

1 AN ACT in relation to taxes.

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

4 Section 5. The Use Tax Act is amended by changing  
5 Section 3-85 as follows:

6 (35 ILCS 105/3-85)

7 Sec. 3-85. Manufacturer's purchase credit Purchase  
8 Credit. For purchases of machinery and equipment made on and  
9 after January 1, 1995, a purchaser of manufacturing machinery  
10 and equipment that qualifies for the exemption provided by  
11 paragraph (18) of Section 3-5 of this Act earns a credit in  
12 an amount equal to a fixed percentage of the tax which would  
13 have been incurred under this Act on those purchases. For  
14 purchases of graphic arts machinery and equipment made on or  
15 after July 1, 1996, a purchaser of graphic arts machinery and  
16 equipment that qualifies for the exemption provided by  
17 paragraph (6) of Section 3-5 of this Act earns a credit in an  
18 amount equal to a fixed percentage of the tax that would have  
19 been incurred under this Act on those purchases. The credit  
20 earned for purchases of manufacturing machinery and equipment  
21 or graphic arts machinery and equipment shall be referred to  
22 as the Manufacturer's Purchase Credit. A graphic arts  
23 producer is a person engaged in graphic arts production as  
24 defined in Section 2-30 of the Retailers' Occupation Tax Act.  
25 Beginning July 1, 1996, all references in this Section to  
26 manufacturers or manufacturing shall also be deemed to refer  
27 to graphic arts producers or graphic arts production.

28 The amount of credit shall be a percentage of the tax  
29 that would have been incurred on the purchase of  
30 manufacturing machinery and equipment or graphic arts  
31 machinery and equipment if the exemptions provided by

1 paragraph (6) or paragraph (18) of Section 3-5 of this Act  
2 had not been applicable. The percentage shall be as follows:

3 (1) 15% for purchases made on or before June 30,  
4 1995.

5 (2) 25% for purchases made after June 30, 1995, and  
6 on or before June 30, 1996.

7 (3) 40% for purchases made after June 30, 1996, and  
8 on or before June 30, 1997.

9 (4) 50% for purchases made on or after July 1,  
10 1997.

11 A purchaser of production related tangible personal  
12 property desiring to use the Manufacturer's Purchase Credit  
13 shall certify to the seller that the purchaser is satisfying  
14 all or part of the liability under the Use Tax Act or the  
15 Service Use Tax Act that is due on the purchase of the  
16 production related tangible personal property by use of  
17 Manufacturer's Purchase Credit. The Manufacturer's Purchase  
18 Credit certification must be dated and shall include the name  
19 and address of the purchaser, the purchaser's registration  
20 number, if registered, the credit being applied, and a  
21 statement that the State Use Tax or Service Use Tax liability  
22 is being satisfied with the manufacturer's or graphic arts  
23 producer's accumulated purchase credit. Certification may be  
24 incorporated into the manufacturer's or graphic arts  
25 producer's purchase order. Manufacturer's Purchase Credit  
26 certification by the manufacturer or graphic arts producer  
27 may be used to satisfy the retailer's or serviceman's  
28 liability under the Retailers' Occupation Tax Act or Service  
29 Occupation Tax Act for the credit claimed, not to exceed  
30 6.25% of the receipts subject to tax from a qualifying  
31 purchase, but only if the retailer or serviceman reports the  
32 Manufacturer's Purchase Credit claimed as required by the  
33 Department. The Manufacturer's Purchase Credit earned by  
34 purchase of exempt manufacturing machinery and equipment or

1 graphic arts machinery and equipment is a non-transferable  
2 credit. A manufacturer or graphic arts producer that enters  
3 into a contract involving the installation of tangible  
4 personal property into real estate within a manufacturing or  
5 graphic arts production facility may authorize a construction  
6 contractor to utilize credit accumulated by the manufacturer  
7 or graphic arts producer to purchase the tangible personal  
8 property. A manufacturer or graphic arts producer intending  
9 to use accumulated credit to purchase such tangible personal  
10 property shall execute a written contract authorizing the  
11 contractor to utilize a specified dollar amount of credit.  
12 The contractor shall furnish the supplier with the  
13 manufacturer's or graphic arts producer's name, registration  
14 or resale number, and a statement that a specific amount of  
15 the Use Tax or Service Use Tax liability, not to exceed 6.25%  
16 of the selling price, is being satisfied with the credit. The  
17 manufacturer or graphic arts producer shall remain liable to  
18 timely report all information required by the annual Report  
19 of Manufacturer's Purchase Credit Used for all credit  
20 utilized by a construction contractor.

21 The Manufacturer's Purchase Credit may be used to satisfy  
22 liability under the Use Tax Act or the Service Use Tax Act  
23 due on the purchase of production related tangible personal  
24 property (including purchases by a manufacturer, by a graphic  
25 arts producer, or by a lessor who rents or leases the use of  
26 the property to a manufacturer or graphic arts producer) that  
27 does not otherwise qualify for the manufacturing machinery  
28 and equipment exemption or the graphic arts machinery and  
29 equipment exemption. "Production related tangible personal  
30 property" means (i) all tangible personal property used or  
31 consumed by the purchaser in a manufacturing facility in  
32 which a manufacturing process described in Section 2-45 of  
33 the Retailers' Occupation Tax Act takes place, including  
34 tangible personal property purchased for incorporation into

1 real estate within a manufacturing facility and including,  
2 but not limited to, tangible personal property used or  
3 consumed in activities such as preproduction material  
4 handling, receiving, quality control, inventory control,  
5 storage, staging, and packaging for shipping and  
6 transportation purposes; (ii) all tangible personal property  
7 used or consumed by the purchaser in a graphic arts facility  
8 in which graphic arts production as described in Section 2-30  
9 of the Retailers' Occupation Tax Act takes place, including  
10 tangible personal property purchased for incorporation into  
11 real estate within a graphic arts facility and including, but  
12 not limited to, all tangible personal property used or  
13 consumed in activities such as graphic arts preliminary or  
14 pre-press production, pre-production material handling,  
15 receiving, quality control, inventory control, storage,  
16 staging, sorting, labeling, mailing, tying, wrapping, and  
17 packaging; and (iii) all tangible personal property used or  
18 consumed by the purchaser for research and development.  
19 "Production related tangible personal property" does not  
20 include (i) tangible personal property used, within or  
21 without a manufacturing facility, in sales, purchasing,  
22 accounting, fiscal management, marketing, personnel  
23 recruitment or selection, or landscaping or (ii) tangible  
24 personal property required to be titled or registered with a  
25 department, agency, or unit of federal, state, or local  
26 government. The Manufacturer's Purchase Credit may be used  
27 to satisfy the tax arising either from the purchase of  
28 machinery and equipment on or after January 1, 1995 for which  
29 the exemption provided by paragraph (18) of Section 3-5 of  
30 this Act was erroneously claimed, or the purchase of  
31 machinery and equipment on or after July 1, 1996 for which  
32 the exemption provided by paragraph (6) of Section 3-5 of  
33 this Act was erroneously claimed, but not in satisfaction of  
34 penalty, if any, and interest for failure to pay the tax when

1 due. A purchaser of production related tangible personal  
2 property who is required to pay Illinois Use Tax or Service  
3 Use Tax on the purchase directly to the Department may  
4 utilize the Manufacturer's Purchase Credit in satisfaction of  
5 the tax arising from that purchase, but not in satisfaction  
6 of penalty and interest. A purchaser who uses the  
7 Manufacturer's Purchase Credit to purchase property which is  
8 later determined not to be production related tangible  
9 personal property may be liable for tax, penalty, and  
10 interest on the purchase of that property as of the date of  
11 purchase but shall be entitled to use the disallowed  
12 Manufacturer's Purchase Credit, so long as it has not  
13 expired, on qualifying purchases of production related  
14 tangible personal property not previously subject to credit  
15 usage. The Manufacturer's Purchase Credit earned by a  
16 manufacturer or graphic arts producer expires the last day of  
17 the second calendar year following the calendar year in which  
18 the credit arose.

19 A purchaser earning Manufacturer's Purchase Credit shall  
20 sign and file an annual Report of Manufacturer's Purchase  
21 Credit Earned for each calendar year no later than the last  
22 day of the sixth month following the calendar year in which a  
23 Manufacturer's Purchase Credit is earned. A Report of  
24 Manufacturer's Purchase Credit Earned shall be filed on forms  
25 as prescribed or approved by the Department and shall state,  
26 for each month of the calendar year: (i) the total purchase  
27 price of all purchases of exempt manufacturing or graphic  
28 arts machinery on which the credit was earned; (ii) the total  
29 State Use Tax or Service Use Tax which would have been due on  
30 those items; (iii) the percentage used to calculate the  
31 amount of credit earned; (iv) the amount of credit earned;  
32 and (v) such other information as the Department may  
33 reasonably require. A purchaser earning Manufacturer's  
34 Purchase Credit shall maintain records which identify, as to

1 each purchase of manufacturing or graphic arts machinery and  
2 equipment on which the purchaser earned Manufacturer's  
3 Purchase Credit, the vendor (including, if applicable, either  
4 the vendor's registration number or Federal Employer  
5 Identification Number), the purchase price, and the amount of  
6 Manufacturer's Purchase Credit earned on each purchase.

7 A purchaser using Manufacturer's Purchase Credit shall  
8 sign and file an annual Report of Manufacturer's Purchase  
9 Credit Used for each calendar year no later than the last day  
10 of the sixth month following the calendar year in which a  
11 Manufacturer's Purchase Credit is used. A Report of  
12 Manufacturer's Purchase Credit Used shall be filed on forms  
13 as prescribed or approved by the Department and shall state,  
14 for each month of the calendar year: (i) the total purchase  
15 price of production related tangible personal property  
16 purchased from Illinois suppliers; (ii) the total purchase  
17 price of production related tangible personal property  
18 purchased from out-of-state suppliers; (iii) the total amount  
19 of credit used during such month; and (iv) such other  
20 information as the Department may reasonably require. A  
21 purchaser using Manufacturer's Purchase Credit shall maintain  
22 records that identify, as to each purchase of production  
23 related tangible personal property on which the purchaser  
24 used Manufacturer's Purchase Credit, the vendor (including,  
25 if applicable, either the vendor's registration number or  
26 Federal Employer Identification Number), the purchase price,  
27 and the amount of Manufacturer's Purchase Credit used on each  
28 purchase.

29 No annual report shall be filed before May 1, 1996. A  
30 purchaser that fails to file an annual Report of  
31 Manufacturer's Purchase Credit Earned or an annual Report of  
32 Manufacturer's Purchase Credit Used by the last day of the  
33 sixth month following the end of the calendar year shall  
34 forfeit all Manufacturer's Purchase Credit for that calendar

1 year unless it establishes that its failure to file was due  
2 to reasonable cause. Manufacturer's Purchase Credit reports  
3 may be amended to report and claim credit on qualifying  
4 purchases not previously reported at any time before the  
5 credit would have expired, unless both the Department and the  
6 purchaser have agreed to an extension of the statute of  
7 limitations for the issuance of a notice of tax liability as  
8 provided in Section 4 of the Retailers' Occupation Tax Act.  
9 If the time for assessment or refund has been extended, then  
10 amended reports for a calendar year may be filed at any time  
11 prior to the date to which the statute of limitations for the  
12 calendar year or portion thereof has been extended. No  
13 Manufacturer's Purchase Credit report filed with the  
14 Department for periods prior to January 1, 1995 shall be  
15 approved. Manufacturer's Purchase Credit claimed on an  
16 amended report may be used to satisfy tax liability under the  
17 Use Tax Act or the Service Use Tax Act (i) on qualifying  
18 purchases of production related tangible personal property  
19 made after the date the amended report is filed or (ii)  
20 assessed by the Department on qualifying purchases of  
21 production related tangible personal property made in the  
22 case of manufacturers on or after January 1, 1995, or in the  
23 case of graphic arts producers on or after July 1, 1996.

24 If the purchaser is not the manufacturer or a graphic  
25 arts producer, but rents or leases the use of the property to  
26 a manufacturer or graphic arts producer, the purchaser may  
27 earn, report, and use Manufacturer's Purchase Credit in the  
28 same manner as a manufacturer or graphic arts producer.

29 A purchaser shall not be entitled to any Manufacturer's  
30 Purchase Credit for a purchase that is required to be  
31 reported and is not timely reported as provided in this  
32 Section. A purchaser remains liable for (i) any tax that was  
33 satisfied by use of a Manufacturer's Purchase Credit, as of  
34 the date of purchase, if that use is not timely reported as

1 required in this Section and (ii) for any applicable  
2 penalties and interest for failing to pay the tax when due.  
3 (Source: P.A. 88-547, eff. 6-30-94; 89-89, eff. 6-30-95;  
4 89-235, eff. 8-4-95; 89-531, eff. 7-19-96.)

5 Section 10. The Service Use Tax Act is amended by  
6 changing Section 3-70 as follows:

7 (35 ILCS 110/3-70)

8 Sec. 3-70. Manufacturer's purchase credit Purchase  
9 Credit. For purchases of machinery and equipment made on and  
10 after January 1, 1995, a purchaser of manufacturing machinery  
11 and equipment that qualifies for the exemption provided by  
12 Section 2 of this Act earns a credit in an amount equal to a  
13 fixed percentage of the tax which would have been incurred  
14 under this Act on those purchases. For purchases of graphic  
15 arts machinery and equipment made on or after July 1, 1996, a  
16 purchase of graphic arts machinery and equipment that  
17 qualifies for the exemption provided by paragraph (5) of  
18 Section 3-5 of this Act earns a credit in an amount equal to  
19 a fixed percentage of the tax that would have been incurred  
20 under this Act on those purchases. The credit earned for the  
21 purchase of manufacturing machinery and equipment and graphic  
22 arts machinery and equipment shall be referred to as the  
23 Manufacturer's Purchase Credit. A graphic arts producer is a  
24 person engaged in graphic arts production as defined in  
25 Section 3-30 of the Service Occupation Tax Act. Beginning  
26 July 1, 1996, all references in this Section to manufacturers  
27 or manufacturing shall also refer to graphic arts producers  
28 or graphic arts production.

29 The amount of credit shall be a percentage of the tax  
30 that would have been incurred on the purchase of the  
31 manufacturing machinery and equipment or graphic arts  
32 machinery and equipment if the exemptions provided by Section



1 2 or paragraph (5) of Section 3-5 of this Act had not been  
2 applicable.

3 All purchases of manufacturing machinery and equipment  
4 and graphic arts machinery and equipment that qualify for the  
5 exemptions provided by paragraph (5) of Section 2 or  
6 paragraph (5) of Section 3-5 of this Act qualify for the  
7 credit without regard to whether the serviceman elected, or  
8 could have elected, under paragraph (7) of Section 2 of this  
9 Act to exclude the transaction from this Act. If the  
10 serviceman's billing to the service customer separately  
11 states a selling price for the exempt manufacturing machinery  
12 or equipment or the exempt graphic arts machinery and  
13 equipment, the credit shall be calculated, as otherwise  
14 provided herein, based on that selling price. If the  
15 serviceman's billing does not separately state a selling  
16 price for the exempt manufacturing machinery and equipment or  
17 the exempt graphic arts machinery and equipment, the credit  
18 shall be calculated, as otherwise provided herein, based on  
19 50% of the entire billing. If the serviceman contracts to  
20 design, develop, and produce special order manufacturing  
21 machinery and equipment or special order graphic arts  
22 machinery and equipment, and the billing does not separately  
23 state a selling price for such special order machinery and  
24 equipment, the credit shall be calculated, as otherwise  
25 provided herein, based on 50% of the entire billing. The  
26 provisions of this paragraph are effective for purchases made  
27 on or after January 1, 1995.

28 The percentage shall be as follows:

- 29 (1) 15% for purchases made on or before June 30,  
30 1995.
- 31 (2) 25% for purchases made after June 30, 1995, and  
32 on or before June 30, 1996.
- 33 (3) 40% for purchases made after June 30, 1996, and  
34 on or before June 30, 1997.

1           (4) 50% for purchases made on or after July 1,  
2           1997.

3           A purchaser of production related tangible personal  
4 property desiring to use the Manufacturer's Purchase Credit  
5 shall certify to the seller that the purchaser is satisfying  
6 all or part of the liability under the Use Tax Act or the  
7 Service Use Tax Act that is due on the purchase of the  
8 production related tangible personal property by use of a  
9 Manufacturer's Purchase Credit. The Manufacturer's Purchase  
10 Credit certification must be dated and shall include the name  
11 and address of the purchaser, the purchaser's registration  
12 number, if registered, the credit being applied, and a  
13 statement that the State Use Tax or Service Use Tax liability  
14 is being satisfied with the manufacturer's or graphic arts  
15 producer's accumulated purchase credit. Certification may be  
16 incorporated into the manufacturer's or graphic arts  
17 producer's purchase order. Manufacturer's Purchase Credit  
18 certification by the manufacturer or graphic arts producer  
19 may be used to satisfy the retailer's or serviceman's  
20 liability under the Retailers' Occupation Tax Act or Service  
21 Occupation Tax Act for the credit claimed, not to exceed  
22 6.25% of the receipts subject to tax from a qualifying  
23 purchase, but only if the retailer or serviceman reports the  
24 Manufacturer's Purchase Credit claimed as required by the  
25 Department. The Manufacturer's Purchase Credit earned by  
26 purchase of exempt manufacturing machinery and equipment or  
27 graphic arts machinery and equipment is a non-transferable  
28 credit. A manufacturer or graphic arts producer that enters  
29 into a contract involving the installation of tangible  
30 personal property into real estate within a manufacturing or  
31 graphic arts production facility may authorize a construction  
32 contractor to utilize credit accumulated by the manufacturer  
33 or graphic arts producer to purchase the tangible personal  
34 property. A manufacturer or graphic arts producer intending

1 to use accumulated credit to purchase such tangible personal  
2 property shall execute a written contract authorizing the  
3 contractor to utilize a specified dollar amount of credit.  
4 The contractor shall furnish the supplier with the  
5 manufacturer's or graphic arts producer's name, registration  
6 or resale number, and a statement that a specific amount of  
7 the Use Tax or Service Use Tax liability, not to exceed 6.25%  
8 of the selling price, is being satisfied with the credit. The  
9 manufacturer or graphic arts producer shall remain liable to  
10 timely report all information required by the annual Report  
11 of Manufacturer's Purchase Credit Used for credit utilized by  
12 a construction contractor.

13 The Manufacturer's Purchase Credit may be used to satisfy  
14 liability under the Use Tax Act or the Service Use Tax Act  
15 due on the purchase of production related tangible personal  
16 property (including purchases by a manufacturer, by a graphic  
17 arts producer, or a lessor who rents or leases the use of the  
18 property to a manufacturer or graphic arts producer) that  
19 does not otherwise qualify for the manufacturing machinery  
20 and equipment exemption or the graphic arts machinery and  
21 equipment exemption. "Production related tangible personal  
22 property" means (i) all tangible personal property used or  
23 consumed by the purchaser in a manufacturing facility in  
24 which a manufacturing process described in Section 2-45 of  
25 the Retailers' Occupation Tax Act takes place, including  
26 tangible personal property purchased for incorporation into  
27 real estate within a manufacturing facility and including,  
28 but not limited to, tangible personal property used or  
29 consumed in activities such as pre-production material  
30 handling, receiving, quality control, inventory control,  
31 storage, staging, and packaging for shipping and  
32 transportation purposes; (ii) all tangible personal property  
33 used or consumed by the purchaser in a graphic arts facility  
34 in which graphic arts production as described in Section 2-30

1 of the Retailers' Occupation Tax Act takes place, including  
2 tangible personal property purchased for incorporation into  
3 real estate within a graphic arts facility and including, but  
4 not limited to, all tangible personal property used or  
5 consumed in activities such as graphic arts preliminary or  
6 pre-press production, pre-production material handling,  
7 receiving, quality control, inventory control, storage,  
8 staging, sorting, labeling, mailing, tying, wrapping, and  
9 packaging; and (iii) all tangible personal property used or  
10 consumed by the purchaser for research and development.  
11 "Production related tangible personal property" does not  
12 include (i) tangible personal property used, within or  
13 without a manufacturing or graphic arts facility, in sales,  
14 purchasing, accounting, fiscal management, marketing,  
15 personnel recruitment or selection, or landscaping or (ii)  
16 tangible personal property required to be titled or  
17 registered with a department, agency, or unit of federal,  
18 state, or local government. The Manufacturer's Purchase  
19 Credit may be used to satisfy the tax arising either from the  
20 purchase of machinery and equipment on or after January 1,  
21 1995 for which the manufacturing machinery and equipment  
22 exemption provided by Section 2 of this Act was erroneously  
23 claimed, or the purchase of machinery and equipment on or  
24 after July 1, 1996 for which the exemption provided by  
25 paragraph (5) of Section 3-5 of this Act was erroneously  
26 claimed, but not in satisfaction of penalty, if any, and  
27 interest for failure to pay the tax when due. A purchaser of  
28 production related tangible personal property who is required  
29 to pay Illinois Use Tax or Service Use Tax on the purchase  
30 directly to the Department may utilize the Manufacturer's  
31 Purchase Credit in satisfaction of the tax arising from that  
32 purchase, but not in satisfaction of penalty and interest. A  
33 purchaser who uses the Manufacturer's Purchase Credit to  
34 purchase property which is later determined not to be

1 production related tangible personal property may be liable  
2 for tax, penalty, and interest on the purchase of that  
3 property as of the date of purchase but shall be entitled to  
4 use the disallowed Manufacturer's Purchase Credit, so long as  
5 it has not expired, on qualifying purchases of production  
6 related tangible personal property not previously subject to  
7 credit usage. The Manufacturer's Purchase Credit earned by a  
8 manufacturer or graphic arts producer expires the last day of  
9 the second calendar year following the calendar year in which  
10 the credit arose.

11 A purchaser earning Manufacturer's Purchase Credit shall  
12 sign and file an annual Report of Manufacturer's Purchase  
13 Credit Earned for each calendar year no later than the last  
14 day of the sixth month following the calendar year in which a  
15 Manufacturer's Purchase Credit is earned. A Report of  
16 Manufacturer's Purchase Credit Earned shall be filed on forms  
17 as prescribed or approved by the Department and shall state,  
18 for each month of the calendar year: (i) the total purchase  
19 price of all purchases of exempt manufacturing or graphic  
20 arts machinery on which the credit was earned; (ii) the total  
21 State Use Tax or Service Use Tax which would have been due on  
22 those items; (iii) the percentage used to calculate the  
23 amount of credit earned; (iv) the amount of credit earned;  
24 and (v) such other information as the Department may  
25 reasonably require. A purchaser earning Manufacturer's  
26 Purchase Credit shall maintain records which identify, as to  
27 each purchase of manufacturing or graphic arts machinery and  
28 equipment on which the purchaser earned Manufacturer's  
29 Purchase Credit, the vendor (including, if applicable, either  
30 the vendor's registration number or Federal Employer  
31 Identification Number), the purchase price, and the amount of  
32 Manufacturer's Purchase Credit earned on each purchase.

33 A purchaser using Manufacturer's Purchase Credit shall  
34 sign and file an annual Report of Manufacturer's Purchase

1 Credit Used for each calendar year no later than the last day  
2 of the sixth month following the calendar year in which a  
3 Manufacturer's Purchase Credit is used. A Report of  
4 Manufacturer's Purchase Credit Used shall be filed on forms  
5 as prescribed or approved by the Department and shall state,  
6 for each month of the calendar year: (i) the total purchase  
7 price of production related tangible personal property  
8 purchased from Illinois suppliers; (ii) the total purchase  
9 price of production related tangible personal property  
10 purchased from out-of-state suppliers; (iii) the total amount  
11 of credit used during such month; and (iv) such other  
12 information as the Department may reasonably require. A  
13 purchaser using Manufacturer's Purchase Credit shall maintain  
14 records that identify, as to each purchase of production  
15 related tangible personal property on which the purchaser  
16 used Manufacturer's Purchase Credit, the vendor (including,  
17 if applicable, either the vendor's registration number or  
18 Federal Employer Identification Number), the purchase price,  
19 and the amount of Manufacturer's Purchase Credit used on each  
20 purchase.

21 No annual report shall be filed before May 1, 1996. A  
22 purchaser that fails to file an annual Report of  
23 Manufacturer's Purchase Credit Earned or an annual Report of  
24 Manufacturer's Purchase Credit Used by the last day of the  
25 sixth month following the end of the calendar year shall  
26 forfeit all Manufacturer's Purchase Credit for that calendar  
27 year unless it establishes that its failure to file was due  
28 to reasonable cause. Manufacturer's Purchase Credit reports  
29 may be amended to report and claim credit on qualifying  
30 purchases not previously reported at any time before the  
31 credit would have expired, unless both the Department and the  
32 purchaser have agreed to an extension of the statute of  
33 limitations for the issuance of a notice of tax liability as  
34 provided in Section 4 of the Retailers' Occupation Tax Act.

1 If the time for assessment or refund has been extended, then  
2 amended reports for a calendar year may be filed at any time  
3 prior to the date to which the statute of limitations for the  
4 calendar year or portion thereof has been extended. No  
5 Manufacturer's Purchase Credit report filed with the  
6 Department for periods prior to January 1, 1995 shall be  
7 approved. Manufacturer's Purchase Credit claimed on an  
8 amended report may be used to satisfy tax liability under the  
9 Use Tax Act or the Service Use Tax Act (i) on qualifying  
10 purchases of production related tangible personal property  
11 made after the date the amended report is filed or (ii)  
12 assessed by the Department on qualifying purchases of  
13 production related tangible personal property made in the  
14 case of manufacturers on or after January 1, 1995, or in the  
15 case of graphic arts producers on or after July 1, 1996.

16 If the purchaser is not the manufacturer or a graphic  
17 arts producer, but rents or leases the use of the property to  
18 a manufacturer or a graphic arts producer, the purchaser may  
19 earn, report, and use Manufacturer's Purchase Credit in the  
20 same manner as a manufacturer or graphic arts producer.

21 A purchaser shall not be entitled to any Manufacturer's  
22 Purchase Credit for a purchase that is required to be  
23 reported and is not timely reported as provided in this  
24 Section. A purchaser remains liable for (i) any tax that was  
25 satisfied by use of a Manufacturer's Purchase Credit, as of  
26 the date of purchase, if that use is not timely reported as  
27 required in this Section and (ii) for any applicable  
28 penalties and interest for failing to pay the tax when due.

29 (Source: P.A. 89-89, eff. 6-30-95; 89-235, eff. 8-4-95;  
30 89-531, eff. 7-19-96; 90-166, eff. 7-23-97.)