

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 January 1, 2002, the 1.25% rate on
7 energy efficient appliances) on sales subject to taxation
8 under the Retailers' Occupation Tax Act and the Service
9 Occupation Tax Act, which occurred in municipalities, shall
10 be distributed to each municipality, based upon the sales
11 which occurred in that municipality. The remainder shall be
12 distributed to each county, based upon the sales which
13 occurred in the unincorporated area of such county.

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

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

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

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

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

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

34 In construing any development, redevelopment, annexation,

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

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

10 (30 ILCS 105/6z-20) (from Ch. 127, par. 142z-20)

11 Sec. 6z-20. Of the money received from the 6.25% general
12 rate (and, beginning July 1, 2000 and through December 31,
13 2000, the 1.25% rate on motor fuel and gasohol and, beginning
14 January 1, 2002, the 1.25% rate on energy efficient
15 appliances) on sales subject to taxation under the Retailers'
16 Occupation Tax Act and Service Occupation Tax Act and paid
17 into the County and Mass Transit District Fund, distribution
18 to the Regional Transportation Authority tax fund, created
19 pursuant to Section 4.03 of the Regional Transportation
20 Authority Act, for deposit therein shall be made based upon
21 the retail sales occurring in a county having more than
22 3,000,000 inhabitants. The remainder shall be distributed to
23 each county having 3,000,000 or fewer inhabitants based upon
24 the retail sales occurring in each such county.

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

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

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

28 On or before the 25th day of each calendar month, the
29 Department shall prepare and certify to the Comptroller the
30 disbursement of stated sums of money to the Regional
31 Transportation Authority and to named counties, the counties
32 to be those entitled to distribution, as hereinabove
33 provided, of taxes or penalties paid to the Department during
34 the second preceding calendar month. The amount to be paid

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

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

28 The provisions directing the distributions from the
29 special fund in the State Treasury provided for in this
30 Section and from the Regional Transportation Authority tax
31 fund created by Section 4.03 of the Regional Transportation
32 Authority Act shall constitute an irrevocable and continuing
33 appropriation of all amounts as provided herein. The State
34 Treasurer and State Comptroller are hereby authorized to make

1 distributions as provided in this Section.

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

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

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

14 (35 ILCS 105/3-10) (from Ch. 120, par. 439.3-10)

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

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

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

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

13 Beginning January 1, 2002, with respect to energy
14 efficient appliances, the tax is imposed at the rate of
15 1.25%. "Energy efficient appliances" are clothes washers,
16 refrigerators, and dishwashers that meet or exceed applicable
17 energy saving efficiency requirements developed by the United
18 States Department of Energy for the Energy Star Program. The
19 Department of Revenue, in consultation with manufacturers,
20 retailers, and public interest groups, must develop public
21 information programs and materials to identify and encourage
22 the sales of products eligible for this tax reduction. The
23 changes made to this Section by this amendatory Act of the
24 92nd General Assembly are exempt from the provisions of
25 Section 3-90.

26 With respect to food for human consumption that is to be
27 consumed off the premises where it is sold (other than
28 alcoholic beverages, soft drinks, and food that has been
29 prepared for immediate consumption) and prescription and
30 nonprescription medicines, drugs, medical appliances,
31 modifications to a motor vehicle for the purpose of rendering
32 it usable by a disabled person, and insulin, urine testing
33 materials, syringes, and needles used by diabetics, for human
34 use, the tax is imposed at the rate of 1%. For the purposes

1 of this Section, the term "soft drinks" means any complete,
2 finished, ready-to-use, non-alcoholic drink, whether
3 carbonated or not, including but not limited to soda water,
4 cola, fruit juice, vegetable juice, carbonated water, and all
5 other preparations commonly known as soft drinks of whatever
6 kind or description that are contained in any closed or
7 sealed bottle, can, carton, or container, regardless of size.
8 "Soft drinks" does not include coffee, tea, non-carbonated
9 water, infant formula, milk or milk products as defined in
10 the Grade A Pasteurized Milk and Milk Products Act, or drinks
11 containing 50% or more 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 If the property that is purchased at retail from a
19 retailer is acquired outside Illinois and used outside
20 Illinois before being brought to Illinois for use here and is
21 taxable under this Act, the "selling price" on which the tax
22 is computed shall be reduced by an amount that represents a
23 reasonable allowance for depreciation for the period of prior
24 out-of-state use.

25 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;
26 91-51, eff. 6-30-99; 91-872, eff. 7-1-00.)

27 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

28 Sec. 9. Except as to motor vehicles, watercraft,
29 aircraft, and trailers that are required to be registered
30 with an agency of this State, each retailer required or
31 authorized to collect the tax imposed by this Act shall pay
32 to the Department the amount of such tax (except as otherwise
33 provided) at the time when he is required to file his return

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

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

26 Except as provided in this Section, on or before the
27 twentieth day of each calendar month, such retailer shall
28 file a return for the preceding calendar month. Such return
29 shall be filed on forms prescribed by the Department and
30 shall furnish such information as the Department may
31 reasonably require.

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

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

- 6 1. The name of the seller;
- 7 2. The address of the principal place of business
8 from which he engages in the business of selling tangible
9 personal property at retail in this State;
- 10 3. The total amount of taxable receipts received by
11 him during the preceding calendar month from sales of
12 tangible personal property by him during such preceding
13 calendar month, including receipts from charge and time
14 sales, but less all deductions allowed by law;
- 15 4. The amount of credit provided in Section 2d of
16 this Act;
- 17 5. The amount of tax due;
- 18 5-5. The signature of the taxpayer; and
- 19 6. 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 Beginning October 1, 1993, a taxpayer who has an average
26 monthly tax liability of \$150,000 or more shall make all
27 payments required by rules of the Department by electronic
28 funds transfer. Beginning October 1, 1994, a taxpayer who has
29 an average monthly tax liability of \$100,000 or more shall
30 make all payments required by rules of the Department by
31 electronic funds transfer. Beginning October 1, 1995, a
32 taxpayer who has an average monthly tax liability of \$50,000
33 or more shall make all payments required by rules of the
34 Department by electronic funds transfer. Beginning October 1,

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

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

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

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

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

29 Before October 1, 2000, if the taxpayer's average monthly
30 tax liability to the Department under this Act, the
31 Retailers' Occupation Tax Act, the Service Occupation Tax
32 Act, the Service Use Tax Act was \$10,000 or more during the
33 preceding 4 complete calendar quarters, he shall file a
34 return with the Department each month by the 20th day of the

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

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

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

25 If any such payment provided for in this Section exceeds
26 the taxpayer's liabilities under this Act, the Retailers'
27 Occupation Tax Act, the Service Occupation Tax Act and the
28 Service Use Tax Act, as shown by an original monthly return,
29 the Department shall issue to the taxpayer a credit
30 memorandum no later than 30 days after the date of payment,
31 which memorandum may be submitted by the taxpayer to the
32 Department in payment of tax liability subsequently to be
33 remitted by the taxpayer to the Department or be assigned by
34 the taxpayer to a similar taxpayer under this Act, the

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

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

30 If the retailer is otherwise required to file a monthly
31 or quarterly return and if the retailer's average monthly tax
32 liability to the Department does not exceed \$50, the
33 Department may authorize his returns to be filed on an annual
34 basis, with the return for a given year being due by January

1 20 of the following year.

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

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

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

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

22 The transaction reporting return in the case of
23 watercraft and aircraft must show the name and address of the
24 seller; the name and address of the purchaser; the amount of
25 the selling price including the amount allowed by the
26 retailer for traded-in property, if any; the amount allowed
27 by the retailer for the traded-in tangible personal property,
28 if any, to the extent to which Section 2 of this Act allows
29 an exemption for the value of traded-in property; the balance
30 payable after deducting such trade-in allowance from the
31 total selling price; the amount of tax due from the retailer
32 with respect to such transaction; the amount of tax collected
33 from the purchaser by the retailer on such transaction (or
34 satisfactory evidence that such tax is not due in that

1 particular instance, if that is claimed to be the fact); the
2 place and date of the sale, a sufficient identification of
3 the property sold, and such other information as the
4 Department may reasonably require.

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

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

30 No retailer's failure or refusal to remit tax under this
31 Act precludes a user, who has paid the proper tax to the
32 retailer, from obtaining his certificate of title or other
33 evidence of title or registration (if titling or registration
34 is required) upon satisfying the Department that such user

1 has paid the proper tax (if tax is due) to the retailer. The
2 Department shall adopt appropriate rules to carry out the
3 mandate of this paragraph.

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

23 Where a retailer collects the tax with respect to the
24 selling price of tangible personal property which he sells
25 and the purchaser thereafter returns such tangible personal
26 property and the retailer refunds the selling price thereof
27 to the purchaser, such retailer shall also refund, to the
28 purchaser, the tax so collected from the purchaser. When
29 filing his return for the period in which he refunds such tax
30 to the purchaser, the retailer may deduct the amount of the
31 tax so refunded by him to the purchaser from any other use
32 tax which such retailer may be required to pay or remit to
33 the Department, as shown by such return, if the amount of the
34 tax to be deducted was previously remitted to the Department

1 by such retailer. If the retailer has not previously
2 remitted the amount of such tax to the Department, he is
3 entitled to no deduction under this Act upon refunding such
4 tax to the purchaser.

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

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

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

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

1 by diabetics.

2 Beginning January 1, 1990, each month the Department
3 shall pay into the County and Mass Transit District Fund 4%
4 of the net revenue realized for the preceding month from the
5 6.25% general rate on the selling price of tangible personal
6 property which is purchased outside Illinois at retail from a
7 retailer and which is titled or registered by an agency of
8 this State's government.

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

17 Beginning August 1, 2000, each month the Department shall
18 pay into the State and Local Sales Tax Reform Fund 100% of
19 the net revenue realized for the preceding month from the
20 1.25% rate on the selling price of motor fuel and gasohol.

21 Beginning February 1, 2002, each month the Department
22 shall pay into the State and Local Sales Tax Reform Fund 100%
23 of the net revenue realized for the preceding month from the
24 1.25% rate on the selling price of energy efficient
25 appliances.

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

33 Of the remainder of the moneys received by the Department
34 pursuant to this Act, (a) 1.75% thereof shall be paid into

1 the Build Illinois Fund and (b) prior to July 1, 1989, 2.2%
2 and on and after July 1, 1989, 3.8% thereof shall be paid
3 into the Build Illinois Fund; provided, however, that if in
4 any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%,
5 as the case may be, of the moneys received by the Department
6 and required to be paid into the Build Illinois Fund pursuant
7 to Section 3 of the Retailers' Occupation Tax Act, Section 9
8 of the Use Tax Act, Section 9 of the Service Use Tax Act, and
9 Section 9 of the Service Occupation Tax Act, such Acts being
10 hereinafter called the "Tax Acts" and such aggregate of 2.2%
11 or 3.8%, as the case may be, of moneys being hereinafter
12 called the "Tax Act Amount", and (2) the amount transferred
13 to the Build Illinois Fund from the State and Local Sales Tax
14 Reform Fund shall be less than the Annual Specified Amount
15 (as defined in Section 3 of the Retailers' Occupation Tax
16 Act), an amount equal to the difference shall be immediately
17 paid into the Build Illinois Fund from other moneys received
18 by the Department pursuant to the Tax Acts; and further
19 provided, that if on the last business day of any month the
20 sum of (1) the Tax Act Amount required to be deposited into
21 the Build Illinois Bond Account in the Build Illinois Fund
22 during such month and (2) the amount transferred during such
23 month to the Build Illinois Fund from the State and Local
24 Sales Tax Reform Fund shall have been less than 1/12 of the
25 Annual Specified Amount, an amount equal to the difference
26 shall be immediately paid into the Build Illinois Fund from
27 other moneys received by the Department pursuant to the Tax
28 Acts; and, further provided, that in no event shall the
29 payments required under the preceding proviso result in
30 aggregate payments into the Build Illinois Fund pursuant to
31 this clause (b) for any fiscal year in excess of the greater
32 of (i) the Tax Act Amount or (ii) the Annual Specified Amount
33 for such fiscal year; and, further provided, that the amounts
34 payable into the Build Illinois Fund under this clause (b)

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

31 Subject to payment of amounts into the Build Illinois
32 Fund as provided in the preceding paragraph or in any
33 amendment thereto hereafter enacted, the following specified
34 monthly installment of the amount requested in the

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

10	Fiscal Year	Total Deposit
11	1993	\$0
12	1994	53,000,000
13	1995	58,000,000
14	1996	61,000,000
15	1997	64,000,000
16	1998	68,000,000
17	1999	71,000,000
18	2000	75,000,000
19	2001	80,000,000
20	2002	84,000,000
21	2003	89,000,000
22	2004	93,000,000
23	2005	97,000,000
24	2006	102,000,000
25	2007	108,000,000
26	2008	115,000,000
27	2009	120,000,000
28	2010	126,000,000
29	2011	132,000,000
30	2012	138,000,000
31	2013 and	145,000,000

32 each fiscal year
 33 thereafter that bonds
 34 are outstanding under

1 Section 13.2 of the
2 Metropolitan Pier and
3 Exposition Authority
4 Act, but not after fiscal year 2029.

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

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

33 Subject to payment of amounts into the Build Illinois
34 Fund, the McCormick Place Expansion Project Fund, and the

1 Local Government Distributive Fund pursuant to the preceding
2 paragraphs or in any amendments thereto hereafter enacted,
3 beginning July 1, 1993, the Department shall each month pay
4 into the Illinois Tax Increment Fund 0.27% of 80% of the net
5 revenue realized for the preceding month from the 6.25%
6 general rate on the selling price of tangible personal
7 property.

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

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

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

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

33 (Source: P.A. 90-491, eff. 1-1-99; 90-612, eff. 7-8-98;
34 91-37, eff. 7-1-99; 91-51, eff. 6-30-99; 91-101, eff.

1 7-12-99; 91-541, eff. 8-13-99; 91-872, eff. 7-1-00; 91-901,
2 eff. 1-1-01; revised 8-30-00.)

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

5 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

6 Sec. 3-10. Rate of tax. Unless otherwise provided in
7 this Section, the tax imposed by this Act is at the rate of
8 6.25% of the selling price of tangible personal property
9 transferred as an incident to the sale of service, but, for
10 the purpose of computing this tax, in no event shall the
11 selling price be less than the cost price of the property to
12 the serviceman.

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

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

22 Beginning January 1, 2002, with respect to energy
23 efficient appliances, the tax is imposed at the rate of
24 1.25%. "Energy efficient appliances" are clothes washers,
25 refrigerators, and dishwashers that meet or exceed applicable
26 energy saving efficiency requirements developed by the United
27 States Department of Energy for the Energy Star Program. The
28 Department of Revenue, in consultation with manufacturers,
29 retailers, and public interest groups, must develop public
30 information programs and materials to identify and encourage
31 the sales of products eligible for this tax reduction. The
32 changes made to this Section by this amendatory Act of the

1 92nd General Assembly are exempt from the provisions of
2 Section 3-75.

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

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

1 not include coffee, tea, non-carbonated water, infant
2 formula, milk or milk products as defined in the Grade A
3 Pasteurized Milk and Milk Products Act, or drinks containing
4 50% or more natural fruit or vegetable juice.

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

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

18 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;
19 91-51, eff. 6-30-99; 91-541, eff. 8-13-99; 91-872, eff.
20 7-1-00.)

21 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

22 Sec. 9. Each serviceman required or authorized to
23 collect the tax herein imposed shall pay to the Department
24 the amount of such tax (except as otherwise provided) at the
25 time when he is required to file his return for the period
26 during which such tax was collected, less a discount of 2.1%
27 prior to January 1, 1990 and 1.75% on and after January 1,
28 1990, or \$5 per calendar year, whichever is greater, which is
29 allowed to reimburse the serviceman for expenses incurred in
30 collecting the tax, keeping records, preparing and filing
31 returns, remitting the tax and supplying data to the
32 Department on request. A serviceman need not remit that part
33 of any tax collected by him to the extent that he is required

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

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

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

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

33 If a taxpayer fails to sign a return within 30 days after
34 the proper notice and demand for signature by the Department,

1 the return shall be considered valid and any amount shown to
2 be due on the return shall be deemed assessed.

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

25 Before August 1 of each year beginning in 1993, the
26 Department shall notify all taxpayers required to make
27 payments by electronic funds transfer. All taxpayers required
28 to make payments by electronic funds transfer shall make
29 those payments for a minimum of one year beginning on October
30 1.

31 Any taxpayer not required to make payments by electronic
32 funds transfer may make payments by electronic funds transfer
33 with the permission of the Department.

34 All taxpayers required to make payment by electronic

1 funds transfer and any taxpayers authorized to voluntarily
2 make payments by electronic funds transfer shall make those
3 payments in the manner authorized by the Department.

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

7 If the serviceman is otherwise required to file a monthly
8 return and if the serviceman's average monthly tax liability
9 to 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 serviceman is otherwise required to file a monthly
19 or quarterly return and if the serviceman's average monthly
20 tax liability to 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 serviceman may file his
29 return, in the case of any serviceman who ceases to engage in
30 a kind of business which makes him responsible for filing
31 returns under this Act, such serviceman shall file a final
32 return under this Act with the Department not more than 1
33 month after discontinuing such business.

34 Where a serviceman collects the tax with respect to the

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

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

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

28 Where the serviceman has more than one business
29 registered with the Department under separate registration
30 hereunder, such serviceman shall not file each return that is
31 due as a single return covering all such registered
32 businesses, but shall file separate returns for each such
33 registered business.

34 Beginning January 1, 1990, each month the Department

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

10 Beginning January 1, 1990, each month the Department
11 shall pay into the State and Local Sales Tax Reform Fund 20%
12 of the net revenue realized for the preceding month from the
13 6.25% general rate on transfers of tangible personal
14 property, other than tangible personal property which is
15 purchased outside Illinois at retail from a retailer and
16 which is titled or registered by an agency of this State's
17 government.

18 Beginning August 1, 2000, each month the Department shall
19 pay into the State and Local Sales Tax Reform Fund 100% of
20 the net revenue realized for the preceding month from the
21 1.25% rate on the selling price of motor fuel and gasohol.

22 Beginning February 1, 2002, each month the Department
23 shall pay into the State and Local Sales Tax Reform Fund 100%
24 of the net revenue realized for the preceding month from the
25 1.25% rate on the selling price of energy efficient
26 appliances.

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 Act,
 32 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 0.4% of the net
17 revenue realized for the preceding month from the 5% general
18 rate or 0.4% of 80% of the net revenue realized for the
19 preceding month from the 6.25% general rate, as the case may
20 be, on the selling price of tangible personal property which
21 amount shall, subject to appropriation, be distributed as
22 provided in Section 2 of the State Revenue Sharing Act. No
23 payments or distributions pursuant to this paragraph shall be
24 made if the tax imposed by this Act on photo processing
25 products is declared unconstitutional, or if the proceeds
26 from such tax are unavailable for distribution because of
27 litigation.

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

1 general rate on the selling price of tangible personal
2 property.

3 All remaining moneys received by the Department pursuant
4 to this Act shall be paid into the General Revenue Fund of
5 the State Treasury.

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

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

18 (Source: P.A. 90-612, eff. 7-8-98; 91-37, eff. 7-1-99; 91-51,
19 eff. 6-30-99; 91-101, eff. 7-12-99; 91-541, eff. 8-13-99;
20 91-872, eff. 7-1-00.)

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

23 (35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

24 Sec. 3-10. Rate of tax. Unless otherwise provided in
25 this Section, the tax imposed by this Act is at the rate of
26 6.25% of the "selling price", as defined in Section 2 of the
27 Service Use Tax Act, of the tangible personal property. For
28 the purpose of computing this tax, in no event shall the
29 "selling price" be less than the cost price to the serviceman
30 of the tangible personal property transferred. The selling
31 price of each item of tangible personal property transferred
32 as an incident of a sale of service may be shown as a

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

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

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

19 Beginning January 1, 2002, with respect to energy
20 efficient appliances, the tax is imposed at the rate of
21 1.25%. "Energy efficient appliances" are clothes washers,
22 refrigerators, and dishwashers that meet or exceed applicable
23 energy saving efficiency requirements developed by the United
24 States Department of Energy for the Energy Star Program. The
25 Department of Revenue, in consultation with manufacturers,
26 retailers, and public interest groups, must develop public
27 information programs and materials to identify and encourage
28 the sales of products eligible for this tax reduction. The
29 changes made to this Section by this amendatory Act of the
30 92nd General Assembly are exempt from the provisions of
31 Section 3-55.

32 At the election of any registered serviceman made for
33 each fiscal year, sales of service in which the aggregate
34 annual cost price of tangible personal property transferred

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

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

34 Notwithstanding any other provisions of this Act, "food

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

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

8 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

9 Sec. 9. Each serviceman required or authorized to
10 collect the tax herein imposed shall pay to the Department
11 the amount of such tax at the time when he is required to
12 file his return for the period during which such tax was
13 collectible, less a discount of 2.1% prior to January 1,
14 1990, and 1.75% on and after January 1, 1990, or \$5 per
15 calendar year, whichever is greater, which is allowed to
16 reimburse the serviceman for expenses incurred in collecting
17 the tax, keeping records, preparing and filing returns,
18 remitting the tax and supplying data to the Department on
19 request.

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

28 Except as provided hereinafter in this Section, on or
29 before the twentieth day of each calendar month, such
30 serviceman shall file a return for the preceding calendar
31 month in accordance with reasonable rules and regulations to
32 be promulgated by the Department of Revenue. Such return
33 shall be filed on a form prescribed by the Department and

1 shall contain such information as the Department may
2 reasonably require.

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

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

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

29 A serviceman may accept a Manufacturer's Purchase Credit
30 certification from a purchaser in satisfaction of Service Use
31 Tax as provided in Section 3-70 of the Service Use Tax Act if
32 the purchaser provides the appropriate documentation as
33 required by Section 3-70 of the Service Use Tax Act. A
34 Manufacturer's Purchase Credit certification, accepted by a

1 serviceman as provided in Section 3-70 of the Service Use Tax
2 Act, may be used by that serviceman to satisfy Service
3 Occupation Tax liability in the amount claimed in the
4 certification, not to exceed 6.25% of the receipts subject to
5 tax from a qualifying purchase.

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

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

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

24 Notwithstanding any other provision in this Act
25 concerning the time within which a serviceman may file his
26 return, in the case of any serviceman who ceases to engage in
27 a kind of business which makes him responsible for filing
28 returns under this Act, such serviceman shall file a final
29 return under this Act with the Department not more than 1
30 month after discontinuing such business.

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

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

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

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

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

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

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

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

26 Where the serviceman has more than one business
27 registered with the Department under separate registrations
28 hereunder, such serviceman shall file separate returns for
29 each registered business.

30 Beginning January 1, 1990, each month the Department
31 shall pay into the Local Government Tax Fund the revenue
32 realized for the preceding month from the 1% tax on sales of
33 food for human consumption which is to be consumed off the
34 premises where it is sold (other than alcoholic beverages,

1 soft drinks and food which has been prepared for immediate
2 consumption) and prescription and nonprescription medicines,
3 drugs, medical appliances and insulin, urine testing
4 materials, syringes and needles used by diabetics.

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

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

13 Beginning February 1, 2002, each month the Department
14 shall pay into the County and Mass Transit District Fund 20%
15 of the net revenue realized for the preceding month from the
16 1.25% rate on the selling price of energy efficient
17 appliances.

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

22 Beginning August 1, 2000, 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 motor fuel and gasohol.

26 Beginning February 1, 2002, each month the Department
27 shall pay into the Local Government Tax Fund 80% of the net
28 revenue realized for the preceding month from the 1.25% rate
29 on the selling price of energy efficient appliances.

30 Of the remainder of the moneys received by the Department
31 pursuant to this Act, (a) 1.75% thereof shall be paid into
32 the Build Illinois Fund and (b) prior to July 1, 1989, 2.2%
33 and on and after July 1, 1989, 3.8% thereof shall be paid
34 into the Build Illinois Fund; provided, however, that if in

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

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

28 Subject to payment of amounts into the Build Illinois
29 Fund as provided in the preceding paragraph or in any
30 amendment thereto hereafter enacted, the following specified
31 monthly installment of the amount requested in the
32 certificate of the Chairman of the Metropolitan Pier and
33 Exposition Authority provided under Section 8.25f of the
34 State Finance Act, but not in excess of the sums designated

1 as "Total Deposit", shall be deposited in the aggregate from
 2 collections under Section 9 of the Use Tax Act, Section 9 of
 3 the Service Use Tax Act, Section 9 of the Service Occupation
 4 Tax Act, and Section 3 of the Retailers' Occupation Tax Act
 5 into the McCormick Place Expansion Project Fund in the
 6 specified fiscal years.

7	Fiscal Year	Total Deposit
8	1993	\$0
9	1994	53,000,000
10	1995	58,000,000
11	1996	61,000,000
12	1997	64,000,000
13	1998	68,000,000
14	1999	71,000,000
15	2000	75,000,000
16	2001	80,000,000
17	2002	84,000,000
18	2003	89,000,000
19	2004	93,000,000
20	2005	97,000,000
21	2006	102,000,000
22	2007	108,000,000
23	2008	115,000,000
24	2009	120,000,000
25	2010	126,000,000
26	2011	132,000,000
27	2012	138,000,000
28	2013 and	145,000,000

29 each fiscal year
 30 thereafter that bonds
 31 are outstanding under
 32 Section 13.2 of the
 33 Metropolitan Pier and
 34 Exposition Authority

1 Act, but not after fiscal year 2029.

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

15 Subject to payment of amounts into the Build Illinois
16 Fund and the McCormick Place Expansion Project Fund pursuant
17 to the preceding paragraphs or in any amendment thereto
18 hereafter enacted, each month the Department shall pay into
19 the Local Government Distributive Fund 0.4% of the net
20 revenue realized for the preceding month from the 5% general
21 rate or 0.4% of 80% of the net revenue realized for the
22 preceding month from the 6.25% general rate, as the case may
23 be, on the selling price of tangible personal property which
24 amount shall, subject to appropriation, be distributed as
25 provided in Section 2 of the State Revenue Sharing Act. No
26 payments or distributions pursuant to this paragraph shall be
27 made if the tax imposed by this Act on photoprocessing
28 products is declared unconstitutional, or if the proceeds
29 from such tax are unavailable for distribution because of
30 litigation.

31 Subject to payment of amounts into the Build Illinois
32 Fund, the McCormick Place Expansion Project Fund, and the
33 Local Government Distributive Fund pursuant to the preceding
34 paragraphs or in any amendments thereto hereafter enacted,

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

6 Remaining moneys received by the Department pursuant to
7 this Act shall be paid into the General Revenue Fund of the
8 State Treasury.

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

32 If the annual information return required by this Section
33 is not filed when and as required, the taxpayer shall be
34 liable as follows:

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

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

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

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

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

31 Net revenue realized for a month shall be the revenue
32 collected by the State pursuant to this Act, less the amount
33 paid out during that month as refunds to taxpayers for
34 overpayment of liability.

1 For greater simplicity of administration, it shall be
2 permissible for manufacturers, importers and wholesalers
3 whose products are sold by numerous servicemen in Illinois,
4 and who wish to do so, to assume the responsibility for
5 accounting and paying to the Department all tax accruing
6 under this Act with respect to such sales, if the servicemen
7 who are affected do not make written objection to the
8 Department to this arrangement.

9 (Source: P.A. 90-612, eff. 7-8-98; 91-37, eff. 7-1-99; 91-51,
10 eff. 6-30-99; 91-101, eff. 7-12-99; 91-541, eff. 8-13-99;
11 91-872, eff. 7-1-00.)

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

14 (35 ILCS 120/2-10) (from Ch. 120, par. 441-10)

15 Sec. 2-10. Rate of tax. Unless otherwise provided in
16 this Section, the tax imposed by this Act is at the rate of
17 6.25% of gross receipts from sales of tangible personal
18 property made in the course of business.

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

23 Within 14 days after the effective date of this
24 amendatory Act of the 91st General Assembly, each retailer of
25 motor fuel and gasohol shall cause the following notice to be
26 posted in a prominently visible place on each retail
27 dispensing device that is used to dispense motor fuel or
28 gasohol in the State of Illinois: "As of July 1, 2000, the
29 State of Illinois has eliminated the State's share of sales
30 tax on motor fuel and gasohol through December 31, 2000. The
31 price on this pump should reflect the elimination of the
32 tax." The notice shall be printed in bold print on a sign

1 that is no smaller than 4 inches by 8 inches. The sign shall
2 be clearly visible to customers. Any retailer who fails to
3 post or maintain a required sign through December 31, 2000 is
4 guilty of a petty offense for which the fine shall be \$500
5 per day per each retail premises where a violation occurs.

6 With respect to gasohol, as defined in the Use Tax Act,
7 the tax imposed by this Act applies to 70% of the proceeds of
8 sales made on or after January 1, 1990, and before July 1,
9 2003, and to 100% of the proceeds of sales made thereafter.

10 Beginning January 1, 2002, with respect to energy
11 efficient appliances, the tax is imposed at the rate of
12 1.25%. "Energy efficient appliances" are clothes washers,
13 refrigerators, and dishwashers that meet or exceed applicable
14 energy saving efficiency requirements developed by the United
15 States Department of Energy for the Energy Star Program. The
16 Department of Revenue, in consultation with manufacturers,
17 retailers, and public interest groups, must develop public
18 information programs and materials to identify and encourage
19 the sales of products eligible for this tax reduction. The
20 changes made to this Section by this amendatory Act of the
21 92nd General Assembly are exempt from the provisions of
22 Section 2-70.

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

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

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

15 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;
16 91-51, eff. 6-30-99; 91-872, eff. 7-1-00.)

17 (35 ILCS 120/3) (from Ch. 120, par. 442)

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

- 23 1. The name of the seller;
- 24 2. His residence address and the address of his
25 principal place of business and the address of the
26 principal place of business (if that is a different
27 address) from which he engages in the business of selling
28 tangible personal property at retail in this State;
- 29 3. Total amount of receipts received by him during
30 the preceding calendar month or quarter, as the case may
31 be, from sales of tangible personal property, and from
32 services furnished, by him during such preceding calendar
33 month or quarter;

1 4. Total amount received by him during the
2 preceding calendar month or quarter on charge and time
3 sales of tangible personal property, and from services
4 furnished, by him prior to the month or quarter for which
5 the return is filed;

6 5. Deductions allowed by law;

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

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

12 8. The amount of tax due;

13 9. The signature of the taxpayer; and

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

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

20 Each return shall be accompanied by the statement of
21 prepaid tax issued pursuant to Section 2e for which credit is
22 claimed.

23 A retailer may accept a Manufacturer's Purchase Credit
24 certification from a purchaser in satisfaction of Use Tax as
25 provided in Section 3-85 of the Use Tax Act if the purchaser
26 provides the appropriate documentation as required by Section
27 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit
28 certification, accepted by a retailer as provided in Section
29 3-85 of the Use Tax Act, may be used by that retailer to
30 satisfy Retailers' Occupation Tax liability in the amount
31 claimed in the certification, not to exceed 6.25% of the
32 receipts subject to tax from a qualifying purchase.

33 The Department may require returns to be filed on a
34 quarterly basis. If so required, a return for each calendar

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

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

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

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

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

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

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

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

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

29 Any amount which is required to be shown or reported on
30 any return or other document under this Act shall, if such
31 amount is not a whole-dollar amount, be increased to the
32 nearest whole-dollar amount in any case where the fractional
33 part of a dollar is 50 cents or more, and decreased to the
34 nearest whole-dollar amount where the fractional part of a

1 dollar is less than 50 cents.

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

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

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

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

29 Where the same person has more than one business
30 registered with the Department under separate registrations
31 under this Act, such person may not file each return that is
32 due as a single return covering all such registered
33 businesses, but shall file separate returns for each such
34 registered business.

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

25 Any retailer who sells only motor vehicles, watercraft,
26 aircraft, or trailers that are required to be registered with
27 an agency of this State, so that all retailers' occupation
28 tax liability is required to be reported, and is reported, on
29 such transaction reporting returns and who is not otherwise
30 required to file monthly or quarterly returns, need not file
31 monthly or quarterly returns. However, those retailers shall
32 be required to file returns on an annual basis.

33 The transaction reporting return, in the case of motor
34 vehicles or trailers that are required to be registered with

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

20 The transaction reporting return in the case of
21 watercraft or aircraft must show the name and address of the
22 seller; the name and address of the purchaser; the amount of
23 the selling price including the amount allowed by the
24 retailer for traded-in property, if any; the amount allowed
25 by the retailer for the traded-in tangible personal property,
26 if any, to the extent to which Section 1 of this Act allows
27 an exemption for the value of traded-in property; the balance
28 payable after deducting such trade-in allowance from the
29 total selling price; the amount of tax due from the retailer
30 with respect to such transaction; the amount of tax collected
31 from the purchaser by the retailer on such transaction (or
32 satisfactory evidence that such tax is not due in that
33 particular instance, if that is claimed to be the fact); the
34 place and date of the sale, a sufficient identification of

1 the property sold, and such other information as the
2 Department may reasonably require.

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

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

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

1 mandate of this paragraph.

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

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

30 Where the seller is a corporation, the return filed on
31 behalf of such corporation shall be signed by the president,
32 vice-president, secretary or treasurer or by the properly
33 accredited agent of such corporation.

34 Where the seller is a limited liability company, the

1 return filed on behalf of the limited liability company shall
2 be signed by a manager, member, or properly accredited agent
3 of the limited liability company.

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

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

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

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

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

22 Without regard to whether a taxpayer is required to make
23 quarter monthly payments as specified above, any taxpayer who
24 is required by Section 2d of this Act to collect and remit
25 prepaid taxes and has collected prepaid taxes which average
26 in excess of \$25,000 per month during the preceding 2
27 complete calendar quarters, shall file a return with the
28 Department as required by Section 2f and shall make payments
29 to the Department on or before the 7th, 15th, 22nd and last
30 day of the month during which such liability is incurred. If
31 the month during which such tax liability is incurred began
32 prior to the effective date of this amendatory Act of 1985,
33 each payment shall be in an amount not less than 22.5% of the
34 taxpayer's actual liability under Section 2d. If the month

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

24 If any payment provided for in this Section exceeds the
25 taxpayer's liabilities under this Act, the Use Tax Act, the
26 Service Occupation Tax Act and the Service Use Tax Act, as
27 shown on an original monthly return, the Department shall, if
28 requested by the taxpayer, issue to the taxpayer a credit
29 memorandum no later than 30 days after the date of payment.
30 The credit evidenced by such credit memorandum may be
31 assigned by the taxpayer to a similar taxpayer under this
32 Act, the Use Tax Act, the Service Occupation Tax Act or the
33 Service Use Tax Act, in accordance with reasonable rules and
34 regulations to be prescribed by the Department. If no such

1 request is made, the taxpayer may credit such excess payment
2 against tax liability subsequently to be remitted to the
3 Department under this Act, the Use Tax Act, the Service
4 Occupation Tax Act or the Service Use Tax Act, in accordance
5 with reasonable rules and regulations prescribed by the
6 Department. If the Department subsequently determined that
7 all or any part of the credit taken was not actually due to
8 the taxpayer, the taxpayer's 2.1% and 1.75% vendor's discount
9 shall be reduced by 2.1% or 1.75% of the difference between
10 the credit taken and that actually due, and that taxpayer
11 shall be liable for penalties and interest on such
12 difference.

13 If a retailer of motor fuel is entitled to a credit under
14 Section 2d of this Act which exceeds the taxpayer's liability
15 to the Department under this Act for the month which the
16 taxpayer is filing a return, the Department shall issue the
17 taxpayer a credit memorandum for the excess.

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

28 Beginning January 1, 1990, each month the Department
29 shall pay into the County and Mass Transit District Fund, a
30 special fund in the State treasury which is hereby created,
31 4% of the net revenue realized for the preceding month from
32 the 6.25% general rate.

33 Beginning August 1, 2000, each month the Department shall
34 pay into the County and Mass Transit District Fund 20% of the

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

3 Beginning February 1, 2002, each month the Department
4 shall pay into the County and Mass Transit District Fund 20%
5 of the net revenue realized for the preceding month from the
6 1.25% rate on the selling price of energy efficient
7 appliances.

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

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

17 Beginning February 1, 2002, each month the Department
18 shall pay into the Local Government Tax Fund 80% of the net
19 revenue realized for the preceding month from the 1.25% rate
20 on the selling price of energy efficient appliances.

21 Of the remainder of the moneys received by the Department
22 pursuant to this Act, (a) 1.75% thereof shall be paid into
23 the Build Illinois Fund and (b) prior to July 1, 1989, 2.2%
24 and on and after July 1, 1989, 3.8% thereof shall be paid
25 into the Build Illinois Fund; provided, however, that if in
26 any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%,
27 as the case may be, of the moneys received by the Department
28 and required to be paid into the Build Illinois Fund pursuant
29 to this Act, Section 9 of the Use Tax Act, Section 9 of the
30 Service Use Tax Act, and Section 9 of the Service Occupation
31 Tax Act, such Acts being hereinafter called the "Tax Acts"
32 and such aggregate of 2.2% or 3.8%, as the case may be, of
33 moneys being hereinafter called the "Tax Act Amount", and (2)
34 the amount transferred to the Build Illinois Fund from the

1 State and Local Sales Tax Reform Fund shall be less than the
 2 Annual Specified Amount (as hereinafter defined), an amount
 3 equal to the difference shall be immediately paid into the
 4 Build Illinois Fund from other moneys received by the
 5 Department pursuant to the Tax Acts; the "Annual Specified
 6 Amount" means the amounts specified below for fiscal years
 7 1986 through 1993:

8 Fiscal Year	Annual Specified Amount
9 1986	\$54,800,000
10 1987	\$76,650,000
11 1988	\$80,480,000
12 1989	\$88,510,000
13 1990	\$115,330,000
14 1991	\$145,470,000
15 1992	\$182,730,000
16 1993	\$206,520,000;

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

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

33 Subject to payment of amounts into the Build Illinois
34 Fund as provided in the preceding paragraph or in any

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

12	Fiscal Year	Total Deposit
13	1993	\$0
14	1994	53,000,000
15	1995	58,000,000
16	1996	61,000,000
17	1997	64,000,000
18	1998	68,000,000
19	1999	71,000,000
20	2000	75,000,000
21	2001	80,000,000
22	2002	84,000,000
23	2003	89,000,000
24	2004	93,000,000
25	2005	97,000,000
26	2006	102,000,000
27	2007	108,000,000
28	2008	115,000,000
29	2009	120,000,000
30	2010	126,000,000
31	2011	132,000,000
32	2012	138,000,000
33	2013 and	145,000,000
34	each fiscal year	

1 thereafter that bonds
2 are outstanding under
3 Section 13.2 of the
4 Metropolitan Pier and
5 Exposition Authority
6 Act, but not after fiscal year 2029.

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

20 Subject to payment of amounts into the Build Illinois
21 Fund and the McCormick Place Expansion Project Fund pursuant
22 to the preceding paragraphs or in any amendment thereto
23 hereafter enacted, each month the Department shall pay into
24 the Local Government Distributive Fund 0.4% of the net
25 revenue realized for the preceding month from the 5% general
26 rate or 0.4% of 80% of the net revenue realized for the
27 preceding month from the 6.25% general rate, as the case may
28 be, on the selling price of tangible personal property which
29 amount shall, subject to appropriation, be distributed as
30 provided in Section 2 of the State Revenue Sharing Act. No
31 payments or distributions pursuant to this paragraph shall be
32 made if the tax imposed by this Act on photoprocessing
33 products is declared unconstitutional, or if the proceeds
34 from such tax are unavailable for distribution because of

1 litigation.

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

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

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

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

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

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

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

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

27 The provisions of this Section concerning the filing of
28 an annual information return do not apply to a retailer who
29 is not required to file an income tax return with the United
30 States Government.

31 As soon as possible after the first day of each month,
32 upon certification of the Department of Revenue, the
33 Comptroller shall order transferred and the Treasurer shall
34 transfer from the General Revenue Fund to the Motor Fuel Tax

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

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

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

16 Any person who promotes, organizes, provides retail
17 selling space for concessionaires or other types of sellers
18 at the Illinois State Fair, DuQuoin State Fair, county fairs,
19 local fairs, art shows, flea markets and similar exhibitions
20 or events, including any transient merchant as defined by
21 Section 2 of the Transient Merchant Act of 1987, is required
22 to file a report with the Department providing the name of
23 the merchant's business, the name of the person or persons
24 engaged in merchant's business, the permanent address and
25 Illinois Retailers Occupation Tax Registration Number of the
26 merchant, the dates and location of the event and other
27 reasonable information that the Department may require. The
28 report must be filed not later than the 20th day of the month
29 next following the month during which the event with retail
30 sales was held. Any person who fails to file a report
31 required by this Section commits a business offense and is
32 subject to a fine not to exceed \$250.

33 Any person engaged in the business of selling tangible
34 personal property at retail as a concessionaire or other type

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

20 (Source: P.A. 90-491, eff. 1-1-99; 90-612, eff. 7-8-98;
21 91-37, eff. 7-1-99; 91-51, eff. 6-30-99; 91-101, eff.
22 7-12-99; 91-541, eff. 8-13-99; 91-872, eff. 7-1-00; 91-901,
23 eff. 1-1-01; revised 1-15-01.)

24 Section 99. Effective date. This Act takes effect on
25 January 1, 2002.