. If, at any time, however, the tax under this Act on  
19 sales of biodiesel blends, as defined in the Use Tax Act, with  
20 no less than 1% and no more than 10% biodiesel is imposed at  
21 the rate of 1.25%, then the tax imposed by this Act applies to  
22 100% of the proceeds of sales of biodiesel blends with no less  
23 than 1% and no more than 10% biodiesel made during that time.

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



1 by this Act does not apply to the proceeds of sales made on or  
2 after July 1, 2003 and on or before December 31, 2018 but  
3 applies to 100% of the proceeds of sales made thereafter.

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

25 Notwithstanding any other provisions of this Act,  
26 beginning September 1, 2009, "soft drinks" means non-alcoholic

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

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

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

26       Notwithstanding any other provisions of this Act,

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

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

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

17 Beginning on the effective date of this amendatory Act of  
18 the 98th General Assembly, "prescription and nonprescription  
19 medicines and drugs" includes medical cannabis purchased from a  
20 registered dispensing organization under the Compassionate Use  
21 of Medical Cannabis Pilot Program Act.

22 Beginning June 1, 2014 through August 31, 2014, with  
23 respect to propane, the tax is imposed at the rate of 1.25%.

24 (Source: P.A. 97-636, eff. 6-1-12; 98-122, eff. 1-1-14.)

25 (35 ILCS 120/3) (from Ch. 120, par. 442)

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

6           1. The name of the seller;

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

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

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

22           5. Deductions allowed by law;

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

26           7. The amount of credit provided in Section 2d of this

1 Act;

2 8. The amount of tax due;

3 9. The signature of the taxpayer; and

4 10. Such other reasonable information as the  
5 Department may require.

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

10 Each return shall be accompanied by the statement of  
11 prepaid tax issued pursuant to Section 2e for which credit is  
12 claimed.

13 Prior to October 1, 2003, and on and after September 1,  
14 2004 a retailer may accept a Manufacturer's Purchase Credit  
15 certification from a purchaser in satisfaction of Use Tax as  
16 provided in Section 3-85 of the Use Tax Act if the purchaser  
17 provides the appropriate documentation as required by Section  
18 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit  
19 certification, accepted by a retailer prior to October 1, 2003  
20 and on and after September 1, 2004 as provided in Section 3-85  
21 of the Use Tax Act, may be used by that retailer to satisfy  
22 Retailers' Occupation Tax liability in the amount claimed in  
23 the certification, not to exceed 6.25% of the receipts subject  
24 to tax from a qualifying purchase. A Manufacturer's Purchase  
25 Credit reported on any original or amended return filed under  
26 this Act after October 20, 2003 for reporting periods prior to

1 September 1, 2004 shall be disallowed. Manufacturer's  
2 Purchaser Credit reported on annual returns due on or after  
3 January 1, 2005 will be disallowed for periods prior to  
4 September 1, 2004. No Manufacturer's Purchase Credit may be  
5 used after September 30, 2003 through August 31, 2004 to  
6 satisfy any tax liability imposed under this Act, including any  
7 audit liability.

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; and

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

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

17          Beginning on October 1, 2003, every distributor, importing  
18          distributor, and manufacturer of alcoholic liquor as defined in  
19          the Liquor Control Act of 1934, shall file a statement with the  
20          Department of Revenue, no later than the 10th day of the month  
21          for the preceding month during which transactions occurred, by  
22          electronic means, showing the total amount of gross receipts  
23          from the sale of alcoholic liquor sold or distributed during  
24          the preceding month to purchasers; identifying the purchaser to  
25          whom it was sold or distributed; the purchaser's tax  
26          registration number; and such other information reasonably

1 required by the Department. A distributor, importing  
2 distributor, or manufacturer of alcoholic liquor must  
3 personally deliver, mail, or provide by electronic means to  
4 each retailer listed on the monthly statement a report  
5 containing a cumulative total of that distributor's, importing  
6 distributor's, or manufacturer's total sales of alcoholic  
7 liquor to that retailer no later than the 10th day of the month  
8 for the preceding month during which the transaction occurred.  
9 The distributor, importing distributor, or manufacturer shall  
10 notify the retailer as to the method by which the distributor,  
11 importing distributor, or manufacturer will provide the sales  
12 information. If the retailer is unable to receive the sales  
13 information by electronic means, the distributor, importing  
14 distributor, or manufacturer shall furnish the sales  
15 information by personal delivery or by mail. For purposes of  
16 this paragraph, the term "electronic means" includes, but is  
17 not limited to, the use of a secure Internet website, e-mail,  
18 or facsimile.

19 If a total amount of less than \$1 is payable, refundable or  
20 creditable, such amount shall be disregarded if it is less than  
21 50 cents and shall be increased to \$1 if it is 50 cents or more.

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



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

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

26 Any taxpayer not required to make payments by electronic

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

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

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

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

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

1 January 20 of the following year.

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

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

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

18 Where the same person has more than one business registered  
19 with the Department under separate registrations under this  
20 Act, such person may not file each return that is due as a  
21 single return covering all such registered businesses, but  
22 shall file separate returns for each such registered business.

23 In addition, with respect to motor vehicles, watercraft,  
24 aircraft, and trailers that are required to be registered with  
25 an agency of this State, every retailer selling this kind of  
26 tangible personal property shall file, with the Department,

1 upon a form to be prescribed and supplied by the Department, a  
2 separate return for each such item of tangible personal  
3 property which the retailer sells, except that if, in the same  
4 transaction, (i) a retailer of aircraft, watercraft, motor  
5 vehicles or trailers transfers more than one aircraft,  
6 watercraft, motor vehicle or trailer to another aircraft,  
7 watercraft, motor vehicle retailer or trailer retailer for the  
8 purpose of resale or (ii) a retailer of aircraft, watercraft,  
9 motor vehicles, or trailers transfers more than one aircraft,  
10 watercraft, motor vehicle, or trailer to a purchaser for use as  
11 a qualifying rolling stock as provided in Section 2-5 of this  
12 Act, then that seller may report the transfer of all aircraft,  
13 watercraft, motor vehicles or trailers involved in that  
14 transaction to the Department on the same uniform  
15 invoice-transaction reporting return form. For purposes of  
16 this Section, "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 Any retailer who sells only motor vehicles, watercraft,  
21 aircraft, or trailers that are required to be registered with  
22 an agency of this State, so that all retailers' occupation tax  
23 liability is required to be reported, and is reported, on such  
24 transaction reporting returns and who is not otherwise required  
25 to file monthly or quarterly returns, need not file monthly or  
26 quarterly returns. However, those retailers shall be required

1 to file returns on an annual basis.

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

23 The transaction reporting return in the case of watercraft  
24 or aircraft must show the name and address of the seller; the  
25 name and address of the purchaser; the amount of the selling  
26 price including the amount allowed by the retailer for

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

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

25 With each such transaction reporting return, the retailer  
26 shall remit the proper amount of tax due (or shall submit

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

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

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

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

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

20 Where the seller is a corporation, the return filed on  
21 behalf of such corporation shall be signed by the president,  
22 vice-president, secretary or treasurer or by the properly  
23 accredited agent of such corporation.

24 Where the seller is a limited liability company, the return  
25 filed on behalf of the limited liability company shall be  
26 signed by a manager, member, or properly accredited agent of



1 the limited liability company.

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

21 Before October 1, 2000, if the taxpayer's average monthly  
22 tax liability to the Department under this Act, the Use Tax  
23 Act, the Service Occupation Tax Act, and the Service Use Tax  
24 Act, excluding any liability for prepaid sales tax to be  
25 remitted in accordance with Section 2d of this Act, was \$10,000  
26 or more during the preceding 4 complete calendar quarters, he

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

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

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

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

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

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

1 minimum payments previously due.

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

1 payment is not paid at the time or in the amount required, the  
2 taxpayer shall be liable for penalties and interest on such  
3 difference, except insofar as the taxpayer has previously made  
4 payments for that month in excess of the minimum payments  
5 previously due.

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



1 interest on such difference.

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

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

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

22 Beginning August 1, 2000, each month the Department shall  
23 pay into the County and Mass Transit District Fund 20% of the  
24 net revenue realized for the preceding month from the 1.25%  
25 rate on the selling price of motor fuel and gasohol. Beginning  
26 September 1, 2010, each month the Department shall pay into the

1 County and Mass Transit District Fund 20% of the net revenue  
2 realized for the preceding month from the 1.25% rate on the  
3 selling price of sales tax holiday items.

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

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

16 Beginning July 1, 2014 and through September 1, 2014, each  
17 month the Department shall pay into the County and Mass Transit  
18 District Fund 20% of the net revenue realized for the preceding  
19 month from the 1.25% rate on the selling price of propane.

20 Beginning July 1, 2014 and through September 1, 2014, each  
21 month the Department shall pay into the Local Government Tax  
22 Fund 80% of the net revenue realized for the preceding month  
23 from the 1.25% rate on the selling price of propane.

24 Beginning October 1, 2009, each month the Department shall  
25 pay into the Capital Projects Fund an amount that is equal to  
26 an amount estimated by the Department to represent 80% of the

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

5 Beginning July 1, 2011, each month the Department shall pay  
6 into the Clean Air Act (CAA) Permit Fund 80% of the net revenue  
7 realized for the preceding month from the 6.25% general rate on  
8 the selling price of sorbents used in Illinois in the process  
9 of sorbent injection as used to comply with the Environmental  
10 Protection Act or the federal Clean Air Act, but the total  
11 payment into the Clean Air Act (CAA) Permit Fund under this Act  
12 and the Use Tax Act shall not exceed \$2,000,000 in any fiscal  
13 year.

14 Beginning July 1, 2013, each month the Department shall pay  
15 into the Underground Storage Tank Fund from the proceeds  
16 collected under this Act, the Use Tax Act, the Service Use Tax  
17 Act, and the Service Occupation Tax Act an amount equal to the  
18 average monthly deficit in the Underground Storage Tank Fund  
19 during the prior year, as certified annually by the Illinois  
20 Environmental Protection Agency, but the total payment into the  
21 Underground Storage Tank Fund under this Act, the Use Tax Act,  
22 the Service Use Tax Act, and the Service Occupation Tax Act  
23 shall not exceed \$18,000,000 in any State fiscal year. As used  
24 in this paragraph, the "average monthly deficit" shall be equal  
25 to the difference between the average monthly claims for  
26 payment by the fund and the average monthly revenues deposited

1 into the fund, excluding payments made pursuant to this  
2 paragraph.

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

23	Fiscal Year	Annual Specified Amount
24	1986	\$54,800,000
25	1987	\$76,650,000
26	1988	\$80,480,000

1	1989	\$88,510,000
2	1990	\$115,330,000
3	1991	\$145,470,000
4	1992	\$182,730,000
5	1993	\$206,520,000;

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

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

1 and charge set forth in Section 12 of the Build Illinois Bond  
 2 Act.

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

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

1	2003	99,000,000
2	2004	103,000,000
3	2005	108,000,000
4	2006	113,000,000
5	2007	119,000,000
6	2008	126,000,000
7	2009	132,000,000
8	2010	139,000,000
9	2011	146,000,000
10	2012	153,000,000
11	2013	161,000,000
12	2014	170,000,000
13	2015	179,000,000
14	2016	189,000,000
15	2017	199,000,000
16	2018	210,000,000
17	2019	221,000,000
18	2020	233,000,000
19	2021	246,000,000
20	2022	260,000,000
21	2023	275,000,000
22	2024	275,000,000
23	2025	275,000,000
24	2026	279,000,000
25	2027	292,000,000
26	2028	307,000,000



1	2029	322,000,000
2	2030	338,000,000
3	2031	350,000,000
4	2032	350,000,000

5 and

6 each fiscal year

7 thereafter that bonds

8 are outstanding under

9 Section 13.2 of the

10 Metropolitan Pier and

11 Exposition Authority Act,

12 but not after fiscal year 2060.

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

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 July 1, 1993 and ending on September 30,  
4 2013, the Department shall each month pay into the Illinois Tax  
5 Increment Fund 0.27% of 80% of the net revenue realized for the  
6 preceding month from the 6.25% general rate on the selling  
7 price of tangible personal property.

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

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

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

24           If the annual information return required by this Section  
25 is not filed when and as required, the taxpayer shall be liable  
26 as follows:

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

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

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

19          The provisions of this Section concerning the filing of an  
20          annual information return do not apply to a retailer who is not  
21          required to file an income tax return with the United States  
22          Government.

23          As soon as possible after the first day of each month, upon  
24          certification of the Department of Revenue, the Comptroller  
25          shall order transferred and the Treasurer shall transfer from  
26          the General Revenue Fund to the Motor Fuel Tax Fund an amount

1 equal to 1.7% of 80% of the net revenue realized under this Act  
2 for the second preceding month. Beginning April 1, 2000, this  
3 transfer is no longer required and shall not be made.

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

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

15 Any person who promotes, organizes, provides retail  
16 selling space for concessionaires or other types of sellers at  
17 the Illinois State Fair, DuQuoin State Fair, county fairs,  
18 local fairs, art shows, flea markets and similar exhibitions or  
19 events, including any transient merchant as defined by Section  
20 2 of the Transient Merchant Act of 1987, is required to file a  
21 report with the Department providing the name of the merchant's  
22 business, the name of the person or persons engaged in  
23 merchant's business, the permanent address and Illinois  
24 Retailers Occupation Tax Registration Number of the merchant,  
25 the dates and location of the event and other reasonable  
26 information that the Department may require. The report must be

1 filed not later than the 20th day of the month next following  
2 the month during which the event with retail sales was held.  
3 Any person who fails to file a report required by this Section  
4 commits a business offense and is subject to a fine not to  
5 exceed \$250.

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

26 (Source: P.A. 97-95, eff. 7-12-11; 97-333, eff. 8-12-11; 98-24,

1 eff. 6-19-13; 98-109, eff. 7-25-13; 98-496, eff. 1-1-14;  
2 revised 9-9-13.)

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