

1 AN ACT regarding taxation.

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

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

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

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

19 A portion of the money paid into the Local Government Tax
20 Fund from the 6.25% general use tax rate on the selling price
21 of tangible personal property which is purchased outside
22 Illinois at retail from a retailer and which is titled or
23 registered by any agency of this State's government shall be
24 distributed to municipalities as provided in this paragraph.
25 Each municipality shall receive the amount attributable to
26 sales for which Illinois addresses for titling or
27 registration purposes are given as being in such
28 municipality. The remainder of the money paid into the Local
29 Government Tax Fund from such sales shall be distributed to
30 counties. Each county shall receive the amount attributable
31 to sales for which Illinois addresses for titling or

1 registration purposes are given as being located in the
2 unincorporated area of such county.

3 A portion of the money paid into the Local Government Tax
4 Fund from the 6.25% general rate (and, beginning July 1, 2000
5 and through December 31, 2000, the 1.25% rate on motor fuel
6 and gasohol and, beginning July 1, 2001, the 1.25% rate on
7 textbooks required for use at State universities and public
8 community colleges) on sales subject to taxation under the
9 Retailers' Occupation Tax Act and the Service Occupation Tax
10 Act, which occurred in municipalities, shall be distributed
11 to each municipality, based upon the sales which occurred in
12 that municipality. The remainder shall be distributed to each
13 county, based upon the sales which occurred in the
14 unincorporated area of such county.

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

24 Whenever the Department determines that a refund of money
25 paid into the Local Government Tax Fund should be made to a
26 claimant instead of issuing a credit memorandum, the
27 Department shall notify the State Comptroller, who shall
28 cause the order to be drawn for the amount specified, and to
29 the person named, in such notification from the Department.
30 Such refund shall be paid by the State Treasurer out of the
31 Local Government Tax Fund.

32 On or before the 25th day of each calendar month, the
33 Department shall prepare and certify to the Comptroller the
34 disbursement of stated sums of money to named municipalities

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

22 When certifying the amount of monthly disbursement to a
23 municipality or county under this Section, the Department
24 shall increase or decrease that amount by an amount necessary
25 to offset any misallocation of previous disbursements. The
26 offset amount shall be the amount erroneously disbursed
27 within the 6 months preceding the time a misallocation is
28 discovered.

29 The provisions directing the distributions from the
30 special fund in the State Treasury provided for in this
31 Section shall constitute an irrevocable and continuing
32 appropriation of all amounts as provided herein. The State
33 Treasurer and State Comptroller are hereby authorized to make
34 distributions as provided in this Section.

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

9 (Source: P.A. 90-491, eff. 1-1-98; 91-51, eff. 6-30-99;
10 91-872, eff. 7-1-00.)

11 (30 ILCS 105/6z-20) (from Ch. 127, par. 142z-20)

12 Sec. 6z-20. Of the money received from the 6.25% general
13 rate (and, beginning July 1, 2000 and through December 31,
14 2000, the 1.25% rate on motor fuel and gasohol and, beginning
15 July 1, 2001, the 1.25% rate on textbooks required for use at
16 State universities and public community colleges) on sales
17 subject to taxation under the Retailers' Occupation Tax Act
18 and Service Occupation Tax Act and paid into the County and
19 Mass Transit District Fund, distribution to the Regional
20 Transportation Authority tax fund, created pursuant to
21 Section 4.03 of the Regional Transportation Authority Act,
22 for deposit therein shall be made based upon the retail sales
23 occurring in a county having more than 3,000,000 inhabitants.
24 The remainder shall be distributed to each county having
25 3,000,000 or fewer inhabitants based upon the retail sales
26 occurring in each such county.

27 For the purpose of determining allocation to the local
28 government unit, a retail sale by a producer of coal or other
29 mineral mined in Illinois is a sale at retail at the place
30 where the coal or other mineral mined in Illinois is
31 extracted from the earth. This paragraph does not apply to
32 coal or other mineral when it is delivered or shipped by the
33 seller to the purchaser at a point outside Illinois so that

1 the sale is exempt under the United States Constitution as a
2 sale in interstate or foreign commerce.

3 Of the money received from the 6.25% general use tax rate
4 on tangible personal property which is purchased outside
5 Illinois at retail from a retailer and which is titled or
6 registered by any agency of this State's government and paid
7 into the County and Mass Transit District Fund, the amount
8 for which Illinois addresses for titling or registration
9 purposes are given as being in each county having more than
10 3,000,000 inhabitants shall be distributed into the Regional
11 Transportation Authority tax fund, created pursuant to
12 Section 4.03 of the Regional Transportation Authority Act.
13 The remainder of the money paid from such sales shall be
14 distributed to each county based on sales for which Illinois
15 addresses for titling or registration purposes are given as
16 being located in the county. Any money paid into the
17 Regional Transportation Authority Occupation and Use Tax
18 Replacement Fund from the County and Mass Transit District
19 Fund prior to January 14, 1991, which has not been paid to
20 the Authority prior to that date, shall be transferred to the
21 Regional Transportation Authority tax fund.

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

30 On or before the 25th day of each calendar month, the
31 Department shall prepare and certify to the Comptroller the
32 disbursement of stated sums of money to the Regional
33 Transportation Authority and to named counties, the counties
34 to be those entitled to distribution, as hereinabove

1 provided, of taxes or penalties paid to the Department during
2 the second preceding calendar month. The amount to be paid
3 to the Regional Transportation Authority and each county
4 having 3,000,000 or fewer inhabitants shall be the amount
5 (not including credit memoranda) collected during the second
6 preceding calendar month by the Department and paid into the
7 County and Mass Transit District Fund, plus an amount the
8 Department determines is necessary to offset any amounts
9 which were erroneously paid to a different taxing body, and
10 not including an amount equal to the amount of refunds made
11 during the second preceding calendar month by the Department,
12 and not including any amount which the Department determines
13 is necessary to offset any amounts which were payable to a
14 different taxing body but were erroneously paid to the
15 Regional Transportation Authority or county. Within 10 days
16 after receipt, by the Comptroller, of the disbursement
17 certification to the Regional Transportation Authority and
18 counties, provided for in this Section to be given to the
19 Comptroller by the Department, the Comptroller shall cause
20 the orders to be drawn for the respective amounts in
21 accordance with the directions contained in such
22 certification.

23 When certifying the amount of a monthly disbursement to
24 the Regional Transportation Authority or to a county under
25 this Section, the Department shall increase or decrease that
26 amount by an amount necessary to offset any misallocation of
27 previous disbursements. The offset amount shall be the
28 amount erroneously disbursed within the 6 months preceding
29 the time a misallocation is discovered.

30 The provisions directing the distributions from the
31 special fund in the State Treasury provided for in this
32 Section and from the Regional Transportation Authority tax
33 fund created by Section 4.03 of the Regional Transportation
34 Authority Act shall constitute an irrevocable and continuing

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

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

13 (Source: P.A. 90-491, eff. 1-1-98; 91-872, eff. 7-1-00.)

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

16 (35 ILCS 105/3-10) (from Ch. 120, par. 439.3-10)

17 Sec. 3-10. Rate of tax. Unless otherwise provided in
18 this Section, the tax imposed by this Act is at the rate of
19 6.25% of either the selling price or the fair market value,
20 if any, of the tangible personal property. In all cases
21 where property functionally used or consumed is the same as
22 the property that was purchased at retail, then the tax is
23 imposed on the selling price of the property. In all cases
24 where property functionally used or consumed is a by-product
25 or waste product that has been refined, manufactured, or
26 produced from property purchased at retail, then the tax is
27 imposed on the lower of the fair market value, if any, of the
28 specific property so used in this State or on the selling
29 price of the property purchased at retail. For purposes of
30 this Section "fair market value" means the price at which
31 property would change hands between a willing buyer and a
32 willing seller, neither being under any compulsion to buy or

1 sell and both having reasonable knowledge of the relevant
2 facts. The fair market value shall be established by Illinois
3 sales by the taxpayer of the same property as that
4 functionally used or consumed, or if there are no such sales
5 by the taxpayer, then comparable sales or purchases of
6 property of like kind and character in Illinois.

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

11 With respect to gasohol, the tax imposed by this Act
12 applies to 70% of the proceeds of sales made on or after
13 January 1, 1990, and before July 1, 2003, and to 100% of the
14 proceeds of sales made thereafter.

15 Beginning July 1, 2001, with respect to textbooks
16 required for use at State universities and public community
17 colleges, the tax is imposed at the rate of 1.25%. The
18 Department may adopt rules necessary to implement and
19 administer the 1.25% rate on textbooks.

20 With respect to food for human consumption that is to be
21 consumed off the premises where it is sold (other than
22 alcoholic beverages, soft drinks, and food that has been
23 prepared for immediate consumption) and prescription and
24 nonprescription medicines, drugs, medical appliances,
25 modifications to a motor vehicle for the purpose of rendering
26 it usable by a disabled person, and insulin, urine testing
27 materials, syringes, and needles used by diabetics, for human
28 use, the tax is imposed at the rate of 1%. For the purposes
29 of this Section, the term "soft drinks" means any complete,
30 finished, ready-to-use, non-alcoholic drink, whether
31 carbonated or not, including but not limited to soda water,
32 cola, fruit juice, vegetable juice, carbonated water, and all
33 other preparations commonly known as soft drinks of whatever
34 kind or description that are contained in any closed or

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

6 Notwithstanding any other provisions of this Act, "food
7 for human consumption that is to be consumed off the premises
8 where it is sold" includes all food sold through a vending
9 machine, except soft drinks and food products that are
10 dispensed hot from a vending machine, regardless of the
11 location of the vending machine.

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

19 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;
20 91-51, eff. 6-30-99; 91-872, eff. 7-1-00.)

21 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

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

1 data to the Department on request. In the case of retailers
2 who report and pay the tax on a transaction by transaction
3 basis, as provided in this Section, such discount shall be
4 taken with each such tax remittance instead of when such
5 retailer files his periodic return. A retailer need not
6 remit that part of any tax collected by him to the extent
7 that he is required to remit and does remit the tax imposed
8 by the Retailers' Occupation Tax Act, with respect to the
9 sale of the same property.

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

20 Except as provided in this Section, on or before the
21 twentieth day of each calendar month, such retailer shall
22 file a return for the preceding calendar month. Such return
23 shall be filed on forms prescribed by the Department and
24 shall furnish such information as the Department may
25 reasonably require.

26 The Department may require returns to be filed on a
27 quarterly basis. If so required, a return for each calendar
28 quarter shall be filed on or before the twentieth day of the
29 calendar month following the end of such calendar quarter.
30 The taxpayer shall also file a return with the Department for
31 each of the first two months of each calendar quarter, on or
32 before the twentieth day of the following calendar month,
33 stating:

- 34 1. The name of the seller;

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

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

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

11 5. The amount of tax due;

12 5-5. The signature of the taxpayer; and

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

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

19 Beginning October 1, 1993, a taxpayer who has an average
20 monthly tax liability of \$150,000 or more shall make all
21 payments required by rules of the Department by electronic
22 funds transfer. Beginning October 1, 1994, a taxpayer who has
23 an average monthly tax liability of \$100,000 or more shall
24 make all payments required by rules of the Department by
25 electronic funds transfer. Beginning October 1, 1995, a
26 taxpayer who has an average monthly tax liability of \$50,000
27 or more shall make all payments required by rules of the
28 Department by electronic funds transfer. Beginning October 1,
29 2000, a taxpayer who has an annual tax liability of \$200,000
30 or more shall make all payments required by rules of the
31 Department by electronic funds transfer. The term "annual
32 tax liability" shall be the sum of the taxpayer's liabilities
33 under this Act, and under all other State and local
34 occupation and use tax laws administered by the Department,

1 for the immediately preceding calendar year. The term
2 "average monthly tax liability" means the sum of the
3 taxpayer's liabilities under this Act, and under all other
4 State and local occupation and use tax laws administered by
5 the Department, for the immediately preceding calendar year
6 divided by 12.

7 Before August 1 of each year beginning in 1993, the
8 Department shall notify all taxpayers required to make
9 payments by electronic funds transfer. All taxpayers required
10 to make payments by electronic funds transfer shall make
11 those payments for a minimum of one year beginning on October
12 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
17 funds transfer and any taxpayers authorized to voluntarily
18 make payments by electronic funds transfer shall make those
19 payments 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 Before October 1, 2000, if the taxpayer's average monthly
24 tax liability to the Department under this Act, the
25 Retailers' Occupation Tax Act, the Service Occupation Tax
26 Act, the Service Use Tax Act was \$10,000 or more during the
27 preceding 4 complete calendar quarters, he shall file a
28 return with the Department each month by the 20th day of the
29 month next following the month during which such tax
30 liability is incurred and shall make payments to the
31 Department on or before the 7th, 15th, 22nd and last day of
32 the month during which such liability is incurred. On and
33 after October 1, 2000, if the taxpayer's average monthly tax
34 liability to the Department under this Act, the Retailers'

1 Occupation Tax Act, the Service Occupation Tax Act, and the
2 Service Use Tax Act was \$20,000 or more during the preceding
3 4 complete calendar quarters, he shall file a return with the
4 Department each month by the 20th day of the month next
5 following the month during which such tax liability is
6 incurred and shall make payment to the Department on or
7 before the 7th, 15th, 22nd and last day of the month during
8 which such liability is incurred. If the month during which
9 such tax liability is incurred began prior to January 1,
10 1985, each payment shall be in an amount equal to 1/4 of the
11 taxpayer's actual liability for the month or an amount set by
12 the Department not to exceed 1/4 of the average monthly
13 liability of the taxpayer to the Department for the preceding
14 4 complete calendar quarters (excluding the month of highest
15 liability and the month of lowest liability in such 4 quarter
16 period). If the month during which such tax liability is
17 incurred begins on or after January 1, 1985, and prior to
18 January 1, 1987, each payment shall be in an amount equal to
19 22.5% of the taxpayer's actual liability for the month or
20 27.5% of the taxpayer's liability for the same calendar month
21 of the preceding year. If the month during which such tax
22 liability is incurred begins on or after January 1, 1987, and
23 prior to January 1, 1988, each payment shall be in an amount
24 equal to 22.5% of the taxpayer's actual liability for the
25 month or 26.25% of the taxpayer's liability for the same
26 calendar month of the preceding year. If the month during
27 which such tax liability is incurred begins on or after
28 January 1, 1988, and prior to January 1, 1989, or begins on
29 or after January 1, 1996, each payment shall be in an amount
30 equal to 22.5% of the taxpayer's actual liability for the
31 month or 25% of the taxpayer's liability for the same
32 calendar month of the preceding year. If the month during
33 which such tax liability is incurred begins on or after
34 January 1, 1989, and prior to January 1, 1996, each payment

1 shall be in an amount equal to 22.5% of the taxpayer's actual
2 liability for the month or 25% of the taxpayer's liability
3 for the same calendar month of the preceding year or 100% of
4 the taxpayer's actual liability for the quarter monthly
5 reporting period. The amount of such quarter monthly
6 payments shall be credited against the final tax liability of
7 the taxpayer's return for that month. Before October 1,
8 2000, once applicable, the requirement of the making of
9 quarter monthly payments to the Department shall continue
10 until such taxpayer's average monthly liability to the
11 Department during the preceding 4 complete calendar quarters
12 (excluding the month of highest liability and the month of
13 lowest liability) is less than \$9,000, or until such
14 taxpayer's average monthly liability to the Department as
15 computed for each calendar quarter of the 4 preceding
16 complete calendar quarter period is less than \$10,000.
17 However, if a taxpayer can show the Department that a
18 substantial change in the taxpayer's business has occurred
19 which causes the taxpayer to anticipate that his average
20 monthly tax liability for the reasonably foreseeable future
21 will fall below the \$10,000 threshold stated above, then such
22 taxpayer may petition the Department for change in such
23 taxpayer's reporting status. On and after October 1, 2000,
24 once applicable, the requirement of the making of quarter
25 monthly payments to the Department shall continue until such
26 taxpayer's average monthly liability to the Department during
27 the preceding 4 complete calendar quarters (excluding the
28 month of highest liability and the month of lowest liability)
29 is less than \$19,000 or until such taxpayer's average monthly
30 liability to the Department as computed for each calendar
31 quarter of the 4 preceding complete calendar quarter period
32 is less than \$20,000. However, if a taxpayer can show the
33 Department that a substantial change in the taxpayer's
34 business has occurred which causes the taxpayer to anticipate

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

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

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

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

24 If the retailer is otherwise required to file a monthly
25 or quarterly return and if the retailer's average monthly tax
26 liability to the Department does not exceed \$50, the
27 Department may authorize his returns to be filed on an annual
28 basis, with the return for a given year being due by January
29 20 of the following year.

30 Such quarter annual and annual returns, as to form and
31 substance, shall be subject to the same requirements as
32 monthly returns.

33 Notwithstanding any other provision in this Act
34 concerning the time within which a retailer may file his

1 return, in the case of any retailer who ceases to engage in a
2 kind of business which makes him responsible for filing
3 returns under this Act, such retailer shall file a final
4 return under this Act with the Department not more than one
5 month after discontinuing such business.

6 In addition, with respect to motor vehicles, watercraft,
7 aircraft, and trailers that are required to be registered
8 with an agency of this State, every retailer selling this
9 kind of tangible personal property shall file, with the
10 Department, upon a form to be prescribed and supplied by the
11 Department, a separate return for each such item of tangible
12 personal property which the retailer sells, except that if,
13 in the same transaction, (i) a retailer of aircraft,
14 watercraft, motor vehicles or trailers transfers more than
15 one aircraft, watercraft, motor vehicle or trailer to another
16 aircraft, watercraft, motor vehicle or trailer retailer for
17 the purpose of resale or (ii) a retailer of aircraft,
18 watercraft, motor vehicles, or trailers transfers more than
19 one aircraft, watercraft, motor vehicle, or trailer to a
20 purchaser for use as a qualifying rolling stock as provided
21 in Section 3-55 of this Act, then that seller may report the
22 transfer of all the aircraft, watercraft, motor vehicles or
23 trailers involved in that transaction to the Department on
24 the same uniform invoice-transaction reporting return form.
25 For purposes of this Section, "watercraft" means a Class 2,
26 Class 3, or Class 4 watercraft as defined in Section 3-2 of
27 the Boat Registration and Safety Act, a personal watercraft,
28 or any boat equipped with an inboard motor.

29 The transaction reporting return in the case of motor
30 vehicles or trailers that are required to be registered with
31 an agency of this State, shall be the same document as the
32 Uniform Invoice referred to in Section 5-402 of the Illinois
33 Vehicle Code and must show the name and address of the
34 seller; the name and address of the purchaser; the amount of

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

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

33 Such transaction reporting return shall be filed not
34 later than 20 days after the date of delivery of the item

1 that is being sold, but may be filed by the retailer at any
2 time sooner than that if he chooses to do so. The
3 transaction reporting return and tax remittance or proof of
4 exemption from the tax that is imposed by this Act may be
5 transmitted to the Department by way of the State agency with
6 which, or State officer with whom, the tangible personal
7 property must be titled or registered (if titling or
8 registration is required) if the Department and such agency
9 or State officer determine that this procedure will expedite
10 the processing of applications for title or registration.

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

24 No retailer's failure or refusal to remit tax under this
25 Act precludes a user, who has paid the proper tax to the
26 retailer, from obtaining his certificate of title or other
27 evidence of title or registration (if titling or registration
28 is required) upon satisfying the Department that such user
29 has paid the proper tax (if tax is due) to the retailer. The
30 Department shall adopt appropriate rules to carry out the
31 mandate of this paragraph.

32 If the user who would otherwise pay tax to the retailer
33 wants the transaction reporting return filed and the payment
34 of tax or proof of exemption made to the Department before

1 the retailer is willing to take these actions and such user
2 has not paid the tax to the retailer, such user may certify
3 to the fact of such delay by the retailer, and may (upon the
4 Department being satisfied of the truth of such
5 certification) transmit the information required by the
6 transaction reporting return and the remittance for tax or
7 proof of exemption directly to the Department and obtain his
8 tax receipt or exemption determination, in which event the
9 transaction reporting return and tax remittance (if a tax
10 payment was required) shall be credited by the Department to
11 the proper retailer's account with the Department, but
12 without the 2.1% or 1.75% discount provided for in this
13 Section being allowed. When the user pays the tax directly
14 to the Department, he shall pay the tax in the same amount
15 and in the same form in which it would be remitted if the tax
16 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
19 and the purchaser thereafter returns such tangible personal
20 property and the retailer refunds the selling price thereof
21 to the purchaser, such retailer shall also refund, to the
22 purchaser, the tax so collected from the purchaser. When
23 filing his return for the period in which he refunds such tax
24 to the purchaser, the retailer may deduct the amount of the
25 tax so refunded by him to the purchaser from any other use
26 tax which such retailer may be required to pay or remit to
27 the Department, as shown by such return, if the amount of the
28 tax to be deducted was previously remitted to the Department
29 by such retailer. If the retailer has not previously
30 remitted the amount of such tax to the Department, he is
31 entitled to no deduction under this Act upon refunding such
32 tax to the purchaser.

33 Any retailer filing a return under this Section shall
34 also include (for the purpose of paying tax thereon) the

1 total tax covered by such return upon the selling price of
2 tangible personal property purchased by him at retail from a
3 retailer, but as to which the tax imposed by this Act was not
4 collected from the retailer filing such return, and such
5 retailer shall remit the amount of such tax to the Department
6 when filing such return.

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

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

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

30 Beginning January 1, 1990, each month the Department
31 shall pay into the County and Mass Transit District Fund 4%
32 of the net revenue realized for the preceding month from the
33 6.25% general rate on the selling price of tangible personal
34 property which is purchased outside Illinois at retail from a

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

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

11 Beginning August 1, 2000, each month the Department shall
12 pay into the State and Local Sales Tax Reform Fund 100% of
13 the net revenue realized for the preceding month from the
14 1.25% rate on the selling price of motor fuel and gasohol.

15 Beginning August 1, 2001, each month the Department shall
16 pay into the State and Local Sales Tax Reform Fund 100% of
17 the net revenue realized for the preceding month from the
18 1.25% rate on the selling price of textbooks required for use
19 at State universities and public community colleges.

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

27 Of the remainder of the moneys received by the Department
28 pursuant to this Act, (a) 1.75% thereof shall be paid into
29 the Build Illinois Fund and (b) prior to July 1, 1989, 2.2%
30 and on and after July 1, 1989, 3.8% thereof shall be paid
31 into the Build Illinois Fund; provided, however, that if in
32 any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%,
33 as the case may be, of the moneys received by the Department
34 and required to be paid into the Build Illinois Fund pursuant

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

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

25 Subject to payment of amounts into the Build Illinois
26 Fund as provided in the preceding paragraph or in any
27 amendment thereto hereafter enacted, the following specified
28 monthly installment of the amount requested in the
29 certificate of the Chairman of the Metropolitan Pier and
30 Exposition Authority provided under Section 8.25f of the
31 State Finance Act, but not in excess of the sums designated
32 as "Total Deposit", shall be deposited in the aggregate from
33 collections under Section 9 of the Use Tax Act, Section 9 of
34 the Service Use Tax Act, Section 9 of the Service Occupation

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

4	Fiscal Year	Total Deposit
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	84,000,000
15	2003	89,000,000
16	2004	93,000,000
17	2005	97,000,000
18	2006	102,000,000
19	2007	108,000,000
20	2008	115,000,000
21	2009	120,000,000
22	2010	126,000,000
23	2011	132,000,000
24	2012	138,000,000
25	2013 and	145,000,000

26 each fiscal year
 27 thereafter that bonds
 28 are outstanding under
 29 Section 13.2 of the
 30 Metropolitan Pier and
 31 Exposition Authority
 32 Act, but not after fiscal year 2029.

33 Beginning July 20, 1993 and in each month of each fiscal
 34 year thereafter, one-eighth of the amount requested in the

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

12 Subject to payment of amounts into the Build Illinois
13 Fund and the McCormick Place Expansion Project Fund pursuant
14 to the preceding paragraphs or in any amendment thereto
15 hereafter enacted, each month the Department shall pay into
16 the Local Government Distributive Fund .4% of the net revenue
17 realized for the preceding month from the 5% general rate, or
18 .4% of 80% of the net revenue realized for the preceding
19 month from the 6.25% general rate, as the case may be, on the
20 selling price of tangible personal property which amount
21 shall, subject to appropriation, be distributed as provided
22 in Section 2 of the State Revenue Sharing Act. No payments or
23 distributions pursuant to this paragraph shall be made if the
24 tax imposed by this Act on photoprocessing products is
25 declared unconstitutional, or if the proceeds from such tax
26 are unavailable for distribution because of litigation.

27 Subject to payment of amounts into the Build Illinois
28 Fund, the McCormick Place Expansion Project Fund, and the
29 Local Government Distributive Fund pursuant to the preceding
30 paragraphs or in any amendments thereto hereafter enacted,
31 beginning July 1, 1993, the Department shall each month pay
32 into the Illinois Tax Increment Fund 0.27% of 80% of the net
33 revenue realized for the preceding month from the 6.25%
34 general rate on the selling price of tangible personal

1 property.

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

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

16 Net revenue realized for a month shall be the revenue
17 collected by the State pursuant to this Act, less the amount
18 paid out during that month as refunds to taxpayers for
19 overpayment of liability.

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

27 (Source: P.A. 90-491, eff. 1-1-99; 90-612, eff. 7-8-98;
28 91-37, eff. 7-1-99; 91-51, eff. 6-30-99; 91-101, eff.
29 7-12-99; 91-541, eff. 8-13-99; 91-872, eff. 7-1-00; 91-901,
30 eff. 1-1-01; revised 8-30-00.)

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

1 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)
2 Sec. 3-10. Rate of tax. Unless otherwise provided in
3 this Section, the tax imposed by this Act is at the rate of
4 6.25% of the selling price of tangible personal property
5 transferred as an incident to the sale of service, but, for
6 the purpose of computing this tax, in no event shall the
7 selling price be less than the cost price of the property to
8 the serviceman.

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

13 With respect to gasohol, as defined in the Use Tax Act,
14 the tax imposed by this Act applies to 70% of the selling
15 price of property transferred as an incident to the sale of
16 service on or after January 1, 1990, and before July 1, 2003,
17 and to 100% of the selling price thereafter.

18 Beginning July 1, 2001, with respect to textbooks
19 required for use at State universities and public community
20 colleges, the tax is imposed at the rate of 1.25%. The
21 Department may adopt rules necessary to implement and
22 administer the 1.25% rate on textbooks.

23 At the election of any registered serviceman made for
24 each fiscal year, sales of service in which the aggregate
25 annual cost price of tangible personal property transferred
26 as an incident to the sales of service is less than 35%, or
27 75% in the case of servicemen transferring prescription drugs
28 or servicemen engaged in graphic arts production, of the
29 aggregate annual total gross receipts from all sales of
30 service, the tax imposed by this Act shall be based on the
31 serviceman's cost price of the tangible personal property
32 transferred as an incident to the sale of those services.

33 The tax shall be imposed at the rate of 1% on food
34 prepared for immediate consumption and transferred incident

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

25 Notwithstanding any other provisions of this Act, "food
26 for human consumption that is to be consumed off the premises
27 where it is sold" includes all food sold through a vending
28 machine, except soft drinks and food products that are
29 dispensed hot from a vending machine, regardless of the
30 location of the vending machine.

31 If the property that is acquired from a serviceman is
32 acquired outside Illinois and used outside Illinois before
33 being brought to Illinois for use here and is taxable under
34 this Act, the "selling price" on which the tax is computed

1 shall be reduced by an amount that represents a reasonable
2 allowance for depreciation for the period of prior
3 out-of-state use.

4 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;
5 91-51, eff. 6-30-99; 91-541, eff. 8-13-99; 91-872, eff.
6 7-1-00.)

7 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

8 Sec. 9. Each serviceman required or authorized to
9 collect the tax herein imposed shall pay to the Department
10 the amount of such tax (except as otherwise provided) at the
11 time when he is required to file his return for the period
12 during which such tax was collected, less a discount of 2.1%
13 prior to January 1, 1990 and 1.75% on and after January 1,
14 1990, or \$5 per calendar year, whichever is greater, which is
15 allowed to reimburse the serviceman for expenses incurred in
16 collecting the tax, keeping records, preparing and filing
17 returns, remitting the tax and supplying data to the
18 Department on request. A serviceman need not remit that part
19 of any tax collected by him to the extent that he is required
20 to pay and does pay the tax imposed by the Service Occupation
21 Tax Act with respect to his sale of service involving the
22 incidental transfer by him of the same property.

23 Except as provided hereinafter in this Section, on or
24 before the twentieth day of each calendar month, such
25 serviceman shall file a return for the preceding calendar
26 month in accordance with reasonable Rules and Regulations to
27 be promulgated by the Department. Such return shall be filed
28 on a form prescribed by the Department and shall contain such
29 information as the Department may reasonably require.

30 The Department may require returns to be filed on a
31 quarterly basis. If so required, a return for each calendar
32 quarter shall be filed on or before the twentieth day of the
33 calendar month following the end of such calendar quarter.

1 The taxpayer shall also file a return with the Department for
2 each of the first two months of each calendar quarter, on or
3 before the twentieth day of the following calendar month,
4 stating:

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

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

23 Beginning October 1, 1993, a taxpayer who has an average
24 monthly tax liability of \$150,000 or more shall make all
25 payments required by rules of the Department by electronic
26 funds transfer. Beginning October 1, 1994, a taxpayer who
27 has an average monthly tax liability of \$100,000 or more
28 shall make all payments required by rules of the Department
29 by electronic funds transfer. Beginning October 1, 1995, a
30 taxpayer who has an average monthly tax liability of \$50,000
31 or more shall make all payments required by rules of the
32 Department by electronic funds transfer. Beginning October 1,
33 2000, a taxpayer who has an annual tax liability of \$200,000
34 or more shall make all payments required by rules of the

1 Department by electronic funds transfer. The term "annual
2 tax liability" shall be the sum of the taxpayer's liabilities
3 under this Act, and under all other State and local
4 occupation and use tax laws administered by the Department,
5 for the immediately preceding calendar year. The term
6 "average monthly tax liability" means the sum of the
7 taxpayer's liabilities under this Act, and under all other
8 State and local occupation and use tax laws administered by
9 the Department, for the immediately preceding calendar year
10 divided by 12.

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

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

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

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

27 If the serviceman is otherwise required to file a monthly
28 return and if the serviceman's average monthly tax liability
29 to the Department does not exceed \$200, the Department may
30 authorize his returns to be filed on a quarter annual basis,
31 with the return for January, February and March of a given
32 year being due by April 20 of such year; with the return for
33 April, May and June of a given year being due by July 20 of
34 such year; with the return for July, August and September of

1 a given year being due by October 20 of such year, and with
2 the return for October, November and December of a given year
3 being due by January 20 of the following year.

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

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

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

20 Where a serviceman collects the tax with respect to the
21 selling price of property which he sells and the purchaser
22 thereafter returns such property and the serviceman refunds
23 the selling price thereof to the purchaser, such serviceman
24 shall also refund, to the purchaser, the tax so collected
25 from the purchaser. When filing his return for the period in
26 which he refunds such tax to the purchaser, the serviceman
27 may deduct the amount of the tax so refunded by him to the
28 purchaser from any other Service Use Tax, Service Occupation
29 Tax, retailers' occupation tax or use tax which such
30 serviceman may be required to pay or remit to the Department,
31 as shown by such return, provided that the amount of the tax
32 to be deducted shall previously have been remitted to the
33 Department by such serviceman. If the serviceman shall not
34 previously have remitted the amount of such tax to the

1 Department, he shall be entitled to no deduction hereunder
2 upon refunding such tax to the purchaser.

3 Any serviceman filing a return hereunder shall also
4 include the total tax upon the selling price of tangible
5 personal property purchased for use by him as an incident to
6 a sale of service, and such serviceman shall remit the amount
7 of such tax to the Department when filing such return.

8 If experience indicates such action to be practicable,
9 the Department may prescribe and furnish a combination or
10 joint return which will enable servicemen, who are required
11 to file returns hereunder and also under the Service
12 Occupation Tax Act, to furnish all the return information
13 required by both Acts on the one form.

14 Where the serviceman has more than one business
15 registered with the Department under separate registration
16 hereunder, such serviceman shall not file each return that is
17 due as a single return covering all such registered
18 businesses, but shall file separate returns for each such
19 registered business.

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

30 Beginning January 1, 1990, each month the Department
31 shall pay into the State and Local Sales Tax Reform Fund 20%
32 of the net revenue realized for the preceding month from the
33 6.25% general rate on transfers of tangible personal
34 property, other than tangible personal property which is

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

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

8 Beginning August 1, 2001, each month the Department shall
9 pay into the State and Local Sales Tax Reform Fund 100% of
10 the net revenue realized for the preceding month from the
11 1.25% rate on the selling price of textbooks required for use
12 at State universities and public community colleges.

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

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

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

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

24	Fiscal Year	Total Deposit
25	1993	\$0
26	1994	53,000,000
27	1995	58,000,000
28	1996	61,000,000
29	1997	64,000,000
30	1998	68,000,000
31	1999	71,000,000
32	2000	75,000,000
33	2001	80,000,000
34	2002	84,000,000

1	2003	89,000,000
2	2004	93,000,000
3	2005	97,000,000
4	2006	102,000,000
5	2007	108,000,000
6	2008	115,000,000
7	2009	120,000,000
8	2010	126,000,000
9	2011	132,000,000
10	2012	138,000,000
11	2013 and	145,000,000

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 2029.

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

32 Subject to payment of amounts into the Build Illinois
33 Fund and the McCormick Place Expansion Project Fund pursuant
34 to the preceding paragraphs or in any amendment thereto

1 hereafter enacted, each month the Department shall pay into
2 the Local Government Distributive Fund 0.4% of the net
3 revenue realized for the preceding month from the 5% general
4 rate or 0.4% of 80% of the net revenue realized for the
5 preceding month from the 6.25% general rate, as the case may
6 be, on the selling price of tangible personal property which
7 amount shall, subject to appropriation, be distributed as
8 provided in Section 2 of the State Revenue Sharing Act. No
9 payments or distributions pursuant to this paragraph shall be
10 made if the tax imposed by this Act on photo processing
11 products is declared unconstitutional, or if the proceeds
12 from such tax are unavailable for distribution because of
13 litigation.

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

23 All remaining moneys received by the Department pursuant
24 to this Act shall be paid into the General Revenue Fund of
25 the State Treasury.

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

34 Net revenue realized for a month shall be the revenue

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

4 (Source: P.A. 90-612, eff. 7-8-98; 91-37, eff. 7-1-99; 91-51,
5 eff. 6-30-99; 91-101, eff. 7-12-99; 91-541, eff. 8-13-99;
6 91-872, eff. 7-1-00.)

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

9 (35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

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

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

32 With respect to gasohol, as defined in the Use Tax Act,

1 the tax imposed by this Act shall apply to 70% of the cost
2 price of property transferred as an incident to the sale of
3 service on or after January 1, 1990, and before July 1, 2003,
4 and to 100% of the cost price thereafter.

5 Beginning July 1, 2001, with respect to textbooks
6 required for use at State universities and public community
7 colleges, the tax is imposed at the rate of 1.25%. The
8 Department may adopt rules necessary to implement and
9 administer the 1.25% rate on textbooks.

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

20 The tax shall be imposed at the rate of 1% on food
21 prepared for immediate consumption and transferred incident
22 to a sale of service subject to this Act or the Service
23 Occupation Tax Act by an entity licensed under the Hospital
24 Licensing Act, the Nursing Home Care Act, or the Child Care
25 Act of 1969. The tax shall also be imposed at the rate of 1%
26 on food for human consumption that is to be consumed off the
27 premises where it is sold (other than alcoholic beverages,
28 soft drinks, and food that has been prepared for immediate
29 consumption and is not otherwise included in this paragraph)
30 and prescription and nonprescription medicines, drugs,
31 medical appliances, modifications to a motor vehicle for the
32 purpose of rendering it usable by a disabled person, and
33 insulin, urine testing materials, syringes, and needles used
34 by diabetics, for human use. For the purposes of this

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

12 Notwithstanding any other provisions of this Act, "food
13 for human consumption that is to be consumed off the premises
14 where it is sold" includes all food sold through a vending
15 machine, except soft drinks and food products that are
16 dispensed hot from a vending machine, regardless of the
17 location of the vending machine.

18 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;
19 91-51, 6-30-99; 91-541, eff. 8-13-99; 91-872, eff. 7-1-00.)

20 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

21 Sec. 9. Each serviceman required or authorized to
22 collect the tax herein imposed shall pay to the Department
23 the amount of such tax at the time when he is required to
24 file his return for the period during which such tax was
25 collectible, less a discount of 2.1% prior to January 1,
26 1990, and 1.75% on and after January 1, 1990, or \$5 per
27 calendar year, whichever is greater, which is allowed to
28 reimburse the serviceman for expenses incurred in collecting
29 the tax, keeping records, preparing and filing returns,
30 remitting the tax and supplying data to the Department on
31 request.

32 Where such tangible personal property is sold under a
33 conditional sales contract, or under any other form of sale

1 wherein the payment of the principal sum, or a part thereof,
2 is extended beyond the close of the period for which the
3 return is filed, the serviceman, in collecting the tax may
4 collect, for each tax return period, only the tax applicable
5 to the part of the selling price actually received during
6 such tax return period.

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

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

- 23 1. The name of the seller;
- 24 2. The address of the principal place of business
25 from which he engages in business as a serviceman in this
26 State;
- 27 3. The total amount of taxable receipts received by
28 him during the preceding calendar month, including
29 receipts from charge and time sales, but less all
30 deductions allowed by law;
- 31 4. The amount of credit provided in Section 2d of
32 this Act;
- 33 5. The amount of tax due;
- 34 5-5. The signature of the taxpayer; and

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

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

7 A serviceman may accept a Manufacturer's Purchase Credit
8 certification from a purchaser in satisfaction of Service Use
9 Tax as provided in Section 3-70 of the Service Use Tax Act if
10 the purchaser provides the appropriate documentation as
11 required by Section 3-70 of the Service Use Tax Act. A
12 Manufacturer's Purchase Credit certification, accepted by a
13 serviceman as provided in Section 3-70 of the Service Use Tax
14 Act, may be used by that serviceman to satisfy Service
15 Occupation Tax liability in the amount claimed in the
16 certification, not to exceed 6.25% of the receipts subject to
17 tax from a qualifying purchase.

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

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

33 Such quarter annual and annual returns, as to form and
34 substance, shall be subject to the same requirements as

1 monthly returns.

2 Notwithstanding any other provision in this Act
3 concerning the time within which a serviceman may file his
4 return, in the case of any serviceman who ceases to engage in
5 a kind of business which makes him responsible for filing
6 returns under this Act, such serviceman shall file a final
7 return under this Act with the Department not more than 1
8 month after 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
13 has an average monthly tax liability of \$100,000 or more
14 shall make all payments required by rules of the Department
15 by electronic funds transfer. Beginning October 1, 1995, a
16 taxpayer who has an average monthly tax liability of \$50,000
17 or more shall make all payments required by rules of the
18 Department by electronic funds transfer. Beginning October
19 1, 2000, a taxpayer who has an annual tax liability of
20 \$200,000 or more shall make all payments required by rules of
21 the Department by electronic funds transfer. The term
22 "annual tax liability" shall be the sum of the taxpayer's
23 liabilities under this Act, and under all other State and
24 local occupation and use tax laws administered by the
25 Department, for the immediately preceding calendar year. The
26 term "average monthly tax liability" means the sum of the
27 taxpayer's liabilities under this Act, and under all other
28 State and local occupation and use tax laws administered by
29 the Department, for the immediately preceding calendar year
30 divided by 12.

31 Before August 1 of each year beginning in 1993, the
32 Department shall notify all taxpayers required to make
33 payments by electronic funds transfer. All taxpayers
34 required to make payments by electronic funds transfer shall

1 make those payments for a minimum of one year beginning on
2 October 1.

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

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

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

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

31 If experience indicates such action to be practicable,
32 the Department may prescribe and furnish a combination or
33 joint return which will enable servicemen, who are required
34 to file returns hereunder and also under the Retailers'

1 Occupation Tax Act, the Use Tax Act or the Service Use Tax
2 Act, to furnish all the return information required by all
3 said Acts on the one form.

4 Where the serviceman has more than one business
5 registered with the Department under separate registrations
6 hereunder, such serviceman shall file separate returns for
7 each registered business.

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

17 Beginning January 1, 1990, each month the Department
18 shall pay into the County and Mass Transit District Fund 4%
19 of the revenue realized for the preceding month from the
20 6.25% general rate.

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

25 Beginning August 1, 2001, each month the Department shall
26 pay into the County and Mass Transit District Fund 20% of the
27 net revenue realized for the preceding month from the 1.25%
28 rate on the selling price of textbooks required for use at
29 State universities and public community colleges.

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

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

1 pay into the Local Government Tax Fund 80% of the net revenue
2 realized for the preceding month from the 1.25% rate on the
3 selling price of motor fuel and gasohol.

4 Beginning August 1, 2001, each month the Department shall
5 pay into the Local Government Tax Fund 80% of the net revenue
6 realized for the preceding month from the 1.25% rate on the
7 selling price of textbooks required for use at State
8 universities and public community colleges.

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

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

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

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

20	Fiscal Year	Total Deposit
21	1993	\$0
22	1994	53,000,000
23	1995	58,000,000
24	1996	61,000,000
25	1997	64,000,000
26	1998	68,000,000
27	1999	71,000,000
28	2000	75,000,000
29	2001	80,000,000
30	2002	84,000,000
31	2003	89,000,000
32	2004	93,000,000
33	2005	97,000,000
34	2006	102,000,000

1	2007	108,000,000
2	2008	115,000,000
3	2009	120,000,000
4	2010	126,000,000
5	2011	132,000,000
6	2012	138,000,000
7	2013 and	145,000,000

8 each fiscal year
9 thereafter that bonds
10 are outstanding under
11 Section 13.2 of the
12 Metropolitan Pier and
13 Exposition Authority

14 Act, but not after fiscal year 2029.

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

28 Subject to payment of amounts into the Build Illinois
29 Fund and the McCormick Place Expansion Project Fund pursuant
30 to the preceding paragraphs or in any amendment thereto
31 hereafter enacted, each month the Department shall pay into
32 the Local Government Distributive Fund 0.4% of the net
33 revenue realized for the preceding month from the 5% general
34 rate or 0.4% of 80% of the net revenue realized for the

1 preceding month from the 6.25% general rate, as the case may
2 be, on the selling price of tangible personal property which
3 amount shall, subject to appropriation, be distributed as
4 provided in Section 2 of the State Revenue Sharing Act. No
5 payments or distributions pursuant to this paragraph shall be
6 made if the tax imposed by this Act on photoprocessing
7 products is declared unconstitutional, or if the proceeds
8 from such tax are unavailable for distribution because of
9 litigation.

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

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

22 The Department may, upon separate written notice to a
23 taxpayer, require the taxpayer to prepare and file with the
24 Department on a form prescribed by the Department within not
25 less than 60 days after receipt of the notice an annual
26 information return for the tax year specified in the notice.
27 Such annual return to the Department shall include a
28 statement of gross receipts as shown by the taxpayer's last
29 Federal income tax return. If the total receipts of the
30 business as reported in the Federal income tax return do not
31 agree with the gross receipts reported to the Department of
32 Revenue for the same period, the taxpayer shall attach to his
33 annual return a schedule showing a reconciliation of the 2
34 amounts and the reasons for the difference. The taxpayer's

1 annual return to the Department shall also disclose the cost
2 of goods sold by the taxpayer during the year covered by such
3 return, opening and closing inventories of such goods for
4 such year, cost of goods used from stock or taken from stock
5 and given away by the taxpayer during such year, pay roll
6 information of the taxpayer's business during such year and
7 any additional reasonable information which the Department
8 deems would be helpful in determining the accuracy of the
9 monthly, quarterly or annual returns filed by such taxpayer
10 as hereinbefore provided for in this Section.

11 If the annual information return required by this Section
12 is not filed when and as required, the taxpayer shall be
13 liable as follows:

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

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

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

32 The foregoing portion of this Section concerning the
33 filing of an annual information return shall not apply to a
34 serviceman who is not required to file an income tax return

1 with the United States Government.

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

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

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

22 (Source: P.A. 90-612, eff. 7-8-98; 91-37, eff. 7-1-99; 91-51,
23 eff. 6-30-99; 91-101, eff. 7-12-99; 91-541, eff. 8-13-99;
24 91-872, eff. 7-1-00.)

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

27 (35 ILCS 120/2-10) (from Ch. 120, par. 441-10)

28 Sec. 2-10. Rate of tax. Unless otherwise provided in
29 this Section, the tax imposed by this Act is at the rate of
30 6.25% of gross receipts from sales of tangible personal
31 property made in the course of business.

32 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
3 of the Use Tax Act, the tax is imposed at the rate of 1.25%.

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

19 With respect to gasohol, as defined in the Use Tax Act,
20 the tax imposed by this Act applies to 70% of the proceeds of
21 sales made on or after January 1, 1990, and before July 1,
22 2003, and to 100% of the proceeds of sales made thereafter.

23 Beginning July 1, 2001, with respect to textbooks
24 required for use at State universities and public community
25 colleges, the tax is imposed at the rate of 1.25%. The
26 Department may adopt rules necessary to implement and
27 administer the 1.25% rate on textbooks.

28 With respect to food for human consumption that is to be
29 consumed off the premises where it is sold (other than
30 alcoholic beverages, soft drinks, and food that has been
31 prepared for immediate consumption) and prescription and
32 nonprescription medicines, drugs, medical appliances,
33 modifications to a motor vehicle for the purpose of rendering
34 it usable by a disabled person, and insulin, urine testing

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

14 Notwithstanding any other provisions of this Act, "food
15 for human consumption that is to be consumed off the premises
16 where it is sold" includes all food sold through a vending
17 machine, except soft drinks and food products that are
18 dispensed hot from a vending machine, regardless of the
19 location of the vending machine.

20 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;
21 91-51, eff. 6-30-99; 91-872, eff. 7-1-00.)

22 (35 ILCS 120/3) (from Ch. 120, par. 442)

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

- 28 1. The name of the seller;
- 29 2. His residence address and the address of his
30 principal place of business and the address of the
31 principal place of business (if that is a different
32 address) from which he engages in the business of selling
33 tangible personal property at retail in this State;

1 3. Total amount of receipts received by him during
2 the preceding calendar month or quarter, as the case may
3 be, from sales of tangible personal property, and from
4 services furnished, by him during such preceding calendar
5 month or quarter;

6 4. Total amount received by him during the
7 preceding calendar month or quarter on charge and time
8 sales of tangible personal property, and from services
9 furnished, by him prior to the month or quarter for which
10 the return is filed;

11 5. Deductions allowed by law;

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

15 7. The amount of credit provided in Section 2d of
16 this Act;

17 8. The amount of tax due;

18 9. The signature of the taxpayer; and

19 10. Such other reasonable information as the
20 Department may require.

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

25 Each return shall be accompanied by the statement of
26 prepaid tax issued pursuant to Section 2e for which credit is
27 claimed.

28 A retailer may accept a Manufacturer's Purchase Credit
29 certification from a purchaser in satisfaction of Use Tax as
30 provided in Section 3-85 of the Use Tax Act if the purchaser
31 provides the appropriate documentation as required by Section
32 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit
33 certification, accepted by a retailer as provided in Section
34 3-85 of the Use Tax Act, may be used by that retailer to

1 satisfy Retailers' Occupation Tax liability in the amount
2 claimed in the certification, not to exceed 6.25% of the
3 receipts subject to tax from a qualifying purchase.

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.
8 The taxpayer shall also file a return with the Department for
9 each of the first two months of each calendar quarter, on or
10 before the twentieth day of the following calendar month,
11 stating:

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

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

30 Beginning October 1, 1993, a taxpayer who has an average
31 monthly tax liability of \$150,000 or more shall make all
32 payments required by rules of the Department by electronic
33 funds transfer. Beginning October 1, 1994, a taxpayer who
34 has an average monthly tax liability of \$100,000 or more

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

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

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

27 All taxpayers required to make payment by electronic
28 funds transfer and any taxpayers authorized to voluntarily
29 make payments by electronic funds transfer shall make those
30 payments in the manner authorized by the Department.

31 The Department shall adopt such rules as are necessary to
32 effectuate a program of electronic funds transfer and the
33 requirements of this Section.

34 Any amount which is required to be shown or reported on

1 any return or other document under this Act shall, if such
2 amount is not a whole-dollar amount, be increased to the
3 nearest whole-dollar amount in any case where the fractional
4 part of a dollar is 50 cents or more, and decreased to the
5 nearest whole-dollar amount where the fractional part of a
6 dollar is less than 50 cents.

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

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

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

27 Notwithstanding any other provision in this Act
28 concerning the time within which a retailer may file his
29 return, in the case of any retailer who ceases to engage in a
30 kind of business which makes him responsible for filing
31 returns under this Act, such retailer shall file a final
32 return under this Act with the Department not more than one
33 month after discontinuing such business.

34 Where the same person has more than one business

1 registered with the Department under separate registrations
2 under this Act, such person may not file each return that is
3 due as a single return covering all such registered
4 businesses, but shall file separate returns for each such
5 registered business.

6 In addition, with respect to motor vehicles, watercraft,
7 aircraft, and trailers that are required to be registered
8 with an agency of this State, every retailer selling this
9 kind of tangible personal property shall file, with the
10 Department, upon a form to be prescribed and supplied by the
11 Department, a separate return for each such item of tangible
12 personal property which the retailer sells, except that if,
13 in the same transaction, (i) a retailer of aircraft,
14 watercraft, motor vehicles or trailers transfers more than
15 one aircraft, watercraft, motor vehicle or trailer to another
16 aircraft, watercraft, motor vehicle retailer or trailer
17 retailer for the purpose of resale or (ii) a retailer of
18 aircraft, watercraft, motor vehicles, or trailers transfers
19 more than one aircraft, watercraft, motor vehicle, or trailer
20 to a purchaser for use as a qualifying rolling stock as
21 provided in Section 2-5 of this Act, then that seller may
22 report the transfer of all aircraft, watercraft, motor
23 vehicles or trailers involved in that transaction to the
24 Department on the same uniform invoice-transaction reporting
25 return form. For purposes of this Section, "watercraft"
26 means a Class 2, Class 3, or Class 4 watercraft as defined in
27 Section 3-2 of the Boat Registration and Safety Act, a
28 personal watercraft, or any boat equipped with an inboard
29 motor.

30 Any retailer who sells only motor vehicles, watercraft,
31 aircraft, or trailers that are required to be registered with
32 an agency of this State, so that all retailers' occupation
33 tax liability is required to be reported, and is reported, on
34 such transaction reporting returns and who is not otherwise

1 required to file monthly or quarterly returns, need not file
2 monthly or quarterly returns. However, those retailers shall
3 be required to file returns on an annual basis.

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

25 The transaction reporting return in the case of
26 watercraft or aircraft must show the name and address of the
27 seller; the name and address of the purchaser; the amount of
28 the selling price including the amount allowed by the
29 retailer for traded-in property, if any; the amount allowed
30 by the retailer for the traded-in tangible personal property,
31 if any, to the extent to which Section 1 of this Act allows
32 an exemption for the value of traded-in property; the balance
33 payable after deducting such trade-in allowance from the
34 total selling price; the amount of tax due from the retailer

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

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

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

33 No retailer's failure or refusal to remit tax under this
34 Act precludes a user, who has paid the proper tax to the

1 retailer, from obtaining his certificate of title or other
2 evidence of title or registration (if titling or registration
3 is required) upon satisfying the Department that such user
4 has paid the proper tax (if tax is due) to the retailer. The
5 Department shall adopt appropriate rules to carry out the
6 mandate of this paragraph.

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

26 Refunds made by the seller during the preceding return
27 period to purchasers, on account of tangible personal
28 property returned to the seller, shall be allowed as a
29 deduction under subdivision 5 of his monthly or quarterly
30 return, as the case may be, in case the seller had
31 theretofore included the receipts from the sale of such
32 tangible personal property in a return filed by him and had
33 paid the tax imposed by this Act with respect to such
34 receipts.

1 Where the seller is a corporation, the return filed on
2 behalf of such corporation shall be signed by the president,
3 vice-president, secretary or treasurer or by the properly
4 accredited agent of such corporation.

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

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

25 Before October 1, 2000, if the taxpayer's average monthly
26 tax liability to the Department under this Act, the Use Tax
27 Act, the Service Occupation Tax Act, and the Service Use Tax
28 Act, excluding any liability for prepaid sales tax to be
29 remitted in accordance with Section 2d of this Act, was
30 \$10,000 or more during the preceding 4 complete calendar
31 quarters, he shall file a return with the Department each
32 month by the 20th day of the month next following the month
33 during which such tax liability is incurred and shall make
34 payments to the Department on or before the 7th, 15th, 22nd

1 and last day of the month during which such liability is
2 incurred. On and after October 1, 2000, if the taxpayer's
3 average monthly tax liability to the Department under this
4 Act, the Use Tax Act, the Service Occupation Tax Act, and the
5 Service Use Tax Act, excluding any liability for prepaid
6 sales tax to be remitted in accordance with Section 2d of
7 this Act, was \$20,000 or more during the preceding 4 complete
8 calendar quarters, he shall file a return with the Department
9 each month by the 20th day of the month next following the
10 month during which such tax liability is incurred and shall
11 make payment to the Department on or before the 7th, 15th,
12 22nd and last day of the month during which such liability is
13 incurred. If the month during which such tax liability is
14 incurred began prior to January 1, 1985, each payment shall
15 be in an amount equal to 1/4 of the taxpayer's actual
16 liability for the month or an amount set by the Department
17 not to exceed 1/4 of the average monthly liability of the
18 taxpayer to the Department for the preceding 4 complete
19 calendar quarters (excluding the month of highest liability
20 and the month of lowest liability in such 4 quarter period).
21 If the month during which such tax liability is incurred
22 begins on or after January 1, 1985 and prior to January 1,
23 1987, each payment shall be in an amount equal to 22.5% of
24 the taxpayer's actual liability for the month or 27.5% of the
25 taxpayer's liability for the same calendar month of the
26 preceding year. If the month during which such tax liability
27 is incurred begins on or after January 1, 1987 and prior to
28 January 1, 1988, each payment shall be in an amount equal to
29 22.5% of the taxpayer's actual liability for the month or
30 26.25% of the taxpayer's liability for the same calendar
31 month of the preceding year. If the month during which such
32 tax liability is incurred begins on or after January 1, 1988,
33 and prior to January 1, 1989, or begins on or after January
34 1, 1996, each payment shall be in an amount equal to 22.5% of

1 the taxpayer's actual liability for the month or 25% of the
2 taxpayer's liability for the same calendar month of the
3 preceding year. If the month during which such tax liability
4 is incurred begins on or after January 1, 1989, and prior to
5 January 1, 1996, each payment shall be in an amount equal to
6 22.5% of the taxpayer's actual liability for the month or 25%
7 of the taxpayer's liability for the same calendar month of
8 the preceding year or 100% of the taxpayer's actual liability
9 for the quarter monthly reporting period. The amount of such
10 quarter monthly payments shall be credited against the final
11 tax liability of the taxpayer's return for that month.
12 Before October 1, 2000, once applicable, the requirement of
13 the making of quarter monthly payments to the Department by
14 taxpayers having an average monthly tax liability of \$10,000
15 or more as determined in the manner provided above shall
16 continue until such taxpayer's average monthly liability to
17 the Department during the preceding 4 complete calendar
18 quarters (excluding the month of highest liability and the
19 month of lowest liability) is less than \$9,000, or until such
20 taxpayer's average monthly liability to the Department as
21 computed for each calendar quarter of the 4 preceding
22 complete calendar quarter period is less than \$10,000.
23 However, if a taxpayer can show the Department that a
24 substantial change in the taxpayer's business has occurred
25 which causes the taxpayer to anticipate that his average
26 monthly tax liability for the reasonably foreseeable future
27 will fall below the \$10,000 threshold stated above, then such
28 taxpayer may petition the Department for a change in such
29 taxpayer's reporting status. On and after October 1, 2000,
30 once applicable, the requirement of the making of quarter
31 monthly payments to the Department by taxpayers having an
32 average monthly tax liability of \$20,000 or more as
33 determined in the manner provided above shall continue until
34 such taxpayer's average monthly liability to the Department

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

27 Without regard to whether a taxpayer is required to make
28 quarter monthly payments as specified above, any taxpayer who
29 is required by Section 2d of this Act to collect and remit
30 prepaid taxes and has collected prepaid taxes which average
31 in excess of \$25,000 per month during the preceding 2
32 complete calendar quarters, shall file a return with the
33 Department as required by Section 2f and shall make payments
34 to the Department on or before the 7th, 15th, 22nd and last

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

29 If any payment provided for in this Section exceeds the
30 taxpayer's liabilities under this Act, the Use Tax Act, the
31 Service Occupation Tax Act and the Service Use Tax Act, as
32 shown on an original monthly return, the Department shall, if
33 requested by the taxpayer, issue to the taxpayer a credit
34 memorandum no later than 30 days after the date of payment.

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

18 If a retailer of motor fuel is entitled to a credit under
19 Section 2d of this Act which exceeds the taxpayer's liability
20 to the Department under this Act for the month which the
21 taxpayer is filing a return, the Department shall issue the
22 taxpayer a credit memorandum for the excess.

23 Beginning January 1, 1990, each month the Department
24 shall pay into the Local Government Tax Fund, a special fund
25 in the State treasury which is hereby created, the net
26 revenue realized for the preceding month from the 1% tax on
27 sales of food for human consumption which is to be consumed
28 off the premises where it is sold (other than alcoholic
29 beverages, soft drinks and food which has been prepared for
30 immediate consumption) and prescription and nonprescription
31 medicines, drugs, medical appliances and insulin, urine
32 testing materials, syringes and needles used by diabetics.

33 Beginning January 1, 1990, each month the Department
34 shall pay into the County and Mass Transit District Fund, a

1 special fund in the State treasury which is hereby created,
2 4% of the net revenue realized for the preceding month from
3 the 6.25% general rate.

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

8 Beginning August 1, 2001, each month the Department shall
9 pay into the County and Mass Transit District Fund 20% of the
10 net revenue realized for the preceding month from the 1.25%
11 rate on the selling price of textbooks required for use at
12 State universities and public community colleges.

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

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

22 Beginning August 1, 2001, each month the Department shall
23 pay into the Local Government Tax Fund 80% of the net revenue
24 realized for the preceding month from the 1.25% rate on the
25 selling price of textbooks required for use at State
26 universities and public community colleges.

27 Of the remainder of the moneys received by the Department
28 pursuant to this Act, (a) 1.75% thereof shall be paid into
29 the Build Illinois Fund and (b) prior to July 1, 1989, 2.2%
30 and on and after July 1, 1989, 3.8% thereof shall be paid
31 into the Build Illinois Fund; provided, however, that if in
32 any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%,
33 as the case may be, of the moneys received by the Department
34 and required to be paid into the Build Illinois Fund pursuant

1 to this Act, Section 9 of the Use Tax Act, Section 9 of the
 2 Service Use Tax Act, and Section 9 of the Service Occupation
 3 Tax Act, such Acts being hereinafter called the "Tax Acts"
 4 and such aggregate of 2.2% or 3.8%, as the case may be, of
 5 moneys being hereinafter called the "Tax Act Amount", and (2)
 6 the amount transferred to the Build Illinois Fund from the
 7 State and Local Sales Tax Reform Fund shall be less than the
 8 Annual Specified Amount (as hereinafter defined), an amount
 9 equal to the difference shall be immediately paid into the
 10 Build Illinois Fund from other moneys received by the
 11 Department pursuant to the Tax Acts; the "Annual Specified
 12 Amount" means the amounts specified below for fiscal years
 13 1986 through 1993:

Fiscal Year	Annual Specified Amount
1986	\$54,800,000
1987	\$76,650,000
1988	\$80,480,000
1989	\$88,510,000
1990	\$115,330,000
1991	\$145,470,000
1992	\$182,730,000
1993	\$206,520,000;

23 and means the Certified Annual Debt Service Requirement (as
 24 defined in Section 13 of the Build Illinois Bond Act) or the
 25 Tax Act Amount, whichever is greater, for fiscal year 1994
 26 and each fiscal year thereafter; and further provided, that
 27 if on the last business day of any month the sum of (1) the
 28 Tax Act Amount required to be deposited into the Build
 29 Illinois Bond Account in the Build Illinois Fund during such
 30 month and (2) the amount transferred to the Build Illinois
 31 Fund from the State and Local Sales Tax Reform Fund shall
 32 have been less than 1/12 of the Annual Specified Amount, an
 33 amount equal to the difference shall be immediately paid into
 34 the Build Illinois Fund from other moneys received by the

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

1 pursuant to this Act and required to be deposited into the
 2 Build Illinois Fund are subject to the pledge, claim and
 3 charge set forth in Section 12 of the Build Illinois Bond
 4 Act.

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

18	Fiscal Year	Total Deposit
19	1993	\$0
20	1994	53,000,000
21	1995	58,000,000
22	1996	61,000,000
23	1997	64,000,000
24	1998	68,000,000
25	1999	71,000,000
26	2000	75,000,000
27	2001	80,000,000
28	2002	84,000,000
29	2003	89,000,000
30	2004	93,000,000
31	2005	97,000,000
32	2006	102,000,000
33	2007	108,000,000
34	2008	115,000,000

1	2009	120,000,000
2	2010	126,000,000
3	2011	132,000,000
4	2012	138,000,000
5	2013 and	145,000,000

6 each fiscal year
7 thereafter that bonds
8 are outstanding under
9 Section 13.2 of the
10 Metropolitan Pier and
11 Exposition Authority
12 Act, but not after fiscal year 2029.

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

26 Subject to payment of amounts into the Build Illinois
27 Fund and the McCormick Place Expansion Project Fund pursuant
28 to the preceding paragraphs or in any amendment thereto
29 hereafter enacted, each month the Department shall pay into
30 the Local Government Distributive Fund 0.4% of the net
31 revenue realized for the preceding month from the 5% general
32 rate or 0.4% of 80% of the net revenue realized for the
33 preceding month from the 6.25% general rate, as the case may
34 be, on the selling price of tangible personal property which

1 amount shall, subject to appropriation, be distributed as
2 provided in Section 2 of the State Revenue Sharing Act. No
3 payments or distributions pursuant to this paragraph shall be
4 made if the tax imposed by this Act on photoprocessing
5 products is declared unconstitutional, or if the proceeds
6 from such tax are unavailable for distribution because of
7 litigation.

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

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

22 The Department may, upon separate written notice to a
23 taxpayer, require the taxpayer to prepare and file with the
24 Department on a form prescribed by the Department within not
25 less than 60 days after receipt of the notice an annual
26 information return for the tax year specified in the notice.
27 Such annual return to the Department shall include a
28 statement of gross receipts as shown by the retailer's last
29 Federal income tax return. If the total receipts of the
30 business as reported in the Federal income tax return do not
31 agree with the gross receipts reported to the Department of
32 Revenue for the same period, the retailer shall attach to his
33 annual return a schedule showing a reconciliation of the 2
34 amounts and the reasons for the difference. The retailer's

1 annual return to the Department shall also disclose the cost
2 of goods sold by the retailer during the year covered by such
3 return, opening and closing inventories of such goods for
4 such year, costs of goods used from stock or taken from stock
5 and given away by the retailer during such year, payroll
6 information of the retailer's business during such year and
7 any additional reasonable information which the Department
8 deems would be helpful in determining the accuracy of the
9 monthly, quarterly or annual returns filed by such retailer
10 as provided for in this Section.

11 If the annual information return required by this Section
12 is not filed when and as required, the taxpayer shall be
13 liable as follows:

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

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

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

32 The provisions of this Section concerning the filing of
33 an annual information return do not apply to a retailer who
34 is not required to file an income tax return with the United

1 States Government.

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

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

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

21 Any person who promotes, organizes, provides retail
22 selling space for concessionaires or other types of sellers
23 at the Illinois State Fair, DuQuoin State Fair, county fairs,
24 local fairs, art shows, flea markets and similar exhibitions
25 or events, including any transient merchant as defined by
26 Section 2 of the Transient Merchant Act of 1987, is required
27 to file a report with the Department providing the name of
28 the merchant's business, the name of the person or persons
29 engaged in merchant's business, the permanent address and
30 Illinois Retailers Occupation Tax Registration Number of the
31 merchant, the dates and location of the event and other
32 reasonable information that the Department may require. The
33 report must be filed not later than the 20th day of the month
34 next following the month during which the event with retail

1 sales was held. Any person who fails to file a report
2 required by this Section commits a business offense and is
3 subject to a fine not to exceed \$250.

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

25 (Source: P.A. 90-491, eff. 1-1-99; 90-612, eff. 7-8-98;
26 91-37, eff. 7-1-99; 91-51, eff. 6-30-99; 91-101, eff.
27 7-12-99; 91-541, eff. 8-13-99; 91-872, eff. 7-1-00; 91-901,
28 eff. 1-1-01; revised 8-30-00.)

29 Section 99. Effective date. This Act takes effect upon
30 becoming law.