



## 99TH GENERAL ASSEMBLY

### State of Illinois

2015 and 2016

HB3210

by Rep. Michelle Mussman

#### SYNOPSIS AS INTRODUCED:

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 diapers and baby wipes to 1% (currently, 6.25%). Makes changes concerning the distribution of the proceeds from the tax imposed on diapers and baby wipes.

LRB099 08057 HLH 28202 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 Use Tax Act is amended by changing Sections  
5 3-10 and 9 as follows:

6 (35 ILCS 105/3-10)

7 Sec. 3-10. Rate of tax. Unless otherwise provided in this  
8 Section, the tax imposed by this Act is at the rate of 6.25% of  
9 either the selling price or the fair market value, if any, of  
10 the tangible personal property. In all cases where property  
11 functionally used or consumed is the same as the property that  
12 was purchased at retail, then the tax is imposed on the selling  
13 price of the property. In all cases where property functionally  
14 used or consumed is a by-product or waste product that has been  
15 refined, manufactured, or produced from property purchased at  
16 retail, then the tax is imposed on the lower of the fair market  
17 value, if any, of the specific property so used in this State  
18 or on the selling price of the property purchased at retail.  
19 For purposes of this Section "fair market value" means the  
20 price at which property would change hands between a willing  
21 buyer and a willing seller, neither being under any compulsion  
22 to buy or sell and both having reasonable knowledge of the  
23 relevant facts. The fair market value shall be established by

1 Illinois sales by the taxpayer of the same property as that  
2 functionally used or consumed, or if there are no such sales by  
3 the taxpayer, then comparable sales or purchases of property of  
4 like kind and character in Illinois.

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

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

12 With respect to gasohol, the tax imposed by this Act  
13 applies to (i) 70% of the proceeds of sales made on or after  
14 January 1, 1990, and before July 1, 2003, (ii) 80% of the  
15 proceeds of sales made on or after July 1, 2003 and on or  
16 before December 31, 2018, and (iii) 100% of the proceeds of  
17 sales made thereafter. If, at any time, however, the tax under  
18 this Act on sales of gasohol is imposed at the rate of 1.25%,  
19 then the tax imposed by this Act applies to 100% of the  
20 proceeds of sales of gasohol made during that time.

21 With respect to majority blended ethanol fuel, the tax  
22 imposed by this Act does not apply to the proceeds of sales  
23 made on or after July 1, 2003 and on or before December 31,  
24 2018 but applies to 100% of the proceeds of sales made  
25 thereafter.

26 With respect to biodiesel blends with no less than 1% and

1 no more than 10% biodiesel, the tax imposed by this Act applies  
2 to (i) 80% of the proceeds of sales made on or after July 1,  
3 2003 and on or before December 31, 2018 and (ii) 100% of the  
4 proceeds of sales made thereafter. If, at any time, however,  
5 the tax under this Act on sales of biodiesel blends with no  
6 less than 1% and no more than 10% biodiesel is imposed at the  
7 rate of 1.25%, then the tax imposed by this Act applies to 100%  
8 of the proceeds of sales of biodiesel blends with no less than  
9 1% and no more than 10% biodiesel made during that time.

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

15 With respect to food for human consumption that is to be  
16 consumed off the premises where it is sold (other than  
17 alcoholic beverages, soft drinks, and food that has been  
18 prepared for immediate consumption) and prescription and  
19 nonprescription medicines, drugs, medical appliances,  
20 modifications to a motor vehicle for the purpose of rendering  
21 it usable by a disabled person, diapers, baby wipes, and  
22 insulin, urine testing materials, syringes, and needles used by  
23 diabetics, for human use, the tax is imposed at the rate of 1%.  
24 For the purposes of this Section, until September 1, 2009: the  
25 term "soft drinks" means any complete, finished, ready-to-use,  
26 non-alcoholic drink, whether carbonated or not, including but

1 not limited to soda water, cola, fruit juice, vegetable juice,  
2 carbonated water, and all other preparations commonly known as  
3 soft drinks of whatever kind or description that are contained  
4 in any closed or sealed bottle, can, carton, or container,  
5 regardless of size; but "soft drinks" does not include coffee,  
6 tea, non-carbonated water, infant formula, milk or milk  
7 products as defined in the Grade A Pasteurized Milk and Milk  
8 Products Act, or drinks containing 50% or more natural fruit or  
9 vegetable juice.

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

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

1 regardless of the location of the vending machine.

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

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

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

25 (B) A statement of the "active ingredient(s)" with a  
26 list of those ingredients contained in the compound,

1 substance or preparation.

2 Beginning on the effective date of this amendatory Act of  
3 the 98th General Assembly, "prescription and nonprescription  
4 medicines and drugs" includes medical cannabis purchased from a  
5 registered dispensing organization under the Compassionate Use  
6 of Medical Cannabis Pilot Program Act.

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

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

15 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

16 Sec. 9. Except as to motor vehicles, watercraft, aircraft,  
17 and trailers that are required to be registered with an agency  
18 of this State, each retailer required or authorized to collect  
19 the tax imposed by this Act shall pay to the Department the  
20 amount of such tax (except as otherwise provided) at the time  
21 when he is required to file his return for the period during  
22 which such tax was collected, less a discount of 2.1% prior to  
23 January 1, 1990, and 1.75% on and after January 1, 1990, or \$5  
24 per calendar year, whichever is greater, which is allowed to  
25 reimburse the retailer for expenses incurred in collecting the

1 tax, keeping records, preparing and filing returns, remitting  
2 the tax and supplying data to the Department on request. In the  
3 case of retailers who report and pay the tax on a transaction  
4 by transaction basis, as provided in this Section, such  
5 discount shall be taken with each such tax remittance instead  
6 of when such retailer files his periodic return. The Department  
7 may disallow the discount for retailers whose certificate of  
8 registration is revoked at the time the return is filed, but  
9 only if the Department's decision to revoke the certificate of  
10 registration has become final. A retailer need not remit that  
11 part of any tax collected by him to the extent that he is  
12 required to remit and does remit the tax imposed by the  
13 Retailers' Occupation Tax Act, with respect to the sale of the  
14 same property.

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

25 Except as provided in this Section, on or before the  
26 twentieth day of each calendar month, such retailer shall file



1 a return for the preceding calendar month. Such return shall be  
2 filed on forms prescribed by the Department and shall furnish  
3 such information as the Department may reasonably require.

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

11 1. The name of the seller;

12 2. The address of the principal place of business from  
13 which he engages in the business of selling tangible  
14 personal property at retail in this State;

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

1 all payments required by rules of the Department by electronic  
2 funds transfer.

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

8 Any taxpayer not required to make payments by electronic  
9 funds transfer may make payments by electronic funds transfer  
10 with the permission of the Department.

11 All taxpayers required to make payment by electronic funds  
12 transfer and any taxpayers authorized to voluntarily make  
13 payments by electronic funds transfer shall make those payments  
14 in the manner authorized by the Department.

15 The Department shall adopt such rules as are necessary to  
16 effectuate a program of electronic funds transfer and the  
17 requirements of this Section.

18 Before October 1, 2000, if the taxpayer's average monthly  
19 tax liability to the Department under this Act, the Retailers'  
20 Occupation Tax Act, the Service Occupation Tax Act, the Service  
21 Use Tax Act was \$10,000 or more during the preceding 4 complete  
22 calendar quarters, he shall file a return with the Department  
23 each month by the 20th day of the month next following the  
24 month during which such tax liability is incurred and shall  
25 make payments to the Department on or before the 7th, 15th,  
26 22nd and last day of the month during which such liability is

1 incurred. On and after October 1, 2000, if the taxpayer's  
2 average monthly tax liability to the Department under this Act,  
3 the Retailers' Occupation Tax Act, the Service Occupation Tax  
4 Act, and the Service Use Tax Act was \$20,000 or more during the  
5 preceding 4 complete calendar quarters, he shall file a return  
6 with the Department each month by the 20th day of the month  
7 next following the month during which such tax liability is  
8 incurred and shall make payment to the Department on or before  
9 the 7th, 15th, 22nd and last day of the month during which such  
10 liability is incurred. If the month during which such tax  
11 liability is incurred began prior to January 1, 1985, each  
12 payment shall be in an amount equal to 1/4 of the taxpayer's  
13 actual liability for the month or an amount set by the  
14 Department not to exceed 1/4 of the average monthly liability  
15 of the taxpayer to the Department for the preceding 4 complete  
16 calendar quarters (excluding the month of highest liability and  
17 the month of lowest liability in such 4 quarter period). If the  
18 month during which such tax liability is incurred begins on or  
19 after January 1, 1985, and prior to January 1, 1987, each  
20 payment shall be in an amount equal to 22.5% of the taxpayer's  
21 actual liability for the month or 27.5% of the taxpayer's  
22 liability for the same calendar month of the preceding year. If  
23 the month during which such tax liability is incurred begins on  
24 or after January 1, 1987, and prior to January 1, 1988, each  
25 payment shall be in an amount equal to 22.5% of the taxpayer's  
26 actual liability for the month or 26.25% of the taxpayer's

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

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

1 payment actually and timely paid, except insofar as the  
2 taxpayer has previously made payments for that month to the  
3 Department in excess of the minimum payments previously due as  
4 provided in this Section. The Department shall make reasonable  
5 rules and regulations to govern the quarter monthly payment  
6 amount and quarter monthly payment dates for taxpayers who file  
7 on other than a calendar monthly basis.

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

1 the Service Occupation Tax Act or the Service Use Tax Act, in  
2 accordance with reasonable rules and regulations prescribed by  
3 the Department. If the Department subsequently determines that  
4 all or any part of the credit taken was not actually due to the  
5 taxpayer, the taxpayer's 2.1% or 1.75% vendor's discount shall  
6 be reduced by 2.1% or 1.75% of the difference between the  
7 credit taken and that actually due, and the taxpayer shall be  
8 liable for penalties and interest on such difference.

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

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

26 Such quarter annual and annual returns, as to form and



1 substance, shall be subject to the same requirements as monthly  
2 returns.

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

10 In addition, with respect to motor vehicles, watercraft,  
11 aircraft, and trailers that are required to be registered with  
12 an agency of this State, every retailer selling this kind of  
13 tangible personal property shall file, with the Department,  
14 upon a form to be prescribed and supplied by the Department, a  
15 separate return for each such item of tangible personal  
16 property which the retailer sells, except that if, in the same  
17 transaction, (i) a retailer of aircraft, watercraft, motor  
18 vehicles or trailers transfers more than one aircraft,  
19 watercraft, motor vehicle or trailer to another aircraft,  
20 watercraft, motor vehicle or trailer retailer for the purpose  
21 of resale or (ii) a retailer of aircraft, watercraft, motor  
22 vehicles, or trailers transfers more than one aircraft,  
23 watercraft, motor vehicle, or trailer to a purchaser for use as  
24 a qualifying rolling stock as provided in Section 3-55 of this  
25 Act, then that seller may report the transfer of all the  
26 aircraft, watercraft, motor vehicles or trailers involved in

1 that transaction to the Department on the same uniform  
2 invoice-transaction reporting return form. For purposes of  
3 this Section, "watercraft" means a Class 2, Class 3, or Class 4  
4 watercraft as defined in Section 3-2 of the Boat Registration  
5 and Safety Act, a personal watercraft, or any boat equipped  
6 with an inboard motor.

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

1 require.

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

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

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

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

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

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

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

17 Where a retailer collects the tax with respect to the  
18 selling price of tangible personal property which he sells and  
19 the purchaser thereafter returns such tangible personal  
20 property and the retailer refunds the selling price thereof to  
21 the purchaser, such retailer shall also refund, to the  
22 purchaser, the tax so collected from the purchaser. When filing  
23 his return for the period in which he refunds such tax to the  
24 purchaser, the retailer may deduct the amount of the tax so  
25 refunded by him to the purchaser from any other use tax which  
26 such retailer may be required to pay or remit to the

1 Department, as shown by such return, if the amount of the tax  
2 to be deducted was previously remitted to the Department by  
3 such retailer. If the retailer has not previously remitted the  
4 amount of such tax to the Department, he is entitled to no  
5 deduction under this Act upon refunding such tax to the  
6 purchaser.

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

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

21 Where the retailer has more than one business registered  
22 with the Department under separate registration under this Act,  
23 such retailer may not file each return that is due as a single  
24 return covering all such registered businesses, but shall file  
25 separate returns for each such registered business.

26 Beginning January 1, 1990, each month the Department shall

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

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

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

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

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

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

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

22 Beginning July 1, 2011, each month the Department shall pay  
23 into the Clean Air Act (CAA) Permit Fund 80% of the net revenue  
24 realized for the preceding month from the 6.25% general rate on  
25 the selling price of sorbents used in Illinois in the process  
26 of sorbent injection as used to comply with the Environmental



1 Protection Act or the federal Clean Air Act, but the total  
2 payment into the Clean Air Act (CAA) Permit Fund under this Act  
3 and the Retailers' Occupation Tax Act shall not exceed  
4 \$2,000,000 in any fiscal year.

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

20 Of the remainder of the moneys received by the Department  
21 pursuant to this Act, (a) 1.75% thereof shall be paid into the  
22 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on  
23 and after July 1, 1989, 3.8% thereof shall be paid into the  
24 Build Illinois Fund; provided, however, that if in any fiscal  
25 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case  
26 may be, of the moneys received by the Department and required

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

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

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

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

19	Fiscal Year	Total Deposit
20	1993	\$0
21	1994	53,000,000
22	1995	58,000,000
23	1996	61,000,000
24	1997	64,000,000
25	1998	68,000,000
26	1999	71,000,000

1	2000	75,000,000
2	2001	80,000,000
3	2002	93,000,000
4	2003	99,000,000
5	2004	103,000,000
6	2005	108,000,000
7	2006	113,000,000
8	2007	119,000,000
9	2008	126,000,000
10	2009	132,000,000
11	2010	139,000,000
12	2011	146,000,000
13	2012	153,000,000
14	2013	161,000,000
15	2014	170,000,000
16	2015	179,000,000
17	2016	189,000,000
18	2017	199,000,000
19	2018	210,000,000
20	2019	221,000,000
21	2020	233,000,000
22	2021	246,000,000
23	2022	260,000,000
24	2023	275,000,000
25	2024	275,000,000
26	2025	275,000,000

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

8 and

9 each fiscal year

10 thereafter that bonds

11 are outstanding under

12 Section 13.2 of the

13 Metropolitan Pier and

14 Exposition Authority Act,

15 but not after fiscal year 2060.

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

1 not in excess of the amount specified above as "Total Deposit",  
2 has been deposited.

3 Subject to payment of amounts into the Build Illinois Fund  
4 and the McCormick Place Expansion Project Fund pursuant to the  
5 preceding paragraphs or in any amendments thereto hereafter  
6 enacted, beginning July 1, 1993 and ending on September 30,  
7 2013, the Department shall each month pay into the Illinois Tax  
8 Increment Fund 0.27% of 80% of the net revenue realized for the  
9 preceding month from the 6.25% general rate on the selling  
10 price of tangible personal property.

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

24 Subject to payment of amounts into the Build Illinois Fund,  
25 the McCormick Place Expansion Project Fund, the Illinois Tax  
26 Increment Fund, and the Energy Infrastructure Fund pursuant to

1 the preceding paragraphs or in any amendments to this Section  
2 hereafter enacted, beginning on the first day of the first  
3 calendar month to occur on or after the effective date of this  
4 amendatory Act of the 98th General Assembly, each month, from  
5 the collections made under Section 9 of the Use Tax Act,  
6 Section 9 of the Service Use Tax Act, Section 9 of the Service  
7 Occupation Tax Act, and Section 3 of the Retailers' Occupation  
8 Tax Act, the Department shall pay into the Tax Compliance and  
9 Administration Fund, to be used, subject to appropriation, to  
10 fund additional auditors and compliance personnel at the  
11 Department of Revenue, an amount equal to  $\frac{1}{12}$  of 5% of 80% of  
12 the cash receipts collected during the preceding fiscal year by  
13 the Audit Bureau of the Department under the Use Tax Act, the  
14 Service Use Tax Act, the Service Occupation Tax Act, the  
15 Retailers' Occupation Tax Act, and associated local occupation  
16 and use taxes administered by the Department.

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

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 (Source: P.A. 97-95, eff. 7-12-11; 97-333, eff. 8-12-11; 98-24,  
16 eff. 6-19-13; 98-109, eff. 7-25-13; 98-496, eff. 1-1-14;  
17 98-756, eff. 7-16-14; 98-1098, eff. 8-26-14.)

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

20 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

21 Sec. 3-10. Rate of tax. Unless otherwise provided in this  
22 Section, the tax imposed by this Act is at the rate of 6.25% of  
23 the selling price of tangible personal property transferred as  
24 an incident to the sale of service, but, for the purpose of

1 computing this tax, in no event shall the selling price be less  
2 than the cost price of the property to the serviceman.

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

7 With respect to gasohol, as defined in the Use Tax Act, the  
8 tax imposed by this Act applies to (i) 70% of the selling price  
9 of property transferred as an incident to the sale of service  
10 on or after January 1, 1990, and before July 1, 2003, (ii) 80%  
11 of the selling price of property transferred as an incident to  
12 the sale of service on or after July 1, 2003 and on or before  
13 December 31, 2018, and (iii) 100% of the selling price  
14 thereafter. If, at any time, however, the tax under this Act on  
15 sales of gasohol, as defined in the Use Tax Act, is imposed at  
16 the rate of 1.25%, then the tax imposed by this Act applies to  
17 100% of the proceeds of sales of gasohol made during that time.

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

24 With respect to biodiesel blends, as defined in the Use Tax  
25 Act, with no less than 1% and no more than 10% biodiesel, the  
26 tax imposed by this Act applies to (i) 80% of the selling price

1 of property transferred as an incident to the sale of service  
2 on or after July 1, 2003 and on or before December 31, 2018 and  
3 (ii) 100% of the proceeds of the selling price thereafter. If,  
4 at any time, however, the tax under this Act on sales of  
5 biodiesel blends, as defined in the Use Tax Act, with no less  
6 than 1% and no more than 10% biodiesel is imposed at the rate  
7 of 1.25%, then the tax imposed by this Act applies to 100% of  
8 the proceeds of sales of biodiesel blends with no less than 1%  
9 and no more than 10% biodiesel made during that time.

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

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

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

1 Products Act, or drinks containing 50% or more natural fruit or  
2 vegetable juice.

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

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

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

1 ingredients or flavorings in the form of bars, drops, or  
2 pieces. "Candy" does not include any preparation that contains  
3 flour or requires refrigeration.

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

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

21 Beginning on January 1, 2014 (the effective date of Public  
22 Act 98-122), "prescription and nonprescription medicines and  
23 drugs" includes medical cannabis purchased from a registered  
24 dispensing organization under the Compassionate Use of Medical  
25 Cannabis Pilot Program Act.

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; 98-756,  
9 eff. 7-16-14.)

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, diapers,  
13 baby wipes, and insulin, urine testing materials, syringes and  
14 needles used by 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 October 1, 2009, each month the Department shall

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

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

22 Of the remainder of the moneys received by the Department  
23 pursuant to this Act, (a) 1.75% thereof shall be paid into the  
24 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on  
25 and after July 1, 1989, 3.8% thereof shall be paid into the  
26 Build Illinois Fund; provided, however, that if in any fiscal

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

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



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

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

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

1	1997	64,000,000
2	1998	68,000,000
3	1999	71,000,000
4	2000	75,000,000
5	2001	80,000,000
6	2002	93,000,000
7	2003	99,000,000
8	2004	103,000,000
9	2005	108,000,000
10	2006	113,000,000
11	2007	119,000,000
12	2008	126,000,000
13	2009	132,000,000
14	2010	139,000,000
15	2011	146,000,000
16	2012	153,000,000
17	2013	161,000,000
18	2014	170,000,000
19	2015	179,000,000
20	2016	189,000,000
21	2017	199,000,000
22	2018	210,000,000
23	2019	221,000,000
24	2020	233,000,000
25	2021	246,000,000
26	2022	260,000,000

1	2023	275,000,000
2	2024	275,000,000
3	2025	275,000,000
4	2026	279,000,000
5	2027	292,000,000
6	2028	307,000,000
7	2029	322,000,000
8	2030	338,000,000
9	2031	350,000,000
10	2032	350,000,000

11 and

12 each fiscal year  
13 thereafter that bonds  
14 are outstanding under  
15 Section 13.2 of the  
16 Metropolitan Pier and  
17 Exposition Authority Act,  
18 but not after fiscal year 2060.

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

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

6 Subject to payment of amounts into the Build Illinois Fund  
7 and the McCormick Place Expansion Project Fund pursuant to the  
8 preceding paragraphs or in any amendments thereto hereafter  
9 enacted, beginning July 1, 1993 and ending on September 30,  
10 2013, the Department shall each month pay into the Illinois Tax  
11 Increment Fund 0.27% of 80% of the net revenue realized for the  
12 preceding month from the 6.25% general rate on the selling  
13 price of tangible personal property.

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

1           Subject to payment of amounts into the Build Illinois Fund,  
2           the McCormick Place Expansion Project Fund, the Illinois Tax  
3           Increment Fund, and the Energy Infrastructure Fund pursuant to  
4           the preceding paragraphs or in any amendments to this Section  
5           hereafter enacted, beginning on the first day of the first  
6           calendar month to occur on or after the effective date of this  
7           amendatory Act of the 98th General Assembly, each month, from  
8           the collections made under Section 9 of the Use Tax Act,  
9           Section 9 of the Service Use Tax Act, Section 9 of the Service  
10          Occupation Tax Act, and Section 3 of the Retailers' Occupation  
11          Tax Act, the Department shall pay into the Tax Compliance and  
12          Administration Fund, to be used, subject to appropriation, to  
13          fund additional auditors and compliance personnel at the  
14          Department of Revenue, an amount equal to 1/12 of 5% of 80% of  
15          the cash receipts collected during the preceding fiscal year by  
16          the Audit Bureau of the Department under the Use Tax Act, the  
17          Service Use Tax Act, the Service Occupation Tax Act, the  
18          Retailers' Occupation Tax Act, and associated local occupation  
19          and use taxes administered by the Department.

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

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

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

12           (Source: P.A. 98-24, eff. 6-19-13; 98-109, eff. 7-25-13;  
13 98-298, eff. 8-9-13; 98-496, eff. 1-1-14; 98-756, eff. 7-16-14;  
14 98-1098, eff. 8-26-14.)

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

17           (35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

18           Sec. 3-10. Rate of tax. Unless otherwise provided in this  
19 Section, the tax imposed by this Act is at the rate of 6.25% of  
20 the "selling price", as defined in Section 2 of the Service Use  
21 Tax Act, of the tangible personal property. For the purpose of  
22 computing this tax, in no event shall the "selling price" be  
23 less than the cost price to the serviceman of the tangible  
24 personal property transferred. The selling price of each item

1 of tangible personal property transferred as an incident of a  
2 sale of service may be shown as a distinct and separate item on  
3 the serviceman's billing to the service customer. If the  
4 selling price is not so shown, the selling price of the  
5 tangible personal property is deemed to be 50% of the  
6 serviceman's entire billing to the service customer. When,  
7 however, a serviceman contracts to design, develop, and produce  
8 special order machinery or equipment, the tax imposed by this  
9 Act shall be based on the serviceman's cost price of the  
10 tangible personal property transferred incident to the  
11 completion of the contract.

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

16 With respect to gasohol, as defined in the Use Tax Act, the  
17 tax imposed by this Act shall apply to (i) 70% of the cost  
18 price of property transferred as an incident to the sale of  
19 service on or after January 1, 1990, and before July 1, 2003,  
20 (ii) 80% of the selling price of property transferred as an  
21 incident to the sale of service on or after July 1, 2003 and on  
22 or before December 31, 2018, and (iii) 100% of the cost price  
23 thereafter. If, at any time, however, the tax under this Act on  
24 sales of gasohol, as defined in the Use Tax Act, is imposed at  
25 the rate of 1.25%, then the tax imposed by this Act applies to  
26 100% of the proceeds of sales of gasohol made during that time.

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

7           With respect to biodiesel blends, as defined in the Use Tax  
8 Act, with no less than 1% and no more than 10% biodiesel, the  
9 tax imposed by this Act applies to (i) 80% of the selling price  
10 of property transferred as an incident to the sale of service  
11 on or after July 1, 2003 and on or before December 31, 2018 and  
12 (ii) 100% of the proceeds of the selling price thereafter. If,  
13 at any time, however, the tax under this Act on sales of  
14 biodiesel blends, as defined in the Use Tax Act, with no less  
15 than 1% and no more than 10% biodiesel is imposed at the rate  
16 of 1.25%, then the tax imposed by this Act applies to 100% of  
17 the proceeds of sales of biodiesel blends with no less than 1%  
18 and no more than 10% biodiesel made during that time.

19           With respect to 100% biodiesel, as defined in the Use Tax  
20 Act, and biodiesel blends, as defined in the Use Tax Act, with  
21 more than 10% but no more than 99% biodiesel material, the tax  
22 imposed by this Act does not apply to the proceeds of the  
23 selling price of property transferred as an incident to the  
24 sale of service on or after July 1, 2003 and on or before  
25 December 31, 2018 but applies to 100% of the selling price  
26 thereafter.



1           At the election of any registered serviceman made for each  
2 fiscal year, sales of service in which the aggregate annual  
3 cost price of tangible personal property transferred as an  
4 incident to the sales of service is less than 35%, or 75% in  
5 the case of servicemen transferring prescription drugs or  
6 servicemen engaged in graphic arts production, of the aggregate  
7 annual total gross receipts from all sales of service, the tax  
8 imposed by this Act shall be based on the serviceman's cost  
9 price of the tangible personal property transferred incident to  
10 the sale of those services.

11           The tax shall be imposed at the rate of 1% on food prepared  
12 for immediate consumption and transferred incident to a sale of  
13 service subject to this Act or the Service Occupation Tax Act  
14 by an entity licensed under the Hospital Licensing Act, the  
15 Nursing Home Care Act, the ID/DD Community Care Act, the  
16 Specialized Mental Health Rehabilitation Act of 2013, or the  
17 Child Care Act of 1969. The tax shall also be imposed at the  
18 rate of 1% on food for human consumption that is to be consumed  
19 off the premises where it is sold (other than alcoholic  
20 beverages, soft drinks, and food that has been prepared for  
21 immediate consumption and is not otherwise included in this  
22 paragraph) and prescription and nonprescription medicines,  
23 drugs, medical appliances, modifications to a motor vehicle for  
24 the purpose of rendering it usable by a disabled person,  
25 diapers, baby wipes, and insulin, urine testing materials,  
26 syringes, and needles used by diabetics, for human use. For the

1 purposes of this Section, until September 1, 2009: the term  
2 "soft drinks" means any complete, finished, ready-to-use,  
3 non-alcoholic drink, whether carbonated or not, including but  
4 not limited to soda water, cola, fruit juice, vegetable juice,  
5 carbonated water, and all other preparations commonly known as  
6 soft drinks of whatever kind or description that are contained  
7 in any closed or sealed can, carton, or container, regardless  
8 of size; but "soft drinks" does not include coffee, tea,  
9 non-carbonated water, infant formula, milk or milk products as  
10 defined in the Grade A Pasteurized Milk and Milk Products Act,  
11 or drinks containing 50% or more natural fruit or vegetable  
12 juice.

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

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

1 off the premises where it is sold" includes all food sold  
2 through a vending machine, except soft drinks, candy, and food  
3 products that are dispensed hot from a vending machine,  
4 regardless of the location of the vending machine.

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

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

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

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

5 Beginning on January 1, 2014 (the effective date of Public  
6 Act 98-122), "prescription and nonprescription medicines and  
7 drugs" includes medical cannabis purchased from a registered  
8 dispensing organization under the Compassionate Use of Medical  
9 Cannabis Pilot Program Act.

10 (Source: P.A. 97-38, eff. 6-28-11; 97-227, eff. 1-1-12; 97-636,  
11 eff. 6-1-12; 98-104, eff. 7-22-13; 98-122, eff. 1-1-14; 98-756,  
12 eff. 7-16-14.)

13 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

14 Sec. 9. Each serviceman required or authorized to collect  
15 the tax herein imposed shall pay to the Department the amount  
16 of such tax at the time when he is required to file his return  
17 for the period during which such tax was collectible, less a  
18 discount of 2.1% prior to January 1, 1990, and 1.75% on and  
19 after January 1, 1990, or \$5 per calendar year, whichever is  
20 greater, which is allowed to reimburse the serviceman for  
21 expenses incurred in collecting the tax, keeping records,  
22 preparing and filing returns, remitting the tax and supplying  
23 data to the Department on request. The Department may disallow  
24 the discount for servicemen whose certificate of registration  
25 is revoked at the time the return is filed, but only if the

1 Department's decision to revoke the certificate of  
2 registration has become final.

3 Where such tangible personal property is sold under a  
4 conditional sales contract, or under any other form of sale  
5 wherein the payment of the principal sum, or a part thereof, is  
6 extended beyond the close of the period for which the return is  
7 filed, the serviceman, in collecting the tax may collect, for  
8 each tax return period, only the tax applicable to the part of  
9 the selling price actually received during such tax return  
10 period.

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

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

- 25 1. The name of the seller;  
26 2. The address of the principal place of business from

1 which he engages in business as a serviceman in this State;

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

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

8 5. The amount of tax due;

9 5-5. The signature of the taxpayer; and

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

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

16 Prior to October 1, 2003, and on and after September 1,  
17 2004 a serviceman may accept a Manufacturer's Purchase Credit  
18 certification from a purchaser in satisfaction of Service Use  
19 Tax as provided in Section 3-70 of the Service Use Tax Act if  
20 the purchaser provides the appropriate documentation as  
21 required by Section 3-70 of the Service Use Tax Act. A  
22 Manufacturer's Purchase Credit certification, accepted prior  
23 to October 1, 2003 or on or after September 1, 2004 by a  
24 serviceman as provided in Section 3-70 of the Service Use Tax  
25 Act, may be used by that serviceman to satisfy Service  
26 Occupation Tax liability in the amount claimed in the

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

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

21 If the serviceman's average monthly tax liability to the  
22 Department does not exceed \$50, the Department may authorize  
23 his returns to be filed on an annual basis, with the return for  
24 a given year being due by January 20 of the following year.

25 Such quarter annual and annual returns, as to form and  
26 substance, shall be subject to the same requirements as monthly

1 returns.

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

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

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

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

21 Where the serviceman has more than one business registered  
22 with the Department under separate registrations hereunder,  
23 such serviceman shall file separate returns for each registered  
24 business.

25 Beginning January 1, 1990, each month the Department shall  
26 pay into the Local Government Tax Fund the revenue realized for

1 the preceding month from the 1% tax on sales of food for human  
2 consumption which is to be consumed off the premises where it  
3 is sold (other than alcoholic beverages, soft drinks and food  
4 which has been prepared for immediate consumption) and  
5 prescription and nonprescription medicines, drugs, medical  
6 appliances, diapers, baby wipes, and insulin, urine testing  
7 materials, syringes and needles used by diabetics.

8 Beginning January 1, 1990, each month the Department shall  
9 pay into the County and Mass Transit District Fund 4% of the  
10 revenue realized for the preceding month from the 6.25% general  
11 rate.

12 Beginning August 1, 2000, each month the Department shall  
13 pay into the County and Mass Transit District Fund 20% 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.

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

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

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 now taxed at 6.25%.

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

20 Of the remainder of the moneys received by the Department  
21 pursuant to this Act, (a) 1.75% thereof shall be paid into the  
22 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on  
23 and after July 1, 1989, 3.8% thereof shall be paid into the  
24 Build Illinois Fund; provided, however, that if in any fiscal  
25 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case  
26 may be, of the moneys received by the Department and required

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

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

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

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

19	Fiscal Year	Total
		Deposit
20	1993	\$0
21	1994	53,000,000
22	1995	58,000,000
23	1996	61,000,000
24	1997	64,000,000
25	1998	68,000,000

1	1999	71,000,000
2	2000	75,000,000
3	2001	80,000,000
4	2002	93,000,000
5	2003	99,000,000
6	2004	103,000,000
7	2005	108,000,000
8	2006	113,000,000
9	2007	119,000,000
10	2008	126,000,000
11	2009	132,000,000
12	2010	139,000,000
13	2011	146,000,000
14	2012	153,000,000
15	2013	161,000,000
16	2014	170,000,000
17	2015	179,000,000
18	2016	189,000,000
19	2017	199,000,000
20	2018	210,000,000
21	2019	221,000,000
22	2020	233,000,000
23	2021	246,000,000
24	2022	260,000,000
25	2023	275,000,000
26	2024	275,000,000



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

9 and

10 each fiscal year  
11 thereafter that bonds  
12 are outstanding under  
13 Section 13.2 of the  
14 Metropolitan Pier and  
15 Exposition Authority Act,  
16 but not after fiscal year 2060.

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

1 Fund, until the full amount requested for the fiscal year, but  
2 not in excess of the amount specified above as "Total Deposit",  
3 has been deposited.

4 Subject to payment of amounts into the Build Illinois Fund  
5 and the McCormick Place Expansion Project Fund pursuant to the  
6 preceding paragraphs or in any amendments thereto hereafter  
7 enacted, beginning July 1, 1993 and ending on September 30,  
8 2013, the Department shall each month pay into the Illinois Tax  
9 Increment Fund 0.27% of 80% of the net revenue realized for the  
10 preceding month from the 6.25% general rate on the selling  
11 price of tangible personal property.

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 with the receipt of the first report of  
16 taxes paid by an eligible business and continuing for a 25-year  
17 period, the Department shall each month pay into the Energy  
18 Infrastructure Fund 80% of the net revenue realized from the  
19 6.25% general rate on the selling price of Illinois-mined coal  
20 that was sold to an eligible business. For purposes of this  
21 paragraph, the term "eligible business" means a new electric  
22 generating facility certified pursuant to Section 605-332 of  
23 the Department of Commerce and Economic Opportunity Law of the  
24 Civil Administrative Code of Illinois.

25 Subject to payment of amounts into the Build Illinois Fund,  
26 the McCormick Place Expansion Project Fund, the Illinois Tax

1 Increment Fund, and the Energy Infrastructure Fund pursuant to  
2 the preceding paragraphs or in any amendments to this Section  
3 hereafter enacted, beginning on the first day of the first  
4 calendar month to occur on or after the effective date of this  
5 amendatory Act of the 98th General Assembly, each month, from  
6 the collections made under Section 9 of the Use Tax Act,  
7 Section 9 of the Service Use Tax Act, Section 9 of the Service  
8 Occupation Tax Act, and Section 3 of the Retailers' Occupation  
9 Tax Act, the Department shall pay into the Tax Compliance and  
10 Administration Fund, to be used, subject to appropriation, to  
11 fund additional auditors and compliance personnel at the  
12 Department of Revenue, an amount equal to 1/12 of 5% of 80% of  
13 the cash receipts collected during the preceding fiscal year by  
14 the Audit Bureau of the Department under the Use Tax Act, the  
15 Service Use Tax Act, the Service Occupation Tax Act, the  
16 Retailers' Occupation Tax Act, and associated local occupation  
17 and use taxes administered by the Department.

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

25 The Department may, upon separate written notice to a  
26 taxpayer, require the taxpayer to prepare and file with the

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

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

- 25 (i) Until January 1, 1994, the taxpayer shall be liable  
26 for a penalty equal to 1/6 of 1% of the tax due from such

1 taxpayer under this Act during the period to be covered by  
2 the annual return for each month or fraction of a month  
3 until such return is filed as required, the penalty to be  
4 assessed and collected in the same manner as any other  
5 penalty provided for in this Act.

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

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

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

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

14 (Source: P.A. 98-24, eff. 6-19-13; 98-109, eff. 7-25-13;  
15 98-298, eff. 8-9-13; 98-496, eff. 1-1-14; 98-756, eff. 7-16-14;  
16 98-1098, eff. 8-26-14.)

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

19 (35 ILCS 120/2-10)

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

24 Beginning on July 1, 2000 and through December 31, 2000,

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

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

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

22 With respect to gasohol, as defined in the Use Tax Act, the  
23 tax imposed by this Act applies to (i) 70% of the proceeds of  
24 sales made on or after January 1, 1990, and before July 1,  
25 2003, (ii) 80% of the proceeds of sales made on or after July  
26 1, 2003 and on or before December 31, 2018, and (iii) 100% of

1 the proceeds of sales made thereafter. If, at any time,  
2 however, the tax under this Act on sales of gasohol, as defined  
3 in the Use Tax Act, is imposed at the rate of 1.25%, then the  
4 tax imposed by this Act applies to 100% of the proceeds of  
5 sales of gasohol made during that time.

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

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

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



1 applies to 100% of the proceeds of sales made thereafter.

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

23 Notwithstanding any other provisions of this Act,  
24 beginning September 1, 2009, "soft drinks" means non-alcoholic  
25 beverages that contain natural or artificial sweeteners. "Soft  
26 drinks" do not include beverages that contain milk or milk

1 products, soy, rice or similar milk substitutes, or greater  
2 than 50% of vegetable or fruit juice by volume.

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

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

24       Notwithstanding any other provisions of this Act,  
25 beginning September 1, 2009, "nonprescription medicines and  
26 drugs" does not include grooming and hygiene products. For

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

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

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

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

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

21 (35 ILCS 120/3) (from Ch. 120, par. 442)

22 Sec. 3. Except as provided in this Section, on or before  
23 the twentieth day of each calendar month, every person engaged  
24 in the business of selling tangible personal property at retail  
25 in this State during the preceding calendar month shall file a

1 return with the Department, stating:

2 1. The name of the seller;

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

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

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

18 5. Deductions allowed by law;

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

22 7. The amount of credit provided in Section 2d of this  
23 Act;

24 8. The amount of tax due;

25 9. The signature of the taxpayer; and

26 10. Such other reasonable information as the

1 Department may require.

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

6 Each return shall be accompanied by the statement of  
7 prepaid tax issued pursuant to Section 2e for which credit is  
8 claimed.

9 Prior to October 1, 2003, and on and after September 1,  
10 2004 a retailer may accept a Manufacturer's Purchase Credit  
11 certification from a purchaser in satisfaction of Use Tax as  
12 provided in Section 3-85 of the Use Tax Act if the purchaser  
13 provides the appropriate documentation as required by Section  
14 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit  
15 certification, accepted by a retailer prior to October 1, 2003  
16 and on and after September 1, 2004 as provided in Section 3-85  
17 of the Use Tax Act, may be used by that retailer to satisfy  
18 Retailers' Occupation Tax liability in the amount claimed in  
19 the certification, not to exceed 6.25% of the receipts subject  
20 to tax from a qualifying purchase. A Manufacturer's Purchase  
21 Credit reported on any original or amended return filed under  
22 this Act after October 20, 2003 for reporting periods prior to  
23 September 1, 2004 shall be disallowed. Manufacturer's  
24 Purchaser Credit reported on annual returns due on or after  
25 January 1, 2005 will be disallowed for periods prior to  
26 September 1, 2004. No Manufacturer's Purchase Credit may be

1 used after September 30, 2003 through August 31, 2004 to  
2 satisfy any tax liability imposed under this Act, including any  
3 audit liability.

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

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

25 Beginning on October 1, 2003, any person who is not a  
26 licensed distributor, importing distributor, or manufacturer,

1 as defined in the Liquor Control Act of 1934, but is engaged in  
2 the business of selling, at retail, alcoholic liquor shall file  
3 a statement with the Department of Revenue, in a format and at  
4 a time prescribed by the Department, showing the total amount  
5 paid for alcoholic liquor purchased during the preceding month  
6 and such other information as is reasonably required by the  
7 Department. The Department may adopt rules to require that this  
8 statement be filed in an electronic or telephonic format. Such  
9 rules may provide for exceptions from the filing requirements  
10 of this paragraph. For the purposes of this paragraph, the term  
11 "alcoholic liquor" shall have the meaning prescribed in the  
12 Liquor Control Act of 1934.

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

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

15 If a total amount of less than \$1 is payable, refundable or  
16 creditable, such amount shall be disregarded if it is less than  
17 50 cents and shall be increased to \$1 if it is 50 cents or more.

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



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

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

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

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

1 payments by electronic funds transfer shall make those payments  
2 in the manner authorized by the Department.

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

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

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

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

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

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

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

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

19 In addition, with respect to motor vehicles, watercraft,  
20 aircraft, and trailers that are required to be registered with  
21 an agency of this State, every retailer selling this kind of  
22 tangible personal property shall file, with the Department,  
23 upon a form to be prescribed and supplied by the Department, a  
24 separate return for each such item of tangible personal  
25 property which the retailer sells, except that if, in the same  
26 transaction, (i) a retailer of aircraft, watercraft, motor

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

16 Any retailer who sells only motor vehicles, watercraft,  
17 aircraft, or trailers that are required to be registered with  
18 an agency of this State, so that all retailers' occupation tax  
19 liability is required to be reported, and is reported, on such  
20 transaction reporting returns and who is not otherwise required  
21 to file monthly or quarterly returns, need not file monthly or  
22 quarterly returns. However, those retailers shall be required  
23 to file returns on an annual basis.

24 The transaction reporting return, in the case of motor  
25 vehicles or trailers that are required to be registered with an  
26 agency of this State, shall be the same document as the Uniform

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

19 The transaction reporting return in the case of watercraft  
20 or aircraft must show the name and address of the seller; the  
21 name and address of the purchaser; the amount of the selling  
22 price including the amount allowed by the retailer for  
23 traded-in property, if any; the amount allowed by the retailer  
24 for the traded-in tangible personal property, if any, to the  
25 extent to which Section 1 of this Act allows an exemption for  
26 the value of traded-in property; the balance payable after

1 deducting such trade-in allowance from the total selling price;  
2 the amount of tax due from the retailer with respect to such  
3 transaction; the amount of tax collected from the purchaser by  
4 the retailer on such transaction (or satisfactory evidence that  
5 such tax is not due in that particular instance, if that is  
6 claimed to be the fact); the place and date of the sale, a  
7 sufficient identification of the property sold, and such other  
8 information as the Department may reasonably require.

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

21       With each such transaction reporting return, the retailer  
22 shall remit the proper amount of tax due (or shall submit  
23 satisfactory evidence that the sale is not taxable if that is  
24 the case), to the Department or its agents, whereupon the  
25 Department shall issue, in the purchaser's name, a use tax  
26 receipt (or a certificate of exemption if the Department is

1 satisfied that the particular sale is tax exempt) which such  
2 purchaser may submit to the agency with which, or State officer  
3 with whom, he must title or register the tangible personal  
4 property that is involved (if titling or registration is  
5 required) in support of such purchaser's application for an  
6 Illinois certificate or other evidence of title or registration  
7 to such tangible personal property.

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

16 If the user who would otherwise pay tax to the retailer  
17 wants the transaction reporting return filed and the payment of  
18 the tax or proof of exemption made to the Department before the  
19 retailer is willing to take these actions and such user has not  
20 paid the tax to the retailer, such user may certify to the fact  
21 of such delay by the retailer and may (upon the Department  
22 being satisfied of the truth of such certification) transmit  
23 the information required by the transaction reporting return  
24 and the remittance for tax or proof of exemption directly to  
25 the Department and obtain his tax receipt or exemption  
26 determination, in which event the transaction reporting return

1 and tax remittance (if a tax payment was required) shall be  
2 credited by the Department to the proper retailer's account  
3 with the Department, but without the 2.1% or 1.75% discount  
4 provided for in this Section being allowed. When the user pays  
5 the tax directly to the Department, he shall pay the tax in the  
6 same amount and in the same form in which it would be remitted  
7 if the tax had been remitted to the Department by the retailer.

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

16 Where the seller is a corporation, the return filed on  
17 behalf of such corporation shall be signed by the president,  
18 vice-president, secretary or treasurer or by the properly  
19 accredited agent of such corporation.

20 Where the seller is a limited liability company, the return  
21 filed on behalf of the limited liability company shall be  
22 signed by a manager, member, or properly accredited agent of  
23 the limited liability company.

24 Except as provided in this Section, the retailer filing the  
25 return under this Section shall, at the time of filing such  
26 return, pay to the Department the amount of tax imposed by this



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

17 Before October 1, 2000, if the taxpayer's average monthly  
18 tax liability to the Department under this Act, the Use Tax  
19 Act, the Service Occupation Tax Act, and the Service Use Tax  
20 Act, excluding any liability for prepaid sales tax to be  
21 remitted in accordance with Section 2d of this Act, was \$10,000  
22 or more during the preceding 4 complete calendar quarters, he  
23 shall file a return with the Department each month by the 20th  
24 day of the month next following the month during which such tax  
25 liability is incurred and shall make payments to the Department  
26 on or before the 7th, 15th, 22nd and last day of the month

1 during which such liability is incurred. On and after October  
2 1, 2000, if the taxpayer's average monthly tax liability to the  
3 Department under this Act, the Use Tax Act, the Service  
4 Occupation Tax Act, and the Service Use Tax Act, excluding any  
5 liability for prepaid sales tax to be remitted in accordance  
6 with Section 2d of this Act, was \$20,000 or more during the  
7 preceding 4 complete calendar quarters, he shall file a return  
8 with the Department each month by the 20th day of the month  
9 next following the month during which such tax liability is  
10 incurred and shall make payment to the Department on or before  
11 the 7th, 15th, 22nd and last day of the month during which such  
12 liability is incurred. If the month during which such tax  
13 liability is incurred began prior to January 1, 1985, each  
14 payment shall be in an amount equal to 1/4 of the taxpayer's  
15 actual liability for the month or an amount set by the  
16 Department not to exceed 1/4 of the average monthly liability  
17 of the taxpayer to the Department for the preceding 4 complete  
18 calendar quarters (excluding the month of highest liability and  
19 the month of lowest liability in such 4 quarter period). If the  
20 month during which such tax liability is incurred begins on or  
21 after January 1, 1985 and prior to January 1, 1987, each  
22 payment shall be in an amount equal to 22.5% of the taxpayer's  
23 actual liability for the month or 27.5% of the taxpayer's  
24 liability for the same calendar month of the preceding year. If  
25 the month during which such tax liability is incurred begins on  
26 or after January 1, 1987 and prior to January 1, 1988, each

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

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

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

14 The provisions of this paragraph apply before October 1,  
15 2001. Without regard to whether a taxpayer is required to make  
16 quarter monthly payments as specified above, any taxpayer who  
17 is required by Section 2d of this Act to collect and remit  
18 prepaid taxes and has collected prepaid taxes which average in  
19 excess of \$25,000 per month during the preceding 2 complete  
20 calendar quarters, shall file a return with the Department as  
21 required by Section 2f and shall make payments to the  
22 Department on or before the 7th, 15th, 22nd and last day of the  
23 month during which such liability is incurred. If the month  
24 during which such tax liability is incurred began prior to the  
25 effective date of this amendatory Act of 1985, each payment  
26 shall be in an amount not less than 22.5% of the taxpayer's

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

24 The provisions of this paragraph apply on and after October  
25 1, 2001. Without regard to whether a taxpayer is required to  
26 make quarter monthly payments as specified above, any taxpayer

1 who is required by Section 2d of this Act to collect and remit  
2 prepaid taxes and has collected prepaid taxes that average in  
3 excess of \$20,000 per month during the preceding 4 complete  
4 calendar quarters shall file a return with the Department as  
5 required by Section 2f and shall make payments to the  
6 Department on or before the 7th, 15th, 22nd and last day of the  
7 month during which the liability is incurred. Each payment  
8 shall be in an amount equal to 22.5% of the taxpayer's actual  
9 liability for the month or 25% of the taxpayer's liability for  
10 the same calendar month of the preceding year. The amount of  
11 the quarter monthly payments shall be credited against the  
12 final tax liability of the taxpayer's return for that month  
13 filed under this Section or Section 2f, as the case may be.  
14 Once applicable, the requirement of the making of quarter  
15 monthly payments to the Department pursuant to this paragraph  
16 shall continue until the taxpayer's average monthly prepaid tax  
17 collections during the preceding 4 complete calendar quarters  
18 (excluding the month of highest liability and the month of  
19 lowest liability) is less than \$19,000 or until such taxpayer's  
20 average monthly liability to the Department as computed for  
21 each calendar quarter of the 4 preceding complete calendar  
22 quarters is less than \$20,000. If any such quarter monthly  
23 payment is not paid at the time or in the amount required, the  
24 taxpayer shall be liable for penalties and interest on such  
25 difference, except insofar as the taxpayer has previously made  
26 payments for that month in excess of the minimum payments

1 previously due.

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

24       If a retailer of motor fuel is entitled to a credit under  
25 Section 2d of this Act which exceeds the taxpayer's liability  
26 to the Department under this Act for the month which the



1 taxpayer is filing a return, the Department shall issue the  
2 taxpayer a credit memorandum for the excess.

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

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

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

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

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

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

20           Beginning July 1, 2011, each month the Department shall pay  
21 into the Clean Air Act (CAA) Permit Fund 80% of the net revenue  
22 realized for the preceding month from the 6.25% general rate on  
23 the selling price of sorbents used in Illinois in the process  
24 of sorbent injection as used to comply with the Environmental  
25 Protection Act or the federal Clean Air Act, but the total  
26 payment into the Clean Air Act (CAA) Permit Fund under this Act

1 and the Use Tax Act shall not exceed \$2,000,000 in any fiscal  
2 year.

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

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

1 Act, and Section 9 of the Service Occupation Tax Act, such Acts  
2 being hereinafter called the "Tax Acts" and such aggregate of  
3 2.2% or 3.8%, as the case may be, of moneys being hereinafter  
4 called the "Tax Act Amount", and (2) the amount transferred to  
5 the Build Illinois Fund from the State and Local Sales Tax  
6 Reform Fund shall be less than the Annual Specified Amount (as  
7 hereinafter defined), an amount equal to the difference shall  
8 be immediately paid into the Build Illinois Fund from other  
9 moneys received by the Department pursuant to the Tax Acts; the  
10 "Annual Specified Amount" means the amounts specified below for  
11 fiscal years 1986 through 1993:

12	Fiscal Year	Annual Specified Amount
13	1986	\$54,800,000
14	1987	\$76,650,000
15	1988	\$80,480,000
16	1989	\$88,510,000
17	1990	\$115,330,000
18	1991	\$145,470,000
19	1992	\$182,730,000
20	1993	\$206,520,000;

21 and means the Certified Annual Debt Service Requirement (as  
22 defined in Section 13 of the Build Illinois Bond Act) or the  
23 Tax Act Amount, whichever is greater, for fiscal year 1994 and  
24 each fiscal year thereafter; and further provided, that if on  
25 the last business day of any month the sum of (1) the Tax Act  
26 Amount required to be deposited into the Build Illinois Bond

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

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

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

1 9 of the Service Occupation Tax Act, and Section 3 of the  
2 Retailers' Occupation Tax Act into the McCormick Place  
3 Expansion Project Fund in the specified fiscal years.

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

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

20 and

21 each fiscal year  
22 thereafter that bonds  
23 are outstanding under  
24 Section 13.2 of the  
25 Metropolitan Pier and  
26 Exposition Authority Act,



1 but not after fiscal year 2060.

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

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

23 Subject to payment of amounts into the Build Illinois Fund  
24 and the McCormick Place Expansion Project Fund pursuant to the  
25 preceding paragraphs or in any amendments thereto hereafter  
26 enacted, beginning with the receipt of the first report of

1 taxes paid by an eligible business and continuing for a 25-year  
2 period, the Department shall each month pay into the Energy  
3 Infrastructure Fund 80% of the net revenue realized from the  
4 6.25% general rate on the selling price of Illinois-mined coal  
5 that was sold to an eligible business. For purposes of this  
6 paragraph, the term "eligible business" means a new electric  
7 generating facility certified pursuant to Section 605-332 of  
8 the Department of Commerce and Economic Opportunity Law of the  
9 Civil Administrative Code of Illinois.

10 Subject to payment of amounts into the Build Illinois Fund,  
11 the McCormick Place Expansion Project Fund, the Illinois Tax  
12 Increment Fund, and the Energy Infrastructure Fund pursuant to  
13 the preceding paragraphs or in any amendments to this Section  
14 hereafter enacted, beginning on the first day of the first  
15 calendar month to occur on or after the effective date of this  
16 amendatory Act of the 98th General Assembly, each month, from  
17 the collections made under Section 9 of the Use Tax Act,  
18 Section 9 of the Service Use Tax Act, Section 9 of the Service  
19 Occupation Tax Act, and Section 3 of the Retailers' Occupation  
20 Tax Act, the Department shall pay into the Tax Compliance and  
21 Administration Fund, to be used, subject to appropriation, to  
22 fund additional auditors and compliance personnel at the  
23 Department of Revenue, an amount equal to 1/12 of 5% of 80% of  
24 the cash receipts collected during the preceding fiscal year by  
25 the Audit Bureau of the Department under the Use Tax Act, the  
26 Service Use Tax Act, the Service Occupation Tax Act, the

1 Retailers' Occupation Tax Act, and associated local occupation  
2 and use taxes administered by the Department.

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

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

1 retailer's business during such year and any additional  
2 reasonable information which the Department deems would be  
3 helpful in determining the accuracy of the monthly, quarterly  
4 or annual returns filed by such retailer as provided for in  
5 this Section.

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

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

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

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

1           The provisions of this Section concerning the filing of an  
2 annual information return do not apply to a retailer who is not  
3 required to file an income tax return with the United States  
4 Government.

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

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

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

23           Any person who promotes, organizes, provides retail  
24 selling space for concessionaires or other types of sellers at  
25 the Illinois State Fair, DuQuoin State Fair, county fairs,  
26 local fairs, art shows, flea markets and similar exhibitions or

1 events, including any transient merchant as defined by Section  
2 of the Transient Merchant Act of 1987, is required to file a  
3 report with the Department providing the name of the merchant's  
4 business, the name of the person or persons engaged in  
5 merchant's business, the permanent address and Illinois  
6 Retailers Occupation Tax Registration Number of the merchant,  
7 the dates and location of the event and other reasonable  
8 information that the Department may require. The report must be  
9 filed not later than the 20th day of the month next following  
10 the month during which the event with retail sales was held.  
11 Any person who fails to file a report required by this Section  
12 commits a business offense and is subject to a fine not to  
13 exceed \$250.

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

1 business of selling tangible personal property at retail at the  
2 exhibition or event, or other evidence of a significant risk of  
3 loss of revenue to the State. The Department shall notify  
4 concessionaires and other sellers affected by the imposition of  
5 this requirement. In the absence of notification by the  
6 Department, the concessionaires and other sellers shall file  
7 their returns as otherwise required in this Section.

8 (Source: P.A. 97-95, eff. 7-12-11; 97-333, eff. 8-12-11; 98-24,  
9 eff. 6-19-13; 98-109, eff. 7-25-13; 98-496, eff. 1-1-14;  
10 98-756, eff. 7-16-14; 98-1098, eff. 8-26-14.)