

1 AMENDMENT TO HOUSE BILL 3289

2 AMENDMENT NO. _____. Amend House Bill 3289 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Use Tax Act is amended by changing
5 Sections 3-45 and 3-50 and adding Section 3-10.5 as follows:

6 (35 ILCS 105/3-10.5 new)

7 Sec. 3-10.5 Direct payment of retailers' occupation tax
8 and applicable local retailers' occupation tax by purchaser;
9 purchaser relieved of paying use tax and local retailers'
10 occupation tax reimbursement liabilities to retailer.

11 (a) A retailer who makes a retail sale of tangible
12 personal property to a purchaser who provides the retailer
13 with a copy of the purchaser's valid Direct Pay Permit issued
14 under Section 2-10.5 of the Retailers' Occupation Tax Act is
15 not required under Section 3-45 of this Act to collect the
16 tax imposed by this Act on that sale.

17 (b) A purchaser who makes a purchase from a retailer who
18 would otherwise incur retailers' occupation tax liability on
19 the transaction and who provides the retailer with a copy of
20 a valid Direct Pay Permit issued under Section 2-10.5 of the
21 Retailers' Occupation Tax Act does not incur the tax imposed
22 by this Act on the purchase. The purchaser assumes the

1 retailer's obligation to pay the retailers' occupation tax
2 directly to the Department, including all local retailers'
3 occupation tax liabilities applicable to that retail sale.

4 (c) A purchaser who makes a purchase from a retailer who
5 would not incur retailers' occupation tax liability on the
6 transaction and who provides the retailer with a copy of a
7 valid Direct Pay Permit issued under Section 2-10.5 of the
8 Retailers' Occupation Tax Act incurs the tax imposed by this
9 Act on the purchase. If, on any transaction, the retailer is
10 entitled under this Act to a discount for collecting and
11 remitting the tax imposed under this Act to the Department,
12 the right to the discount provided in Section 9 of this Act
13 shall be transferred to the Permit holder. If the retailer
14 would not be entitled to a discount as provided in Section 9
15 of this Act, then the Permit holder is not entitled to a
16 discount.

17 (35 ILCS 105/3-45) (from Ch. 120, par. 439.3-45)

18 Sec. 3-45. Collection. The tax imposed by this Act
19 shall be collected from the purchaser by a retailer
20 maintaining a place of business in this State or a retailer
21 authorized by the Department under Section 6 of this Act, and
22 shall be remitted to the Department as provided in Section 9
23 of this Act, except as provided in Section 3-10.5 of this
24 Act.

25 The tax imposed by this Act that is not paid to a
26 retailer under this Section shall be paid to the Department
27 directly by any person using the property within this State
28 as provided in Section 10 of this Act.

29 Retailers shall collect the tax from users by adding the
30 tax to the selling price of tangible personal property, when
31 sold for use, in the manner prescribed by the Department.
32 The Department may adopt and promulgate reasonable rules and
33 regulations for the adding of the tax by retailers to selling

1 prices by prescribing bracket systems for the purpose of
2 enabling the retailers to add and collect, as far as
3 practicable, the amount of the tax.

4 If a seller collects use tax measured by receipts that
5 are not subject to use tax, or if a seller, in collecting use
6 tax measured by receipts that are subject to tax under this
7 Act, collects more from the purchaser than the required
8 amount of the use tax on the transaction, the purchaser shall
9 have a legal right to claim a refund of that amount from the
10 seller. If, however, that amount is not refunded to the
11 purchaser for any reason, the seller is liable to pay that
12 amount to the Department. This paragraph does not apply to
13 an amount collected by the seller as use tax on receipts that
14 are subject to tax under this Act as long as the collection
15 is made in compliance with the tax collection brackets
16 prescribed by the Department in its rules and regulations.

17 (Source: P.A. 91-51, eff. 6-30-99.)

18 (35 ILCS 105/3-50) (from Ch. 120, par. 439.3-50)

19 Sec. 3-50. Manufacturing and assembly exemption. The
20 manufacturing and assembling machinery and equipment
21 exemption includes machinery and equipment that replaces
22 machinery and equipment in an existing manufacturing facility
23 as well as machinery and equipment that are for use in an
24 expanded or new manufacturing facility. The machinery and
25 equipment exemption also includes machinery and equipment
26 used in the general maintenance or repair of exempt machinery
27 and equipment or for in-house manufacture of exempt machinery
28 and equipment. For the purposes of this exemption, terms have
29 the following meanings:

30 (1) "Manufacturing process" means the production of
31 an article of tangible personal property, whether the
32 article is a finished product or an article for use in
33 the process of manufacturing or assembling a different

1 article of tangible personal property, by a procedure
2 commonly regarded as manufacturing, processing,
3 fabricating, or refining that changes some existing
4 material into a material with a different form, use, or
5 name. In relation to a recognized integrated business
6 composed of a series of operations that collectively
7 constitute manufacturing, or individually constitute
8 manufacturing operations, the manufacturing process
9 commences with the first operation or stage of production
10 in the series and does not end until the completion of
11 the final product in the last operation or stage of
12 production in the series. For purposes of this
13 exemption, photoprocessing is a manufacturing process of
14 tangible personal property for wholesale or retail sale.

15 (2) "Assembling process" means the production of an
16 article of tangible personal property, whether the
17 article is a finished product or an article for use in
18 the process of manufacturing or assembling a different
19 article of tangible personal property, by the combination
20 of existing materials in a manner commonly regarded as
21 assembling that results in an article or material of a
22 different form, use, or name.

23 (3) "Machinery" means major mechanical machines or
24 major components of those machines contributing to a
25 manufacturing or assembling process.

26 (4) "Equipment" includes an independent device or
27 tool separate from machinery but essential to an
28 integrated manufacturing or assembly process; including
29 computers used primarily in a manufacturer's operating
30 ~~exempt--machinery--and--equipment--in-a~~ computer assisted
31 design, computer assisted manufacturing (CAD/CAM) system;
32 any subunit or assembly comprising a component of any
33 machinery or auxiliary, adjunct, or attachment parts of
34 machinery, such as tools, dies, jigs, fixtures, patterns,

1 and molds; and any parts that require periodic
2 replacement in the course of normal operation; but does
3 not include hand tools.

4 The manufacturing and assembling machinery and equipment
5 exemption includes the sale of materials to a purchaser who
6 produces exempted types of machinery, equipment, or tools and
7 who rents or leases that machinery, equipment, or tools to a
8 manufacturer of tangible personal property. This exemption
9 also includes the sale of materials to a purchaser who
10 manufactures those materials into an exempted type of
11 machinery, equipment, or tools that the purchaser uses
12 himself or herself in the manufacturing of tangible personal
13 property. This exemption includes the sale of exempted types
14 of machinery or equipment to a purchaser who is not the
15 manufacturer, but who rents or leases the use of the property
16 to a manufacturer. The purchaser of the machinery and
17 equipment who has an active resale registration number shall
18 furnish that number to the seller at the time of purchase. A
19 user of the machinery, equipment, or tools without an active
20 resale registration number shall prepare a certificate of
21 exemption for each transaction stating facts establishing the
22 exemption for that transaction, and that certificate shall be
23 available to the Department for inspection or audit. The
24 Department shall prescribe the form of the certificate.
25 Informal rulings, opinions, or letters issued by the
26 Department in response to an inquiry or request for an
27 opinion from any person regarding the coverage and
28 applicability of this exemption to specific devices shall be
29 published, maintained as a public record, and made available
30 for public inspection and copying. If the informal ruling,
31 opinion, or letter contains trade secrets or other
32 confidential information, where possible, the Department
33 shall delete that information before publication. Whenever
34 informal rulings, opinions, or letters contain a policy of

1 general applicability, the Department shall formulate and
2 adopt that policy as a rule in accordance with the Illinois
3 Administrative Procedure Act.

4 (Source: P.A. 91-51, eff. 6-30-99.)

5 Section 10. The Service Use Tax Act is amended by
6 changing Section 3-5 as follows:

7 (35 ILCS 110/3-5) (from Ch. 120, par. 439.33-5)

8 Sec. 3-5. Exemptions. Use of the following tangible
9 personal property is exempt from the tax imposed by this Act:

10 (1) Personal property purchased from a corporation,
11 society, association, foundation, institution, or
12 organization, other than a limited liability company, that is
13 organized and operated as a not-for-profit service enterprise
14 for the benefit of persons 65 years of age or older if the
15 personal property was not purchased by the enterprise for the
16 purpose of resale by the enterprise.

17 (2) Personal property purchased by a non-profit Illinois
18 county fair association for use in conducting, operating, or
19 promoting the county fair.

20 (3) Personal property purchased by a not-for-profit arts
21 or cultural organization that establishes, by proof required
22 by the Department by rule, that it has received an exemption
23 under Section 501(c)(3) of the Internal Revenue Code and that
24 is organized and operated for the presentation or support of
25 arts or cultural programming, activities, or services. These
26 organizations include, but are not limited to, music and
27 dramatic arts organizations such as symphony orchestras and
28 theatrical groups, arts and cultural service organizations,
29 local arts councils, visual arts organizations, and media
30 arts organizations.

31 (4) Legal tender, currency, medallions, or gold or
32 silver coinage issued by the State of Illinois, the

1 government of the United States of America, or the government
2 of any foreign country, and bullion.

3 (5) Graphic arts machinery and equipment, including
4 repair and replacement parts, both new and used, and
5 including that manufactured on special order or purchased for
6 lease, certified by the purchaser to be used primarily for
7 graphic arts production.

8 (6) Personal property purchased from a teacher-sponsored
9 student organization affiliated with an elementary or
10 secondary school located in Illinois.

11 (7) Farm machinery and equipment, both new and used,
12 including that manufactured on special order, certified by
13 the purchaser to be used primarily for production agriculture
14 or State or federal agricultural programs, including
15 individual replacement parts for the machinery and equipment,
16 including machinery and equipment purchased for lease, and
17 including implements of husbandry defined in Section 1-130 of
18 the Illinois Vehicle Code, farm machinery and agricultural
19 chemical and fertilizer spreaders, and nurse wagons required
20 to be registered under Section 3-809 of the Illinois Vehicle
21 Code, but excluding other motor vehicles required to be
22 registered under the Illinois Vehicle Code. Horticultural
23 polyhouses or hoop houses used for propagating, growing, or
24 overwintering plants shall be considered farm machinery and
25 equipment under this item (7). Agricultural chemical tender
26 tanks and dry boxes shall include units sold separately from
27 a motor vehicle required to be licensed and units sold
28 mounted on a motor vehicle required to be licensed if the
29 selling price of the tender is separately stated.

30 Farm machinery and equipment shall include precision
31 farming equipment that is installed or purchased to be
32 installed on farm machinery and equipment including, but not
33 limited to, tractors, harvesters, sprayers, planters,
34 seeders, or spreaders. Precision farming equipment includes,

1 but is not limited to, soil testing sensors, computers,
2 monitors, software, global positioning and mapping systems,
3 and other such equipment.

4 Farm machinery and equipment also includes computers,
5 sensors, software, and related equipment used primarily in
6 the computer-assisted operation of production agriculture
7 facilities, equipment, and activities such as, but not
8 limited to, the collection, monitoring, and correlation of
9 animal and crop data for the purpose of formulating animal
10 diets and agricultural chemicals. This item (7) is exempt
11 from the provisions of Section 3-75.

12 (8) Fuel and petroleum products sold to or used by an
13 air common carrier, certified by the carrier to be used for
14 consumption, shipment, or storage in the conduct of its
15 business as an air common carrier, for a flight destined for
16 or returning from a location or locations outside the United
17 States without regard to previous or subsequent domestic
18 stopovers.

19 (9) Proceeds of mandatory service charges separately
20 stated on customers' bills for the purchase and consumption
21 of food and beverages acquired as an incident to the purchase
22 of a service from a serviceman, to the extent that the
23 proceeds of the service charge are in fact turned over as
24 tips or as a substitute for tips to the employees who
25 participate directly in preparing, serving, hosting or
26 cleaning up the food or beverage function with respect to
27 which the service charge is imposed.

28 (10) Oil field exploration, drilling, and production
29 equipment, including (i) rigs and parts of rigs, rotary rigs,
30 cable tool rigs, and workover rigs, (ii) pipe and tubular
31 goods, including casing and drill strings, (iii) pumps and
32 pump-jack units, (iv) storage tanks and flow lines, (v) any
33 individual replacement part for oil field exploration,
34 drilling, and production equipment, and (vi) machinery and

1 equipment purchased for lease; but excluding motor vehicles
2 required to be registered under the Illinois Vehicle Code.

3 (11) Proceeds from the sale of photoprocessing machinery
4 and equipment, including repair and replacement parts, both
5 new and used, including that manufactured on special order,
6 certified by the purchaser to be used primarily for
7 photoprocessing, and including photoprocessing machinery and
8 equipment purchased for lease.

9 (12) Coal exploration, mining, offhighway hauling,
10 processing, maintenance, and reclamation equipment, including
11 replacement parts and equipment, and including equipment
12 purchased for lease, but excluding motor vehicles required to
13 be registered under the Illinois Vehicle Code.

14 (13) Semen used for artificial insemination of livestock
15 for direct agricultural production.

16 (14) Horses, or interests in horses, registered with and
17 meeting the requirements of any of the Arabian Horse Club
18 Registry of America, Appaloosa Horse Club, American Quarter
19 Horse Association, United States Trotting Association, or
20 Jockey Club, as appropriate, used for purposes of breeding or
21 racing for prizes.

22 (15) Computers and communications equipment utilized for
23 any hospital purpose and equipment used in the diagnosis,
24 analysis, or treatment of hospital patients purchased by a
25 lessor who leases the equipment, under a lease of one year or
26 longer executed or in effect at the time the lessor would
27 otherwise be subject to the tax imposed by this Act, to a
28 hospital that has been issued an active tax exemption
29 identification number by the Department under Section 1g of
30 the Retailers' Occupation Tax Act. If the equipment is leased
31 in a manner that does not qualify for this exemption or is
32 used in any other non-exempt manner, the lessor shall be
33 liable for the tax imposed under this Act or the Use Tax Act,
34 as the case may be, based on the fair market value of the

1 property at the time the non-qualifying use occurs. No
2 lessor shall collect or attempt to collect an amount (however
3 designated) that purports to reimburse that lessor for the
4 tax imposed by this Act or the Use Tax Act, as the case may
5 be, if the tax has not been paid by the lessor. If a lessor
6 improperly collects any such amount from the lessee, the
7 lessee shall have a legal right to claim a refund of that
8 amount from the lessor. If, however, that amount is not
9 refunded to the lessee for any reason, the lessor is liable
10 to pay that amount to the Department.

11 (16) Personal property purchased by a lessor who leases
12 the property, under a lease of one year or longer executed or
13 in effect at the time the lessor would otherwise be subject
14 to the tax imposed by this Act, to a governmental body that
15 has been issued an active tax exemption identification number
16 by the Department under Section 1g of the Retailers'
17 Occupation Tax Act. If the property is leased in a manner
18 that does not qualify for this exemption or is used in any
19 other non-exempt manner, the lessor shall be liable for the
20 tax imposed under this Act or the Use Tax Act, as the case
21 may be, based on the fair market value of the property at the
22 time the non-qualifying use occurs. No lessor shall collect
23 or attempt to collect an amount (however designated) that
24 purports to reimburse that lessor for the tax imposed by this
25 Act or the Use Tax Act, as the case may be, if the tax has
26 not been paid by the lessor. If a lessor improperly collects
27 any such amount from the lessee, the lessee shall have a
28 legal right to claim a refund of that amount from the lessor.
29 If, however, that amount is not refunded to the lessee for
30 any reason, the lessor is liable to pay that amount to the
31 Department.

32 (17) Beginning with taxable years ending on or after
33 December 31, 1995 and ending with taxable years ending on or
34 before December 31, 2004, personal property that is donated

1 for disaster relief to be used in a State or federally
2 declared disaster area in Illinois or bordering Illinois by a
3 manufacturer or retailer that is registered in this State to
4 a corporation, society, association, foundation, or
5 institution that has been issued a sales tax exemption
6 identification number by the Department that assists victims
7 of the disaster who reside within the declared disaster area.

8 (18) Beginning with taxable years ending on or after
9 December 31, 1995 and ending with taxable years ending on or
10 before December 31, 2004, personal property that is used in
11 the performance of infrastructure repairs in this State,
12 including but not limited to municipal roads and streets,
13 access roads, bridges, sidewalks, waste disposal systems,
14 water and sewer line extensions, water distribution and
15 purification facilities, storm water drainage and retention
16 facilities, and sewage treatment facilities, resulting from a
17 State or federally declared disaster in Illinois or bordering
18 Illinois when such repairs are initiated on facilities
19 located in the declared disaster area within 6 months after
20 the disaster.

21 (19) Beginning July 1, 1999, game or game birds
22 purchased at a "game breeding and hunting preserve area" or
23 an "exotic game hunting area" as those terms are used in the
24 Wildlife Code or at a hunting enclosure approved through
25 rules adopted by the Department of Natural Resources. This
26 paragraph is exempt from the provisions of Section 3-75.

27 (20) ~~(19)~~ A motor vehicle, as that term is defined in
28 Section 1-146 of the Illinois Vehicle Code, that is donated
29 to a corporation, limited liability company, society,
30 association, foundation, or institution that is determined by
31 the Department to be organized and operated exclusively for
32 educational purposes. For purposes of this exemption, "a
33 corporation, limited liability company, society, association,
34 foundation, or institution organized and operated exclusively

1 for educational purposes" means all tax-supported public
 2 schools, private schools that offer systematic instruction in
 3 useful branches of learning by methods common to public
 4 schools and that compare favorably in their scope and
 5 intensity with the course of study presented in tax-supported
 6 schools, and vocational or technical schools or institutes
 7 organized and operated exclusively to provide a course of
 8 study of not less than 6 weeks duration and designed to
 9 prepare individuals to follow a trade or to pursue a manual,
 10 technical, mechanical, industrial, business, or commercial
 11 occupation.

12 (21) ~~(20)~~ Beginning January 1, 2000, personal property,
 13 including food, purchased through fundraising events for the
 14 benefit of a public or private elementary or secondary
 15 school, a group of those schools, or one or more school
 16 districts if the events are sponsored by an entity recognized
 17 by the school district that consists primarily of volunteers
 18 and includes parents and teachers of the school children.
 19 This paragraph does not apply to fundraising events (i) for
 20 the benefit of private home instruction or (ii) for which the
 21 fundraising entity purchases the personal property sold at
 22 the events from another individual or entity that sold the
 23 property for the purpose of resale by the fundraising entity
 24 and that profits from the sale to the fundraising entity.
 25 This paragraph is exempt from the provisions of Section 3-75.

26 (22) ~~(19)~~ Beginning January 1, 2000, new or used
 27 automatic vending machines that prepare and serve hot food
 28 and beverages, including coffee, soup, and other items, and
 29 replacement parts for these machines. This paragraph is
 30 exempt from the provisions of Section 3-75.

31 (23) Food for human consumption that is to be consumed
 32 off the premises where it is sold (other than alcoholic
 33 beverages, soft drinks, and food that has been prepared for
 34 immediate consumption) and prescription and nonprescription

1 medicines, drugs, medical appliances, and insulin, urine
 2 testing materials, syringes, and needles used by diabetics,
 3 for human use, when purchased for use by a person receiving
 4 medical assistance under Article 5 of the Illinois Public Aid
 5 Code who resides in a licensed long-term care facility, as
 6 defined in the Nursing Home Care Act.

7 (Source: P.A. 90-14, eff. 7-1-97; 90-552, eff. 12-12-97;
 8 90-605, eff. 6-30-98; 91-51, eff. 6-30-99; 91-200, eff.
 9 7-20-99; 91-439, eff. 8-6-99; 91-637, eff. 8-20-99; 91-644,
 10 eff. 8-20-99; revised 9-29-99.)

11 Section 15. The Retailers' Occupation Tax Act is amended
 12 by changing Sections 2-5, 2-45, 3, and 5k and by adding
 13 Section 2-10.5 as follows:

14 (35 ILCS 120/2-5) (from Ch. 120, par. 441-5)

15 Sec. 2-5. Exemptions. Gross receipts from proceeds from
 16 the sale of the following tangible personal property are
 17 exempt from the tax imposed by this Act:

- 18 (1) Farm chemicals.
- 19 (2) Farm machinery and equipment, both new and used,
 20 including that manufactured on special order, certified by
 21 the purchaser to be used primarily for production agriculture
 22 or State or federal agricultural programs, including
 23 individual replacement parts for the machinery and equipment,
 24 including machinery and equipment purchased for lease, and
 25 including implements of husbandry defined in Section 1-130 of
 26 the Illinois Vehicle Code, farm machinery and agricultural
 27 chemical and fertilizer spreaders, and nurse wagons required
 28 to be registered under Section 3-809 of the Illinois Vehicle
 29 Code, but excluding other motor vehicles required to be
 30 registered under the Illinois Vehicle Code. Horticultural
 31 polyhouses or hoop houses used for propagating, growing, or
 32 overwintering plants shall be considered farm machinery and

1 equipment under this item (2). Agricultural chemical tender
2 tanks and dry boxes shall include units sold separately from
3 a motor vehicle required to be licensed and units sold
4 mounted on a motor vehicle required to be licensed, if the
5 selling price of the tender is separately stated.

6 Farm machinery and equipment shall include precision
7 farming equipment that is installed or purchased to be
8 installed on farm machinery and equipment including, but not
9 limited to, tractors, harvesters, sprayers, planters,
10 seeders, or spreaders. Precision farming equipment includes,
11 but is not limited to, soil testing sensors, computers,
12 monitors, software, global positioning and mapping systems,
13 and other such equipment.

14 Farm machinery and equipment also includes computers,
15 sensors, software, and related equipment used primarily in
16 the computer-assisted operation of production agriculture
17 facilities, equipment, and activities such as, but not
18 limited to, the collection, monitoring, and correlation of
19 animal and crop data for the purpose of formulating animal
20 diets and agricultural chemicals. This item (7) is exempt
21 from the provisions of Section 2-70.

22 (3) Distillation machinery and equipment, sold as a unit
23 or kit, assembled or installed by the retailer, certified by
24 the user to be used only for the production of ethyl alcohol
25 that will be used for consumption as motor fuel or as a
26 component of motor fuel for the personal use of the user, and
27 not subject to sale or resale.

28 (4) Graphic arts machinery and equipment, including
29 repair and replacement parts, both new and used, and
30 including that manufactured on special order or purchased for
31 lease, certified by the purchaser to be used primarily for
32 graphic arts production.

33 (5) A motor vehicle of the first division, a motor
34 vehicle of the second division that is a self-contained motor

1 vehicle designed or permanently converted to provide living
2 quarters for recreational, camping, or travel use, with
3 direct walk through access to the living quarters from the
4 driver's seat, or a motor vehicle of the second division that
5 is of the van configuration designed for the transportation
6 of not less than 7 nor more than 16 passengers, as defined in
7 Section 1-146 of the Illinois Vehicle Code, that is used for
8 automobile renting, as defined in the Automobile Renting
9 Occupation and Use Tax Act.

10 (6) Personal property sold by a teacher-sponsored
11 student organization affiliated with an elementary or
12 secondary school located in Illinois.

13 (7) Proceeds of that portion of the selling price of a
14 passenger car the sale of which is subject to the Replacement
15 Vehicle Tax.

16 (8) Personal property sold to an Illinois county fair
17 association for use in conducting, operating, or promoting
18 the county fair.

19 (9) Personal property sold to a not-for-profit arts or
20 cultural organization that establishes, by proof required by
21 the Department by rule, that it has received an exemption
22 under Section 501(c)(3) of the Internal Revenue Code and that
23 is organized and operated for the presentation or support of
24 arts or cultural programming, activities, or services. These
25 organizations include, but are not limited to, music and
26 dramatic arts organizations such as symphony orchestras and
27 theatrical groups, arts and cultural service organizations,
28 local arts councils, visual arts organizations, and media
29 arts organizations.

30 (10) Personal property sold by a corporation, society,
31 association, foundation, institution, or organization, other
32 than a limited liability company, that is organized and
33 operated as a not-for-profit service enterprise for the
34 benefit of persons 65 years of age or older if the personal

1 property was not purchased by the enterprise for the purpose
2 of resale by the enterprise.

3 (11) Personal property sold to a governmental body, to a
4 corporation, society, association, foundation, or institution
5 organized and operated exclusively for charitable, religious,
6 or educational purposes, or to a not-for-profit corporation,
7 society, association, foundation, institution, or
8 organization that has no compensated officers or employees
9 and that is organized and operated primarily for the
10 recreation of persons 55 years of age or older. A limited
11 liability company may qualify for the exemption under this
12 paragraph only if the limited liability company is organized
13 and operated exclusively for educational purposes. On and
14 after July 1, 1987, however, no entity otherwise eligible for
15 this exemption shall make tax-free purchases unless it has an
16 active identification number issued by the Department.

17 (12) Personal property sold to interstate carriers for
18 hire for use as rolling stock moving in interstate commerce
19 or to lessors under leases of one year or longer executed or
20 in effect at the time of purchase by interstate carriers for
21 hire for use as rolling stock moving in interstate commerce
22 and equipment operated by a telecommunications provider,
23 licensed as a common carrier by the Federal Communications
24 Commission, which is permanently installed in or affixed to
25 aircraft moving in interstate commerce.

26 (13) Proceeds from sales to owners, lessors, or shippers
27 of tangible personal property that is utilized by interstate
28 carriers for hire for use as rolling stock moving in
29 interstate commerce and equipment operated by a
30 telecommunications provider, licensed as a common carrier by
31 the Federal Communications Commission, which is permanently
32 installed in or affixed to aircraft moving in interstate
33 commerce.

34 (14) Machinery and equipment that will be used by the

1 purchaser, or a lessee of the purchaser, primarily in the
2 process of manufacturing or assembling tangible personal
3 property for wholesale or retail sale or lease, whether the
4 sale or lease is made directly by the manufacturer or by some
5 other person, whether the materials used in the process are
6 owned by the manufacturer or some other person, or whether
7 the sale or lease is made apart from or as an incident to the
8 seller's engaging in the service occupation of producing
9 machines, tools, dies, jigs, patterns, gauges, or other
10 similar items of no commercial value on special order for a
11 particular purchaser.

12 (15) Proceeds of mandatory service charges separately
13 stated on customers' bills for purchase and consumption of
14 food and beverages, to the extent that the proceeds of the
15 service charge are in fact turned over as tips or as a
16 substitute for tips to the employees who participate directly
17 in preparing, serving, hosting or cleaning up the food or
18 beverage function with respect to which the service charge is
19 imposed.

20 (16) Petroleum products sold to a purchaser if the
21 seller is prohibited by federal law from charging tax to the
22 purchaser.

23 (17) Tangible personal property sold to a common carrier
24 by rail or motor that receives the physical possession of the
25 property in Illinois and that transports the property, or
26 shares with another common carrier in the transportation of
27 the property, out of Illinois on a standard uniform bill of
28 lading showing the seller of the property as the shipper or
29 consignor of the property to a destination outside Illinois,
30 for use outside Illinois.

31 (18) Legal tender, currency, medallions, or gold or
32 silver coinage issued by the State of Illinois, the
33 government of the United States of America, or the government
34 of any foreign country, and bullion.

1 (19) Oil field exploration, drilling, and production
2 equipment, including (i) rigs and parts of rigs, rotary rigs,
3 cable tool rigs, and workover rigs, (ii) pipe and tubular
4 goods, including casing and drill strings, (iii) pumps and
5 pump-jack units, (iv) storage tanks and flow lines, (v) any
6 individual replacement part for oil field exploration,
7 drilling, and production equipment, and (vi) machinery and
8 equipment purchased for lease; but excluding motor vehicles
9 required to be registered under the Illinois Vehicle Code.

10 (20) Photoprocessing machinery and equipment, including
11 repair and replacement parts, both new and used, including
12 that manufactured on special order, certified by the
13 purchaser to be used primarily for photoprocessing, and
14 including photoprocessing machinery and equipment purchased
15 for lease.

16 (21) Coal exploration, mining, offhighway hauling,
17 processing, maintenance, and reclamation equipment, including
18 replacement parts and equipment, and including equipment
19 purchased for lease, but excluding motor vehicles required to
20 be registered under the Illinois Vehicle Code.

21 (22) Fuel and petroleum products sold to or used by an
22 air carrier, certified by the carrier to be used for
23 consumption, shipment, or storage in the conduct of its
24 business as an air common carrier, for a flight destined for
25 or returning from a location or locations outside the United
26 States without regard to previous or subsequent domestic
27 stopovers.

28 (23) A transaction in which the purchase order is
29 received by a florist who is located outside Illinois, but
30 who has a florist located in Illinois deliver the property to
31 the purchaser or the purchaser's donee in Illinois.

32 (24) Fuel consumed or used in the operation of ships,
33 barges, or vessels that are used primarily in or for the
34 transportation of property or the conveyance of persons for

1 hire on rivers bordering on this State if the fuel is
2 delivered by the seller to the purchaser's barge, ship, or
3 vessel while it is afloat upon that bordering river.

4 (25) A motor vehicle sold in this State to a nonresident
5 even though the motor vehicle is delivered to the nonresident
6 in this State, if the motor vehicle is not to be titled in
7 this State, and if a driveaway decal permit is issued to the
8 motor vehicle as provided in Section 3-603 of the Illinois
9 Vehicle Code or if the nonresident purchaser has vehicle
10 registration plates to transfer to the motor vehicle upon
11 returning to his or her home state. The issuance of the
12 driveaway decal permit or having the out-of-state
13 registration plates to be transferred is prima facie evidence
14 that the motor vehicle will not be titled in this State.

15 (26) Semen used for artificial insemination of livestock
16 for direct agricultural production.

17 (27) Horses, or interests in horses, registered with and
18 meeting the requirements of any of the Arabian Horse Club
19 Registry of America, Appaloosa Horse Club, American Quarter
20 Horse Association, United States Trotting Association, or
21 Jockey Club, as appropriate, used for purposes of breeding or
22 racing for prizes.

23 (28) Computers and communications equipment utilized for
24 any hospital purpose and equipment used in the diagnosis,
25 analysis, or treatment of hospital patients sold to a lessor
26 who leases the equipment, under a lease of one year or longer
27 executed or in effect at the time of the purchase, to a
28 hospital that has been issued an active tax exemption
29 identification number by the Department under Section 1g of
30 this Act.

31 (29) Personal property sold to a lessor who leases the
32 property, under a lease of one year or longer executed or in
33 effect at the time of the purchase, to a governmental body
34 that has been issued an active tax exemption identification

1 number by the Department under Section 1g of this Act.

2 (30) Beginning with taxable years ending on or after
3 December 31, 1995 and ending with taxable years ending on or
4 before December 31, 2004, personal property that is donated
5 for disaster relief to be used in a State or federally
6 declared disaster area in Illinois or bordering Illinois by a
7 manufacturer or retailer that is registered in this State to
8 a corporation, society, association, foundation, or
9 institution that has been issued a sales tax exemption
10 identification number by the Department that assists victims
11 of the disaster who reside within the declared disaster area.

12 (31) Beginning with taxable years ending on or after
13 December 31, 1995 and ending with taxable years ending on or
14 before December 31, 2004, personal property that is used in
15 the performance of infrastructure repairs in this State,
16 including but not limited to municipal roads and streets,
17 access roads, bridges, sidewalks, waste disposal systems,
18 water and sewer line extensions, water distribution and
19 purification facilities, storm water drainage and retention
20 facilities, and sewage treatment facilities, resulting from a
21 State or federally declared disaster in Illinois or bordering
22 Illinois when such repairs are initiated on facilities
23 located in the declared disaster area within 6 months after
24 the disaster.

25 (32) Beginning July 1, 1999, game or game birds sold at
26 a "game breeding and hunting preserve area" or an "exotic
27 game hunting area" as those terms are used in the Wildlife
28 Code or at a hunting enclosure approved through rules adopted
29 by the Department of Natural Resources. This paragraph is
30 exempt from the provisions of Section 2-70.

31 ~~(33)~~ (32) A motor vehicle, as that term is defined in
32 Section 1-146 of the Illinois Vehicle Code, that is donated
33 to a corporation, limited liability company, society,
34 association, foundation, or institution that is determined by

1 the Department to be organized and operated exclusively for
2 educational purposes. For purposes of this exemption, "a
3 corporation, limited liability company, society, association,
4 foundation, or institution organized and operated exclusively
5 for educational purposes" means all tax-supported public
6 schools, private schools that offer systematic instruction in
7 useful branches of learning by methods common to public
8 schools and that compare favorably in their scope and
9 intensity with the course of study presented in tax-supported
10 schools, and vocational or technical schools or institutes
11 organized and operated exclusively to provide a course of
12 study of not less than 6 weeks duration and designed to
13 prepare individuals to follow a trade or to pursue a manual,
14 technical, mechanical, industrial, business, or commercial
15 occupation.

16 (34) ~~(33)~~ Beginning January 1, 2000, personal property,
17 including food, purchased through fundraising events for the
18 benefit of a public or private elementary or secondary
19 school, a group of those schools, or one or more school
20 districts if the events are sponsored by an entity recognized
21 by the school district that consists primarily of volunteers
22 and includes parents and teachers of the school children.
23 This paragraph does not apply to fundraising events (i) for
24 the benefit of private home instruction or (ii) for which the
25 fundraising entity purchases the personal property sold at
26 the events from another individual or entity that sold the
27 property for the purpose of resale by the fundraising entity
28 and that profits from the sale to the fundraising entity.
29 This paragraph is exempt from the provisions of Section 2-70.

30 (35) ~~(32)~~ Beginning January 1, 2000, new or used
31 automatic vending machines that prepare and serve hot food
32 and beverages, including coffee, soup, and other items, and
33 replacement parts for these machines. This paragraph is
34 exempt from the provisions of Section 2-70.

1 (36) Food for human consumption that is to be consumed
 2 off the premises where it is sold (other than alcoholic
 3 beverages, soft drinks, and food that has been prepared for
 4 immediate consumption) and prescription and nonprescription
 5 medicines, drugs, medical appliances, and insulin, urine
 6 testing materials, syringes, and needles used by diabetics,
 7 for human use, when purchased for use by a person receiving
 8 medical assistance under Article 5 of the Illinois Public Aid
 9 Code who resides in a licensed long-term care facility, as
 10 defined in the Nursing Home Care Act.

11 (Source: P.A. 90-14, eff. 7-1-97; 90-519, eff. 6-1-98;
 12 90-552, eff. 12-12-97; 90-605, eff. 6-30-98; 91-51, eff.
 13 6-30-99; 91-200, eff. 7-20-99; 91-439, eff. 8-6-99; 91-533,
 14 eff. 8-13-99; 91-637, eff. 8-20-99; 91-644, eff. 8-20-99;
 15 revised 9-28-99.)

16 (35 ILCS 120/2-10.5 new)

17 Sec. 2-10.5. Direct payment program; purchaser's
 18 providing of permit to retailer; retailer relieved of
 19 collecting use tax and local retailers' occupation tax
 20 reimbursements from purchaser; direct payment of retailers'
 21 occupation tax and local retailers' occupation tax by
 22 purchaser.

23 (a) Beginning on July 1, 2001 there is established in
 24 this State a Direct Payment Program to be administered by the
 25 Department. The Department shall issue a Direct Pay Permit
 26 to applicants who have been approved to participate in the
 27 Direct Payment Program. Each person applying to participate
 28 in the Direct Payment Program must demonstrate (1) the
 29 applicant's ability to comply with the retailers' occupation
 30 tax laws and the use tax laws in effect in this State and
 31 that the applicant's accounting system will reflect the
 32 proper amount of tax due, (2) that the applicant has a valid
 33 business purpose for participating in the Direct Payment

1 Program, and (3) how the applicant's participation in the
2 Direct Payment Program will benefit tax compliance.
3 Application shall be made on forms provided by the Department
4 and shall contain information as the Department may
5 reasonably require. The Department shall approve or deny an
6 applicant within 90 days after the Department's receipt of
7 the application, unless the Department makes a written
8 request for additional information from the applicant.

9 (b) A person who has been approved for the Direct
10 Payment Program and who has been issued a Direct Pay Permit
11 by the Department is relieved of paying tax to a retailer
12 when purchasing tangible personal property for use or
13 consumption, except as provided in subsection (d), by
14 providing that retailer a copy of that Direct Pay Permit. A
15 retailer who accepts a copy of a customer's Direct Pay Permit
16 is relieved of the obligation to remit the tax imposed by
17 this Act on the transaction. References in this Section to
18 "the tax imposed by this Act" include any local occupation
19 taxes administered by the Department that would be incurred
20 on the retail sale.

21 (c) Once the holder of a Direct Pay Permit uses that
22 Permit to relieve the Permit holder from paying tax to a
23 particular retailer, the holder must use its Permit for all
24 purchases, except as provided in subsection (d), from that
25 retailer for so long as the Permit is valid.

26 (d) Direct Pay Permits are not valid and shall not be
27 used for sales or purchases of:

28 (1) food or beverage;

29 (2) tangible personal property required to be
30 titled or registered with an agency of government; or

31 (3) any transactions subject to the Service
32 Occupation Tax Act or Service Use Tax Act.

33 (e) Direct Pay Permits are not assignable and are not
34 transferable. As an illustration, a construction contractor

1 shall not make purchases using a customer's Direct Pay
2 Permit.

3 (f) A Direct Pay Permit is valid until it is revoked by
4 the Department or until the holder notifies the Department in
5 writing that the holder is withdrawing from the Direct
6 Payment Program. A Direct Pay Permit can be revoked by the
7 Department, after notice and hearing, if the holder violates
8 any provision of this Act, any provision of the Illinois Use
9 Tax Act, or any provision of any Act imposing a local
10 retailers' occupation tax administered by the Department.

11 (g) The holder of a Direct Pay Permit who has been
12 relieved of paying tax to a retailer on a purchase for use or
13 consumption by representing to that retailer that it would
14 pay all applicable taxes directly to the Department shall pay
15 those taxes to the Department not later than the 20th day of
16 the month following the month in which the purchase was made.
17 Permit holders making such purchases are subject to all
18 provisions of this Act, and the tax must be reported and paid
19 as retailers' occupation tax in the same manner that the
20 retailer from whom the purchases were made would have
21 reported and paid it, including any local retailers'
22 occupation taxes applicable to that retail sale.
23 Notwithstanding any other provision of this Act, Permit
24 holders shall make all payments to the Department through the
25 use of electronic funds transfer.

26 (35 ILCS 120/2-45) (from Ch. 120, par. 441-45)

27 Sec. 2-45. Manufacturing and assembly exemption. The
28 manufacturing and assembly machinery and equipment exemption
29 includes machinery and equipment that replaces machinery and
30 equipment in an existing manufacturing facility as well as
31 machinery and equipment that are for use in an expanded or
32 new manufacturing facility.

33 The machinery and equipment exemption also includes

1 machinery and equipment used in the general maintenance or
2 repair of exempt machinery and equipment or for in-house
3 manufacture of exempt machinery and equipment. For the
4 purposes of this exemption, terms have the following
5 meanings:

6 (1) "Manufacturing process" means the production of
7 an article of tangible personal property, whether the
8 article is a finished product or an article for use in
9 the process of manufacturing or assembling a different
10 article of tangible personal property, by a procedure
11 commonly regarded as manufacturing, processing,
12 fabricating, or refining that changes some existing
13 material or materials into a material with a different
14 form, use, or name. In relation to a recognized
15 integrated business composed of a series of operations
16 that collectively constitute manufacturing, or
17 individually constitute manufacturing operations, the
18 manufacturing process commences with the first operation
19 or stage of production in the series and does not end
20 until the completion of the final product in the last
21 operation or stage of production in the series. For
22 purposes of this exemption, photoprocessing is a
23 manufacturing process of tangible personal property for
24 wholesale or retail sale.

25 (2) "Assembling process" means the production of an
26 article of tangible personal property, whether the
27 article is a finished product or an article for use in
28 the process of manufacturing or assembling a different
29 article of tangible personal property, by the combination
30 of existing materials in a manner commonly regarded as
31 assembling that results in a material of a different
32 form, use, or name.

33 (3) "Machinery" means major mechanical machines or
34 major components of those machines contributing to a

1 manufacturing or assembling process.

2 (4) "Equipment" includes an independent device or
3 tool separate from machinery but essential to an
4 integrated manufacturing or assembly process; including
5 computers used primarily in a manufacturer's operating
6 ~~exempt-machinery-and-equipment--in--a~~ computer assisted
7 design, computer assisted manufacturing (CAD/CAM) system;
8 any subunit or assembly comprising a component of any
9 machinery or auxiliary, adjunct, or attachment parts of
10 machinery, such as tools, dies, jigs, fixtures, patterns,
11 and molds; and any parts that require periodic
12 replacement in the course of normal operation; but does
13 not include hand tools.

14 The manufacturing and assembling machinery and equipment
15 exemption includes the sale of materials to a purchaser who
16 produces exempted types of machinery, equipment, or tools and
17 who rents or leases that machinery, equipment, or tools to a
18 manufacturer of tangible personal property. This exemption
19 also includes the sale of materials to a purchaser who
20 manufactures those materials into an exempted type of
21 machinery, equipment, or tools that the purchaser uses
22 himself or herself in the manufacturing of tangible personal
23 property. The purchaser of the machinery and equipment who
24 has an active resale registration number shall furnish that
25 number to the seller at the time of purchase. A purchaser of
26 the machinery, equipment, and tools without an active resale
27 registration number shall furnish to the seller a certificate
28 of exemption for each transaction stating facts establishing
29 the exemption for that transaction, and that certificate
30 shall be available to the Department for inspection or audit.
31 Informal rulings, opinions, or letters issued by the
32 Department in response to an inquiry or request for an
33 opinion from any person regarding the coverage and
34 applicability of this exemption to specific devices shall be

1 published, maintained as a public record, and made available
2 for public inspection and copying. If the informal ruling,
3 opinion, or letter contains trade secrets or other
4 confidential information, where possible, the Department
5 shall delete that information before publication. Whenever
6 informal rulings, opinions, or letters contain a policy of
7 general applicability, the Department shall formulate and
8 adopt that policy as a rule in accordance with the Illinois
9 Administrative Procedure Act.

10 (Source: P.A. 91-51, eff. 6-30-99.)

11 (35 ILCS 120/3) (from Ch. 120, par. 442)

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

- 17 1. The name of the seller;
- 18 2. His residence address and the address of his
19 principal place of business and the address of the
20 principal place of business (if that is a different
21 address) from which he engages in the business of selling
22 tangible personal property at retail in this State;
- 23 3. Total amount of receipts received by him during
24 the preceding calendar month or quarter, as the case may
25 be, from sales of tangible personal property, and from
26 services furnished, by him during such preceding calendar
27 month or quarter;
- 28 4. Total amount received by him during the
29 preceding calendar month or quarter on charge and time
30 sales of tangible personal property, and from services
31 furnished, by him prior to the month or quarter for which
32 the return is filed;
- 33 5. Deductions allowed by law;

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

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

6 8. The amount of tax due;

7 9. The signature of the taxpayer; and

8 10. Such other reasonable information as the
9 Department may require.

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

14 Each return shall be accompanied by the statement of
15 prepaid tax issued pursuant to Section 2e for which credit is
16 claimed.

17 A retailer may accept a Manufacturer's Purchase Credit
18 certification from a purchaser in satisfaction of Use Tax as
19 provided in Section 3-85 of the Use Tax Act if the purchaser
20 provides the appropriate documentation as required by Section
21 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit
22 certification, accepted by a retailer as provided in Section
23 3-85 of the Use Tax Act, may be used by that retailer to
24 satisfy Retailers' Occupation Tax liability in the amount
25 claimed in the certification, not to exceed 6.25% of the
26 receipts subject to tax from a qualifying purchase.

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

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

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

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

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

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

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

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

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

23 Any amount which is required to be shown or reported on
24 any return or other document under this Act shall, if such
25 amount is not a whole-dollar amount, be increased to the
26 nearest whole-dollar amount in any case where the fractional
27 part of a dollar is 50 cents or more, and decreased to the
28 nearest whole-dollar amount where the fractional part of a
29 dollar is less than 50 cents.

30 If the retailer is otherwise required to file a monthly
31 return and if the retailer's average monthly tax liability to
32 the Department does not exceed \$200, the Department may
33 authorize his returns to be filed on a quarter annual basis,
34 with the return for January, February and March of a given

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

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

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

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

23 Where the same person has more than one business
24 registered with the Department under separate registrations
25 under this Act, such person may not file each return that is
26 due as a single return covering all such registered
27 businesses, but shall file separate returns for each such
28 registered business.

29 In addition, with respect to motor vehicles, watercraft,
30 aircraft, and trailers that are required to be registered
31 with an agency of this State, every retailer selling this
32 kind of tangible personal property shall file, with the
33 Department, upon a form to be prescribed and supplied by the
34 Department, a separate return for each such item of tangible

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

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

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

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

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

31 Such transaction reporting return shall be filed not
32 later than 20 days after the day of delivery of the item that
33 is being sold, but may be filed by the retailer at any time
34 sooner than that if he chooses to do so. The transaction

1 reporting return and tax remittance or proof of exemption
2 from the Illinois use tax may be transmitted to the
3 Department by way of the State agency with which, or State
4 officer with whom the tangible personal property must be
5 titled or registered (if titling or registration is required)
6 if the Department and such agency or State officer determine
7 that this procedure will expedite the processing of
8 applications for title or registration.

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

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

30 If the user who would otherwise pay tax to the retailer
31 wants the transaction reporting return filed and the payment
32 of the tax or proof of exemption made to the Department
33 before the retailer is willing to take these actions and such
34 user has not paid the tax to the retailer, such user may

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

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

24 Where the seller is a corporation, the return filed on
25 behalf of such corporation shall be signed by the president,
26 vice-president, secretary or treasurer or by the properly
27 accredited agent of such corporation.

28 Where the seller is a limited liability company, the
29 return filed on behalf of the limited liability company shall
30 be signed by a manager, member, or properly accredited agent
31 of the limited liability company.

32 Except as provided in this Section, the retailer filing
33 the return under this Section shall, at the time of filing
34 such return, pay to the Department the amount of tax imposed

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

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

1 22nd and last day of the month during which such liability is
2 incurred. If the month during which such tax liability is
3 incurred began prior to January 1, 1985, each payment shall
4 be in an amount equal to 1/4 of the taxpayer's actual
5 liability for the month or an amount set by the Department
6 not to exceed 1/4 of the average monthly liability of the
7 taxpayer to the Department for the preceding 4 complete
8 calendar quarters (excluding the month of highest liability
9 and the month of lowest liability in such 4 quarter period).
10 If the month during which such tax liability is incurred
11 begins on or after January 1, 1985 and prior to January 1,
12 1987, each payment shall be in an amount equal to 22.5% of
13 the taxpayer's actual liability for the month or 27.5% of the
14 taxpayer's liability for the same calendar month of the
15 preceding year. If the month during which such tax liability
16 is incurred begins on or after January 1, 1987 and prior to
17 January 1, 1988, each payment shall be in an amount equal to
18 22.5% of the taxpayer's actual liability for the month or
19 26.25% of the taxpayer's liability for the same calendar
20 month of the preceding year. If the month during which such
21 tax liability is incurred begins on or after January 1, 1988,
22 and prior to January 1, 1989, or begins on or after January
23 1, 1996, each payment shall be in an amount equal to 22.5% of
24 the taxpayer's actual liability for the month or 25% of the
25 taxpayer's liability for the same calendar month of the
26 preceding year. If the month during which such tax liability
27 is incurred begins on or after January 1, 1989, and prior to
28 January 1, 1996, each payment shall be in an amount equal to
29 22.5% of the taxpayer's actual liability for the month or 25%
30 of the taxpayer's liability for the same calendar month of
31 the preceding year or 100% of the taxpayer's actual liability
32 for the quarter monthly reporting period. The amount of such
33 quarter monthly payments shall be credited against the final
34 tax liability of the taxpayer's return for that month.

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

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

16 The provisions of this paragraph apply before October 1,
17 2001. Without regard to whether a taxpayer is required to
18 make quarter monthly payments as specified above, any
19 taxpayer who is required by Section 2d of this Act to collect
20 and remit prepaid taxes and has collected prepaid taxes which
21 average in excess of \$25,000 per month during the preceding 2
22 complete calendar quarters, shall file a return with the
23 Department as required by Section 2f and shall make payments
24 to the Department on or before the 7th, 15th, 22nd and last
25 day of the month during which such liability is incurred. If
26 the month during which such tax liability is incurred began
27 prior to the effective date of this amendatory Act of 1985,
28 each payment shall be in an amount not less than 22.5% of the
29 taxpayer's actual liability under Section 2d. If the month
30 during which such tax liability is incurred begins on or
31 after January 1, 1986, each payment shall be in an amount
32 equal to 22.5% of the taxpayer's actual liability for the
33 month or 27.5% of the taxpayer's liability for the same
34 calendar month of the preceding calendar year. If the month

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

19 The provisions of this paragraph apply on and after
20 October 1, 2001. Without regard to whether a taxpayer is
21 required to make quarter monthly payments as specified above,
22 any taxpayer who is required by Section 2d of this Act to
23 collect and remit prepaid taxes and has collected prepaid
24 taxes that average in excess of \$20,000 per month during the
25 preceding 4 complete calendar quarters shall file a return
26 with the Department as required by Section 2f and shall make
27 payments to the Department on or before the 7th, 15th, 22nd
28 and last day of the month during which the liability is
29 incurred. Each payment shall be in an amount equal to 22.5%
30 of the taxpayer's actual liability for the month or 25% of
31 the taxpayer's liability for the same calendar month of the
32 preceding year. The amount of the quarter monthly payments
33 shall be credited against the final tax liability of the
34 taxpayer's return for that month filed under this Section or

1 Section 2f, as the case may be. Once applicable, the
2 requirement of the making of quarter monthly payments to the
3 Department pursuant to this paragraph shall continue until
4 the taxpayer's average monthly prepaid tax collections during
5 the preceding 4 complete calendar quarters (excluding the
6 month of highest liability and the month of lowest liability)
7 is less than \$19,000 or until such taxpayer's average monthly
8 liability to the Department as computed for each calendar
9 quarter of the 4 preceding complete calendar quarters is less
10 than \$20,000. If any such quarter monthly payment is not
11 paid at the time or in the amount required, the taxpayer
12 shall be liable for penalties and interest on such
13 difference, except insofar as the taxpayer has previously
14 made payments for that month in excess of the minimum
15 payments previously due.

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

1 shall be reduced by 2.1% or 1.75% of the difference between
2 the credit taken and that actually due, and that taxpayer
3 shall be liable for penalties and interest on such
4 difference.

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

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

20 Beginning January 1, 1990, each month the Department
21 shall pay into the County and Mass Transit District Fund, a
22 special fund in the State treasury which is hereby created,
23 4% of the net revenue realized for the preceding month from
24 the 6.25% general rate.

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

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

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

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

4 Of the remainder of the moneys received by the Department
 5 pursuant to this Act, (a) 1.75% thereof shall be paid into
 6 the Build Illinois Fund and (b) prior to July 1, 1989, 2.2%
 7 and on and after July 1, 1989, 3.8% thereof shall be paid
 8 into the Build Illinois Fund; provided, however, that if in
 9 any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%,
 10 as the case may be, of the moneys received by the Department
 11 and required to be paid into the Build Illinois Fund pursuant
 12 to this Act, Section 9 of the Use Tax Act, Section 9 of the
 13 Service Use Tax Act, and Section 9 of the Service Occupation
 14 Tax Act, such Acts being hereinafter called the "Tax Acts"
 15 and such aggregate of 2.2% or 3.8%, as the case may be, of
 16 moneys being hereinafter called the "Tax Act Amount", and (2)
 17 the amount transferred to the Build Illinois Fund from the
 18 State and Local Sales Tax Reform Fund shall be less than the
 19 Annual Specified Amount (as hereinafter defined), an amount
 20 equal to the difference shall be immediately paid into the
 21 Build Illinois Fund from other moneys received by the
 22 Department pursuant to the Tax Acts; the "Annual Specified
 23 Amount" means the amounts specified below for fiscal years
 24 1986 through 1993:

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

34 and means the Certified Annual Debt Service Requirement (as

1 defined in Section 13 of the Build Illinois Bond Act) or the
2 Tax Act Amount, whichever is greater, for fiscal year 1994
3 and each fiscal year thereafter; and further provided, that
4 if on the last business day of any month the sum of (1) the
5 Tax Act Amount required to be deposited into the Build
6 Illinois Bond Account in the Build Illinois Fund during such
7 month and (2) the amount transferred to the Build Illinois
8 Fund from the State and Local Sales Tax Reform Fund shall
9 have been less than 1/12 of the Annual Specified Amount, an
10 amount equal to the difference shall be immediately paid into
11 the Build Illinois Fund from other moneys received by the
12 Department pursuant to the Tax Acts; and, further provided,
13 that in no event shall the payments required under the
14 preceding proviso result in aggregate payments into the Build
15 Illinois Fund pursuant to this clause (b) for any fiscal year
16 in excess of the greater of (i) the Tax Act Amount or (ii)
17 the Annual Specified Amount for such fiscal year. The
18 amounts payable into the Build Illinois Fund under clause (b)
19 of the first sentence in this paragraph shall be payable only
20 until such time as the aggregate amount on deposit under each
21 trust indenture securing Bonds issued and outstanding
22 pursuant to the Build Illinois Bond Act is sufficient, taking
23 into account any future investment income, to fully provide,
24 in accordance with such indenture, for the defeasance of or
25 the payment of the principal of, premium, if any, and
26 interest on the Bonds secured by such indenture and on any
27 Bonds expected to be issued thereafter and all fees and costs
28 payable with respect thereto, all as certified by the
29 Director of the Bureau of the Budget. If on the last
30 business day of any month in which Bonds are outstanding
31 pursuant to the Build Illinois Bond Act, the aggregate of
32 moneys deposited in the Build Illinois Bond Account in the
33 Build Illinois Fund in such month shall be less than the
34 amount required to be transferred in such month from the

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

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

29	Fiscal Year	Total Deposit
30	1993	\$0
31	1994	53,000,000
32	1995	58,000,000
33	1996	61,000,000
34	1997	64,000,000

1	1998	68,000,000
2	1999	71,000,000
3	2000	75,000,000
4	2001	80,000,000
5	2002	84,000,000
6	2003	89,000,000
7	2004	93,000,000
8	2005	97,000,000
9	2006	102,000,000
10	2007	108,000,000
11	2008	115,000,000
12	2009	120,000,000
13	2010	126,000,000
14	2011	132,000,000
15	2012	138,000,000
16	2013 and	145,000,000

17 each fiscal year
18 thereafter that bonds
19 are outstanding under
20 Section 13.2 of the
21 Metropolitan Pier and
22 Exposition Authority
23 Act, but not after fiscal year 2029.

24 Beginning July 20, 1993 and in each month of each fiscal
25 year thereafter, one-eighth of the amount requested in the
26 certificate of the Chairman of the Metropolitan Pier and
27 Exposition Authority for that fiscal year, less the amount
28 deposited into the McCormick Place Expansion Project Fund by
29 the State Treasurer in the respective month under subsection
30 (g) of Section 13 of the Metropolitan Pier and Exposition
31 Authority Act, plus cumulative deficiencies in the deposits
32 required under this Section for previous months and years,
33 shall be deposited into the McCormick Place Expansion Project
34 Fund, until the full amount requested for the fiscal year,

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

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

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

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

34 The Department may, upon separate written notice to a

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

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

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

33 (ii) On and after January 1, 1994, the taxpayer
34 shall be liable for a penalty as described in Section 3-4

1 of the Uniform Penalty and Interest Act.

2 The chief executive officer, proprietor, owner or highest
3 ranking manager shall sign the annual return to certify the
4 accuracy of the information contained therein. Any person
5 who willfully signs the annual return containing false or
6 inaccurate information shall be guilty of perjury and
7 punished accordingly. The annual return form prescribed by
8 the Department shall include a warning that the person
9 signing the return may be liable for perjury.

10 The provisions of this Section concerning the filing of
11 an annual information return do not apply to a retailer who
12 is not required to file an income tax return with the United
13 States Government.

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 Any person who promotes, organizes, provides retail
34 selling space for concessionaires or other types of sellers

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

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

1 concessionaires and other sellers shall file their returns as
2 otherwise required in this Section.

3 (Source: P.A. 90-491, eff. 1-1-99; 90-612, eff. 7-8-98;
4 91-37, eff. 7-1-99; 91-51, eff. 6-30-99; 91-101, eff.
5 7-12-99; 91-541, eff. 8-13-99; 91-872, eff. 7-1-00; 91-901,
6 eff. 1-1-01; revised 1-15-01.)

7 (35 ILCS 120/5k) (from Ch. 120, par. 444k)

8 (Text of Section before amendment by P.A. 91-954)

9 Sec. 5k. Each retailer whose place a business is within
10 a county or municipality which has established an Enterprise
11 Zone pursuant to the "Illinois Enterprise Zone Act" and who
12 makes a sale of building materials to be incorporated into
13 real estate in such enterprise zone by remodeling,
14 rehabilitation or new construction, may deduct receipts from
15 such sales when calculating the tax imposed by this Act. The
16 deduction allowed by this Section for the sale of building
17 materials may be limited, to the extent authorized by
18 ordinance, adopted after the effective date of this
19 amendatory Act of 1992, by the municipality or county that
20 created the enterprise zone. The corporate authorities of
21 any municipality or county that adopts an ordinance or
22 resolution imposing or changing any limitation on the
23 enterprise zone exemption for building materials shall
24 transmit to the Department of Revenue on or not later than 5
25 days after publication, as provided by law, a certified copy
26 of the ordinance or resolution imposing or changing those
27 limitations, whereupon the Department of Revenue shall
28 proceed to administer and enforce those limitations effective
29 the first day of the second calendar month next following
30 date of receipt by the Department of the certified ordinance
31 or resolution.

32 (Source: P.A. 91-51, eff. 6-30-99.)

33 (Text of Section after amendment by P.A. 91-954)

1 Sec. 5k. Each retailer in Illinois who makes a sale of
2 building materials to be incorporated into real estate in an
3 enterprise zone established by a county or municipality under
4 the Illinois Enterprise Zone Act by remodeling,
5 rehabilitation or new construction, may deduct receipts from
6 such sales when calculating the tax imposed by this Act. The
7 deduction allowed by this Section for the sale of building
8 materials may be limited, to the extent authorized by
9 ordinance, adopted after the effective date of this
10 amendatory Act of 1992, by the municipality or county that
11 created the enterprise zone in which the retailer's place of
12 business is located. The corporate authorities of any
13 municipality or county that adopts an ordinance or resolution
14 imposing or changing any limitation on the enterprise zone
15 exemption for building materials shall transmit to the
16 Department of Revenue on or not later than 5 days after
17 publication, as provided by law, a certified copy of the
18 ordinance or resolution imposing or changing those
19 limitations, whereupon the Department of Revenue shall
20 proceed to administer and enforce those limitations effective
21 the first day of the second calendar month next following
22 date of receipt by the Department of the certified ordinance
23 or resolution. The provisions of this Section are exempt
24 from Section 2-70.

25 (Source: P.A. 91-51, eff. 6-30-99; 91-954, eff. 1-1-02.)

26 Section 95. No acceleration or delay. Where this Act
27 makes changes in a statute that is represented in this Act by
28 text that is not yet or no longer in effect (for example, a
29 Section represented by multiple versions), the use of that
30 text does not accelerate or delay the taking effect of (i)
31 the changes made by this Act or (ii) provisions derived from
32 any other Public Act.

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.".