

1 AN ACT concerning coal.

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

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

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

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

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

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

3 A portion of the money paid into the Local Government Tax
4 Fund from the 6.25% general rate (and, beginning July 1, 2000
5 and through December 31, 2000, the 1.25% rate on motor fuel
6 and gasohol, and, beginning January 1, 2002 and through
7 December 31, 2006, the 1.25% rate on coal) on sales subject
8 to taxation under the Retailers' Occupation Tax Act and the
9 Service Occupation Tax Act, which occurred in municipalities,
10 shall be distributed to each municipality, based upon the
11 sales which occurred in that municipality. The remainder
12 shall be distributed to each county, based upon the sales
13 which occurred in the unincorporated area of such county.

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

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

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

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

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

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

34 In construing any development, redevelopment, annexation,

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

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

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

11 Sec. 6z-20. Of the money received from the 6.25% general
12 rate (and, beginning July 1, 2000 and through December 31,
13 2000, the 1.25% rate on motor fuel and gasohol, and,
14 beginning January 1, 2002 and through December 31, 2006, the
15 1.25% rate on coal) on sales subject to taxation under the
16 Retailers' Occupation Tax Act and Service Occupation Tax Act
17 and paid into the County and Mass Transit District Fund,
18 distribution to the Regional Transportation Authority tax
19 fund, created pursuant to Section 4.03 of the Regional
20 Transportation Authority Act, for deposit therein shall be
21 made based upon the retail sales occurring in a county having
22 more than 3,000,000 inhabitants. The remainder shall be
23 distributed to each county having 3,000,000 or fewer
24 inhabitants based upon the retail sales occurring in each
25 such county.

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

1 sale in interstate or foreign commerce.

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

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

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

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

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

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

1 Treasurer and State Comptroller are hereby authorized to make
2 distributions as provided in this Section.

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

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

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

15 (35 ILCS 105/3-10) (from Ch. 120, par. 439.3-10)

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

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

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

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

14 Beginning on January 1, 2002 and through December 31,
15 2006, with respect to coal for use in this State, the tax is
16 imposed at the rate of 1.25%.

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

1 the Grade A Pasteurized Milk and Milk Products Act, or drinks
2 containing 50% or more natural fruit or vegetable juice.

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

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

16 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;
17 91-51, eff. 6-30-99; 91-872, eff. 7-1-00.)

18 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

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

1 taken with each such tax remittance instead of when such
2 retailer files his periodic return. A retailer need not
3 remit that part of any tax collected by him to the extent
4 that he is required to remit and does remit the tax imposed
5 by the Retailers' Occupation Tax Act, with respect to the
6 sale of the same property.

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

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

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

- 31 1. The name of the seller;
- 32 2. The address of the principal place of business
33 from which he engages in the business of selling tangible
34 personal property at retail in this State;

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

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

8 5. The amount of tax due;

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

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

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

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

1 State and local occupation and use tax laws administered by
2 the Department, for the immediately preceding calendar year
3 divided by 12.

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

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

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

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

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

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

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

1 for a change in such taxpayer's reporting status. The
2 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 and the amount of such quarter monthly payment actually and
9 timely paid, except insofar as the taxpayer has previously
10 made payments for that month to the Department in excess of
11 the minimum payments previously due as provided in this
12 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 If any such payment provided for in this Section exceeds
17 the taxpayer's liabilities under this Act, the Retailers'
18 Occupation Tax Act, the Service Occupation Tax Act and the
19 Service Use Tax Act, as shown by an original monthly return,
20 the Department shall issue to the taxpayer a credit
21 memorandum no later than 30 days after the date of payment,
22 which memorandum may be submitted by the taxpayer to the
23 Department in payment of tax liability subsequently to be
24 remitted by the taxpayer to the Department or be assigned by
25 the taxpayer to a similar taxpayer under this Act, the
26 Retailers' Occupation Tax Act, the Service Occupation Tax Act
27 or the Service Use Tax Act, in accordance with reasonable
28 rules and regulations to be prescribed by the Department,
29 except that if such excess payment is shown on an original
30 monthly return and is made after December 31, 1986, no credit
31 memorandum shall be issued, unless requested by the taxpayer.
32 If no such request is made, the taxpayer may credit such
33 excess payment against tax liability subsequently to be
34 remitted by the taxpayer to the Department under this Act,

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

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

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

27 Such quarter annual and annual returns, as to form and
28 substance, shall be subject to the same requirements as
29 monthly returns.

30 Notwithstanding any other provision in this Act
31 concerning the time within which a retailer may file his
32 return, in the case of any retailer who ceases to engage in a
33 kind of business which makes him responsible for filing
34 returns under this Act, such retailer shall file a final

1 return under this Act with the Department not more than one
2 month after discontinuing such business.

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

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

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

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

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

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

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

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

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

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

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

30 Any retailer filing a return under this Section shall
31 also include (for the purpose of paying tax thereon) the
32 total tax covered by such return upon the selling price of
33 tangible personal property purchased by him at retail from a
34 retailer, but as to which the tax imposed by this Act was not

1 collected from the retailer filing such return, and such
2 retailer shall remit the amount of such tax to the Department
3 when filing such return.

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

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

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

27 Beginning January 1, 1990, each month the Department
28 shall pay into the County and Mass Transit District Fund 4%
29 of the net revenue realized for the preceding month from the
30 6.25% general rate on the selling price of tangible personal
31 property which is purchased outside Illinois at retail from a
32 retailer and which is titled or registered by an agency of
33 this State's government.

34 Beginning January 1, 1990, each month the Department

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

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

12 Beginning February 1, 2002, each month the Department
13 shall pay into the State and Local Sales Tax Reform Fund 100%
14 of the net revenue realized for the preceding month from the
15 1.25% rate on the selling price of coal for use in this
16 State.

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

24 Of the remainder of the moneys received by the Department
25 pursuant to this Act, (a) 1.75% thereof shall be paid into
26 the Build Illinois Fund and (b) prior to July 1, 1989, 2.2%
27 and on and after July 1, 1989, 3.8% thereof shall be paid
28 into the Build Illinois Fund; provided, however, that if in
29 any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%,
30 as the case may be, of the moneys received by the Department
31 and required to be paid into the Build Illinois Fund pursuant
32 to Section 3 of the Retailers' Occupation Tax Act, Section 9
33 of the Use Tax Act, Section 9 of the Service Use Tax Act, and
34 Section 9 of the Service Occupation Tax Act, such Acts being

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

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

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

1	Fiscal Year	Total Deposit
2	1993	\$0
3	1994	53,000,000
4	1995	58,000,000
5	1996	61,000,000
6	1997	64,000,000
7	1998	68,000,000
8	1999	71,000,000
9	2000	75,000,000
10	2001	80,000,000
11	2002	84,000,000
12	2003	89,000,000
13	2004	93,000,000
14	2005	97,000,000
15	2006	102,000,000
16	2007	108,000,000
17	2008	115,000,000
18	2009	120,000,000
19	2010	126,000,000
20	2011	132,000,000
21	2012	138,000,000
22	2013 and	145,000,000

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

30 Beginning July 20, 1993 and in each month of each fiscal
 31 year thereafter, one-eighth of the amount requested in the
 32 certificate of the Chairman of the Metropolitan Pier and
 33 Exposition Authority for that fiscal year, less the amount
 34 deposited into the McCormick Place Expansion Project Fund by

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

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

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

33 Of the remainder of the moneys received by the Department
34 pursuant to this Act, 75% thereof shall be paid into the

1 State Treasury and 25% shall be reserved in a special account
2 and used only for the transfer to the Common School Fund as
3 part of the monthly transfer from the General Revenue Fund in
4 accordance with Section 8a of the State Finance Act.

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

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

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

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

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

30 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

31 Sec. 3-10. Rate of tax. Unless otherwise provided in
32 this Section, the tax imposed by this Act is at the rate of

1 6.25% of the selling price of tangible personal property
2 transferred as an incident to the sale of service, but, for
3 the purpose of computing this tax, in no event shall the
4 selling price be less than the cost price of the property to
5 the serviceman.

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

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

15 Beginning on January 1, 2002 and through December 31,
16 2006, with respect to coal for use in this State, the tax is
17 imposed at the rate of 1.25%.

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

28 The tax shall be imposed at the rate of 1% on food
29 prepared for immediate consumption and transferred incident
30 to a sale of service subject to this Act or the Service
31 Occupation Tax Act by an entity licensed under the Hospital
32 Licensing Act, the Nursing Home Care Act, or the Child Care
33 Act of 1969. The tax shall also be imposed at the rate of 1%
34 on food for human consumption that is to be consumed off the

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

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

26 If the property that is acquired from a serviceman is
27 acquired outside Illinois and used outside Illinois before
28 being brought to Illinois for use here and is taxable under
29 this Act, the "selling price" on which the tax is computed
30 shall be reduced by an amount that represents a reasonable
31 allowance for depreciation for the period of prior
32 out-of-state use.

33 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;
34 91-51, eff. 6-30-99; 91-541, eff. 8-13-99; 91-872, eff.

1 7-1-00.)

2 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

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

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

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

33 1. The name of the seller;

1 2. The address of the principal place of business
2 from which he engages in business as a serviceman in this
3 State;

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

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

10 5. The amount of tax due;

11 5-5. The signature of the taxpayer; and

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

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

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

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

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

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

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

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

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

33 If the serviceman is otherwise required to file a monthly
34 or quarterly return and if the serviceman's average monthly

1 tax liability to the Department does not exceed \$50, the
2 Department may authorize his returns to be filed on an annual
3 basis, with the return for a given year being due by January
4 20 of the following year.

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

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

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

32 Any serviceman filing a return hereunder shall also
33 include the total tax upon the selling price of tangible
34 personal property purchased for use by him as an incident to

1 a sale of service, and such serviceman shall remit the amount
2 of such tax to the Department when filing such return.

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

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

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

25 Beginning January 1, 1990, each month the Department
26 shall pay into the State and Local Sales Tax Reform Fund 20%
27 of the net revenue realized for the preceding month from the
28 6.25% general rate on transfers of tangible personal
29 property, other than tangible personal property which is
30 purchased outside Illinois at retail from a retailer and
31 which is titled or registered by an agency of this State's
32 government.

33 Beginning August 1, 2000, each month the Department shall
34 pay into the State and Local Sales Tax Reform Fund 100% of

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

3 Beginning February 1, 2002, each month the Department
4 shall pay into the State and Local Sales Tax Reform Fund 100%
5 of the net revenue realized for the preceding month from the
6 1.25% rate on the selling price of coal for use in this
7 State.

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

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

1 of the preceding sentence. The moneys received by the
 2 Department pursuant to this Act and required to be deposited
 3 into the Build Illinois Fund are subject to the pledge, claim
 4 and charge set forth in Section 12 of the Build Illinois Bond
 5 Act.

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

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

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

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

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

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

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

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

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

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

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

33 (Source: P.A. 90-612, eff. 7-8-98; 91-37, eff. 7-1-99; 91-51,
34 eff. 6-30-99; 91-101, eff. 7-12-99; 91-541, eff. 8-13-99;

1 91-872, eff. 7-1-00.)

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

4 (35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

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

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

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

32 Beginning on January 1, 2002 and through December 31,

1 2006, with respect to coal for use in this State, the tax is
2 imposed at the rate of 1.25%.

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

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

1 include coffee, tea, non-carbonated water, infant formula,
2 milk or milk products as defined in the Grade A Pasteurized
3 Milk and Milk Products Act, or drinks containing 50% or more
4 natural fruit or vegetable juice.

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

11 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;
12 91-51, 6-30-99; 91-541, eff. 8-13-99; 91-872, eff. 7-1-00.)

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

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

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

33 Except as provided hereinafter in this Section, on or

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

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

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

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

34 A serviceman may accept a Manufacturer's Purchase Credit

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

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

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

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

29 Notwithstanding any other provision in this Act
30 concerning the time within which a serviceman may file his
31 return, in the case of any serviceman who ceases to engage in
32 a kind of business which makes him responsible for filing
33 returns under this Act, such serviceman shall file a final
34 return under this Act with the Department not more than 1

1 month after discontinuing such business.

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

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

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

33 All taxpayers required to make payment by electronic
34 funds transfer and any taxpayers authorized to voluntarily

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

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

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

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

31 Where the serviceman has more than one business
32 registered with the Department under separate registrations
33 hereunder, such serviceman shall file separate returns for
34 each registered business.

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

10 Beginning January 1, 1990, each month the Department
11 shall pay into the County and Mass Transit District Fund 4%
12 of the revenue realized for the preceding month from the
13 6.25% general rate.

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

18 Beginning February 1, 2002, each month the Department
19 shall pay into the County and Mass Transit District Fund 20%
20 of the net revenue realized for the preceding month from the
21 1.25% rate on the selling price of coal for use in this
22 State.

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

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

31 Beginning February 1, 2002, each month the Department
32 shall pay into the Local Government Tax Fund 80% of the net
33 revenue realized for the preceding month from the 1.25% rate
34 on the selling price of coal for use in this State.

1 Of the remainder of the moneys received by the Department
2 pursuant to this Act, (a) 1.75% thereof shall be paid into
3 the Build Illinois Fund and (b) prior to July 1, 1989, 2.2%
4 and on and after July 1, 1989, 3.8% thereof shall be paid
5 into the Build Illinois Fund; provided, however, that if in
6 any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%,
7 as the case may be, of the moneys received by the Department
8 and required to be paid into the Build Illinois Fund pursuant
9 to Section 3 of the Retailers' Occupation Tax Act, Section 9
10 of the Use Tax Act, Section 9 of the Service Use Tax Act, and
11 Section 9 of the Service Occupation Tax Act, such Acts being
12 hereinafter called the "Tax Acts" and such aggregate of 2.2%
13 or 3.8%, as the case may be, of moneys being hereinafter
14 called the "Tax Act Amount", and (2) the amount transferred
15 to the Build Illinois Fund from the State and Local Sales Tax
16 Reform Fund shall be less than the Annual Specified Amount
17 (as defined in Section 3 of the Retailers' Occupation Tax
18 Act), an amount equal to the difference shall be immediately
19 paid into the Build Illinois Fund from other moneys received
20 by the Department pursuant to the Tax Acts; and further
21 provided, that if on the last business day of any month the
22 sum of (1) the Tax Act Amount required to be deposited into
23 the Build Illinois Account in the Build Illinois Fund during
24 such month and (2) the amount transferred during such month
25 to the Build Illinois Fund from the State and Local Sales Tax
26 Reform Fund shall have been less than 1/12 of the Annual
27 Specified Amount, an amount equal to the difference shall be
28 immediately paid into the Build Illinois Fund from other
29 moneys received by the Department pursuant to the Tax Acts;
30 and, further provided, that in no event shall the payments
31 required under the preceding proviso result in aggregate
32 payments into the Build Illinois Fund pursuant to this clause
33 (b) for any fiscal year in excess of the greater of (i) the
34 Tax Act Amount or (ii) the Annual Specified Amount for such

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

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

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

Fiscal Year	Total Deposit
1993	\$0
1994	53,000,000
1995	58,000,000
1996	61,000,000
1997	64,000,000
1998	68,000,000
1999	71,000,000
2000	75,000,000
2001	80,000,000
2002	84,000,000
2003	89,000,000
2004	93,000,000
2005	97,000,000
2006	102,000,000
2007	108,000,000
2008	115,000,000
2009	120,000,000
2010	126,000,000
2011	132,000,000
2012	138,000,000
2013 and	145,000,000
each fiscal year	

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

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

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

1 litigation.

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

11 Remaining moneys received by the Department pursuant to
12 this Act shall be paid into the General Revenue Fund of the
13 State Treasury.

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

1 monthly, quarterly or annual returns filed by such taxpayer
2 as hereinbefore provided for in this Section.

3 If the annual information return required by this Section
4 is not filed when and as required, the taxpayer shall be
5 liable as follows:

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

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

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

24 The foregoing portion of this Section concerning the
25 filing of an annual information return shall not apply to a
26 serviceman who is not required to file an income tax return
27 with the United States Government.

28 As soon as possible after the first day of each month,
29 upon certification of the Department of Revenue, the
30 Comptroller shall order transferred and the Treasurer shall
31 transfer from the General Revenue Fund to the Motor Fuel Tax
32 Fund an amount equal to 1.7% of 80% of the net revenue
33 realized under this Act for the second preceding month.
34 Beginning April 1, 2000, this transfer is no longer required

1 and shall not be made.

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

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

14 (Source: P.A. 90-612, eff. 7-8-98; 91-37, eff. 7-1-99; 91-51,
15 eff. 6-30-99; 91-101, eff. 7-12-99; 91-541, eff. 8-13-99;
16 91-872, eff. 7-1-00.)

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

19 (35 ILCS 120/2-10) (from Ch. 120, par. 441-10)

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

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

28 Within 14 days after the effective date of this
29 amendatory Act of the 91st General Assembly, each retailer of
30 motor fuel and gasohol shall cause the following notice to be
31 posted in a prominently visible place on each retail
32 dispensing device that is used to dispense motor fuel or

1 gasohol in the State of Illinois: "As of July 1, 2000, the
2 State of Illinois has eliminated the State's share of sales
3 tax on motor fuel and gasohol through December 31, 2000. The
4 price on this pump should reflect the elimination of the
5 tax." The notice shall be printed in bold print on a sign
6 that is no smaller than 4 inches by 8 inches. The sign shall
7 be clearly visible to customers. Any retailer who fails to
8 post or maintain a required sign through December 31, 2000 is
9 guilty of a petty offense for which the fine shall be \$500
10 per day per each retail premises where a violation occurs.

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

15 Beginning on January 1, 2002 and through December 31,
16 2006, with respect to coal for use in this State, the tax is
17 imposed at the rate of 1.25%.

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

1 water, infant formula, milk or milk products as defined in
2 the Grade A Pasteurized Milk and Milk Products Act, or drinks
3 containing 50% or more natural fruit or vegetable juice.

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

10 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;
11 91-51, eff. 6-30-99; 91-872, eff. 7-1-00.)

12 (35 ILCS 120/3) (from Ch. 120, par. 442)

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

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

- 1 5. Deductions allowed by law;
- 2 6. Gross receipts which were received by him during
- 3 the preceding calendar month or quarter and upon the
- 4 basis of which the tax is imposed;
- 5 7. The amount of credit provided in Section 2d of
- 6 this Act;
- 7 8. The amount of tax due;
- 8 9. The signature of the taxpayer; and
- 9 10. Such other reasonable information as the
- 10 Department may require.

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

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

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

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

1 stating:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

32 Such transaction reporting return shall be filed not
33 later than 20 days after the day of delivery of the item that
34 is being sold, but may be filed by the retailer at any time

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

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

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

31 If the user who would otherwise pay tax to the retailer
32 wants the transaction reporting return filed and the payment
33 of the tax or proof of exemption made to the Department
34 before the retailer is willing to take these actions and such

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

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

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

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

33 Except as provided in this Section, the retailer filing
34 the return under this Section shall, at the time of filing

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

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

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

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

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

17 Without regard to whether a taxpayer is required to make
18 quarter monthly payments as specified above, any taxpayer who
19 is required by Section 2d of this Act to collect and remit
20 prepaid taxes and has collected prepaid taxes which average
21 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 If any payment provided for in this Section exceeds the
20 taxpayer's liabilities under this Act, the Use Tax Act, the
21 Service Occupation Tax Act and the Service Use Tax Act, as
22 shown on an original monthly return, the Department shall, if
23 requested by the taxpayer, issue to the taxpayer a credit
24 memorandum no later than 30 days after the date of payment.
25 The credit evidenced by such credit memorandum may be
26 assigned by the taxpayer to a similar taxpayer under this
27 Act, the Use Tax Act, the Service Occupation Tax Act or the
28 Service Use Tax Act, in accordance with reasonable rules and
29 regulations to be prescribed by the Department. If no such
30 request is made, the taxpayer may credit such excess payment
31 against tax liability subsequently to be remitted to the
32 Department under this Act, the Use Tax Act, the Service
33 Occupation Tax Act or the Service Use Tax Act, in accordance
34 with reasonable rules and regulations prescribed by the

1 Department. If the Department subsequently determined that
2 all or any part of the credit taken was not actually due to
3 the taxpayer, the taxpayer's 2.1% and 1.75% vendor's discount
4 shall be reduced by 2.1% or 1.75% of the difference between
5 the credit taken and that actually due, and that taxpayer
6 shall be liable for penalties and interest on such
7 difference.

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

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

23 Beginning January 1, 1990, each month the Department
24 shall pay into the County and Mass Transit District Fund, a
25 special fund in the State treasury which is hereby created,
26 4% of the net revenue realized for the preceding month from
27 the 6.25% general rate.

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

32 Beginning February 1, 2002, each month the Department
33 shall pay into the County and Mass Transit District Fund 20%
34 of the net revenue realized for the preceding month from the

1 1.25% rate on the selling price of coal for use in this
2 State.

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

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

12 Beginning February 1, 2002, each month the Department
13 shall pay into the Local Government Tax Fund 80% of the net
14 revenue realized for the preceding month from the 1.25% rate
15 on the selling price of coal for use in this State.

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

1 Amount" means the amounts specified below for fiscal years
2 1986 through 1993:

3	Fiscal Year	Annual Specified Amount
4	1986	\$54,800,000
5	1987	\$76,650,000
6	1988	\$80,480,000
7	1989	\$88,510,000
8	1990	\$115,330,000
9	1991	\$145,470,000
10	1992	\$182,730,000
11	1993	\$206,520,000;

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

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

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

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

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

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

1 Act, but not after fiscal year 2029.

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

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

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

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

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

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

1 If the annual information return required by this Section
2 is not filed when and as required, the taxpayer shall be
3 liable as follows:

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

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

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

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

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

34 Net revenue realized for a month shall be the revenue

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

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

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

28 Any person engaged in the business of selling tangible
29 personal property at retail as a concessionaire or other type
30 of seller at the Illinois State Fair, county fairs, art
31 shows, flea markets and similar exhibitions or events, or any
32 transient merchants, as defined by Section 2 of the Transient
33 Merchant Act of 1987, may be required to make a daily report
34 of the amount of such sales to the Department and to make a

1 daily payment of the full amount of tax due. The Department
2 shall impose this requirement when it finds that there is a
3 significant risk of loss of revenue to the State at such an
4 exhibition or event. Such a finding shall be based on
5 evidence that a substantial number of concessionaires or
6 other sellers who are not residents of Illinois will be
7 engaging in the business of selling tangible personal
8 property at retail at the exhibition or event, or other
9 evidence of a significant risk of loss of revenue to the
10 State. The Department shall notify concessionaires and other
11 sellers affected by the imposition of this requirement. In
12 the absence of notification by the Department, the
13 concessionaires and other sellers shall file their returns as
14 otherwise required in this Section.

15 (Source: P.A. 90-491, eff. 1-1-99; 90-612, eff. 7-8-98;
16 91-37, eff. 7-1-99; 91-51, eff. 6-30-99; 91-101, eff.
17 7-12-99; 91-541, eff. 8-13-99; 91-872, eff. 7-1-00; 91-901,
18 eff. 1-1-01; revised 1-15-01.)

19 Section 99. Effective date. This Act takes effect upon
20 becoming law.