

1 AN ACT concerning revenue.

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

4 Section 5. The Renewable Energy, Energy Efficiency, and  
5 Coal Resources Development Law of 1997 is amended by changing  
6 Section 6-5 and by adding Section 6-8 as follows:

7 (20 ILCS 687/6-5)

8 (Section scheduled to be repealed on December 31, 2020)

9 Sec. 6-5. Renewable Energy Resources and Coal Technology  
10 Development Assistance Charge.

11 (a) Notwithstanding the provisions of Section 16-111 of the  
12 Public Utilities Act but subject to subsection (e) of this  
13 Section, each public utility, electric cooperative, as defined  
14 in Section 3.4 of the Electric Supplier Act, and municipal  
15 utility, as referenced in Section 3-105 of the Public Utilities  
16 Act, that is engaged in the delivery of electricity or the  
17 distribution of natural gas within the State of Illinois shall,  
18 effective January 1, 1998, assess each of its customer accounts  
19 a monthly Renewable Energy Resources and Coal Technology  
20 Development Assistance Charge. The delivering public utility,  
21 municipal electric or gas utility, or electric or gas  
22 cooperative for a self-assessing purchaser remains subject to  
23 the collection of the fee imposed by this Section. The monthly

1 charge shall be as follows:

2 (1) \$0.05 per month on each account for residential  
3 electric service as defined in Section 13 of the Energy  
4 Assistance Act;

5 (2) \$0.05 per month on each account for residential gas  
6 service as defined in Section 13 of the Energy Assistance  
7 Act;

8 (3) \$0.50 per month on each account for nonresidential  
9 electric service, as defined in Section 13 of the Energy  
10 Assistance Act, which had less than 10 megawatts of peak  
11 demand during the previous calendar year;

12 (4) \$0.50 per month on each account for nonresidential  
13 gas service, as defined in Section 13 of the Energy  
14 Assistance Act, which had distributed to it less than  
15 4,000,000 therms of gas during the previous calendar year;

16 (5) \$37.50 per month on each account for nonresidential  
17 electric service, as defined in Section 13 of the Energy  
18 Assistance Act, which had 10 megawatts or greater of peak  
19 demand during the previous calendar year; and

20 (6) \$37.50 per month on each account for nonresidential  
21 gas service, as defined in Section 13 of the Energy  
22 Assistance Act, which had 4,000,000 or more therms of gas  
23 distributed to it during the previous calendar year.

24 (b) The Renewable Energy Resources and Coal Technology  
25 Development Assistance Charge assessed by electric and gas  
26 public utilities shall be considered a charge for public

1 utility service.

2 (c) Fifty percent of the moneys collected pursuant to this  
3 Section shall be deposited in the Renewable Energy Resources  
4 Trust Fund by the Department of Revenue. From those funds,  
5 \$2,000,000 may be used annually by the Department to provide  
6 grants to the Illinois Green Economy Network for the purposes  
7 of funding education and training for renewable energy and  
8 energy efficiency technology and for the operation and services  
9 of the Illinois Green Economy Network. The remaining 50 percent  
10 of the moneys collected pursuant to this Section shall be  
11 deposited in the Coal Technology Development Assistance Fund by  
12 the Department of Revenue for the exclusive purposes of (1)  
13 capturing or sequestering carbon emissions produced by coal  
14 combustion; (2) supporting research on the capture and  
15 sequestration of carbon emissions produced by coal combustion;  
16 and (3) improving coal miner safety.

17 (d) By the 20th day of the month following the month in  
18 which the charges imposed by this Section were collected, each  
19 utility and alternative retail electric supplier collecting  
20 charges pursuant to this Section shall remit to the Department  
21 of Revenue for deposit in the Renewable Energy Resources Trust  
22 Fund and the Coal Technology Development Assistance Fund all  
23 moneys received as payment of the charge provided for in this  
24 Section on a return prescribed and furnished by the Department  
25 of Revenue showing such information as the Department of  
26 Revenue may reasonably require.

1       If any payment provided for in this Section exceeds the  
2 utility or alternate retail electric supplier's liabilities  
3 under this Act, as shown on an original return, the utility or  
4 alternative retail electric supplier may credit the excess  
5 payment against liability subsequently to be remitted to the  
6 Department of Revenue under this Act.

7       (e) The charges imposed by this Section shall only apply to  
8 customers of municipal electric or gas utilities and electric  
9 or gas cooperatives if the municipal electric or gas utility or  
10 electric or gas cooperative makes an affirmative decision to  
11 impose the charge. If a municipal electric or gas utility or an  
12 electric or gas cooperative makes an affirmative decision to  
13 impose the charge provided by this Section, the municipal  
14 electric or gas utility or electric or gas cooperative shall  
15 inform the Department of Revenue in writing of such decision  
16 when it begins to impose the charge. If a municipal electric or  
17 gas utility or electric or gas cooperative does not assess this  
18 charge, its customers shall not be eligible for the Renewable  
19 Energy Resources Program.

20       (f) The Department of Revenue may establish such rules as  
21 it deems necessary to implement this Section.

22       (Source: P.A. 100-402, eff. 8-25-17.)

23       (20 ILCS 687/6-8 new)

24       Sec. 6-8. Application of Retailers' Occupation Tax  
25 provisions. All the provisions of Sections 4, 5, 5a, 5b, 5c,

1 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 11a, 12,  
2 and 13 of the Retailers' Occupation Tax Act that are not  
3 inconsistent with this Act apply, as far as practicable, to the  
4 surcharge imposed by this Act to the same extent as if those  
5 provisions were included in this Act. References in the  
6 incorporated Sections of the Retailers' Occupation Tax Act to  
7 retailers, to sellers, or to persons engaged in the business of  
8 selling tangible personal property mean persons required to  
9 remit the charge imposed under this Act.

10 Section 15. The Department of Revenue Law of the Civil  
11 Administrative Code of Illinois is amended by changing Section  
12 2505-210 as follows:

13 (20 ILCS 2505/2505-210) (was 20 ILCS 2505/39c-1)

14 Sec. 2505-210. Electronic funds transfer.

15 (a) The Department may provide means by which persons  
16 having a tax liability under any Act administered by the  
17 Department may use electronic funds transfer to pay the tax  
18 liability.

19 (b) Mandatory payment by electronic funds transfer.  
20 Beginning on October 1, 2002, and through September 30, 2010, a  
21 taxpayer who has an annual tax liability of \$200,000 or more  
22 shall make all payments of that tax to the Department by  
23 electronic funds transfer. Beginning October 1, 2010, a  
24 taxpayer (other than an individual taxpayer) who has an annual

1 tax liability of \$20,000 or more and an individual taxpayer who  
2 has an annual tax liability of \$200,000 or more shall make all  
3 payments of that tax to the Department by electronic funds  
4 transfer. Before August 1 of each year, beginning in 2002, the  
5 Department shall notify all taxpayers required to make payments  
6 by electronic funds transfer. All taxpayers required to make  
7 payments by electronic funds transfer shall make those payments  
8 for a minimum of one year beginning on October 1. For purposes  
9 of this subsection (b), the term "annual tax liability" means,  
10 except as provided in subsections (c) and (d) of this Section,  
11 the sum of the taxpayer's liabilities under a tax Act  
12 administered by the Department, ~~except the Motor Fuel Tax Law~~  
13 ~~and the Environmental Impact Fee Law,~~ for the immediately  
14 preceding calendar year.

15 (c) For purposes of subsection (b), the term "annual tax  
16 liability" means, for a taxpayer that incurs a tax liability  
17 under the Retailers' Occupation Tax Act, Service Occupation Tax  
18 Act, Use Tax Act, Service Use Tax Act, or any other State or  
19 local occupation or use tax law that is administered by the  
20 Department, the sum of the taxpayer's liabilities under the  
21 Retailers' Occupation Tax Act, Service Occupation Tax Act, Use  
22 Tax Act, Service Use Tax Act, and all other State and local  
23 occupation and use tax laws administered by the Department for  
24 the immediately preceding calendar year.

25 (d) For purposes of subsection (b), the term "annual tax  
26 liability" means, for a taxpayer that incurs an Illinois income

1 tax liability, the greater of:

2 (1) the amount of the taxpayer's tax liability under  
3 Article 7 of the Illinois Income Tax Act for the  
4 immediately preceding calendar year; or

5 (2) the taxpayer's estimated tax payment obligation  
6 under Article 8 of the Illinois Income Tax Act for the  
7 immediately preceding calendar year.

8 (e) The Department shall adopt such rules as are necessary  
9 to effectuate a program of electronic funds transfer and the  
10 requirements of this Section.

11 (Source: P.A. 96-1027, eff. 7-12-10.)

12 Section 20. The State Finance Act is amended by changing  
13 Section 6z-18 as follows:

14 (30 ILCS 105/6z-18) (from Ch. 127, par. 142z-18)

15 Sec. 6z-18. Local Government Tax Fund. A portion of the  
16 money paid into the Local Government Tax Fund from sales of  
17 tangible personal property taxed at the 1% rate under the  
18 Retailers' Occupation Tax Act and the Service Occupation Tax  
19 Act ~~food for human consumption which is to be consumed off the~~  
20 ~~premises where it is sold (other than alcoholic beverages, soft~~  
21 ~~drinks and food which has been prepared for immediate~~  
22 ~~consumption) and prescription and nonprescription medicines,~~  
23 ~~drugs, medical appliances and insulin, urine testing~~  
24 ~~materials, syringes and needles used by diabetics, which~~

1 occurred in municipalities, shall be distributed to each  
2 municipality based upon the sales which occurred in that  
3 municipality. The remainder shall be distributed to each county  
4 based upon the sales which occurred in the unincorporated area  
5 of that county.

6 A portion of the money paid into the Local Government Tax  
7 Fund from the 6.25% general use tax rate on the selling price  
8 of tangible personal property which is purchased outside  
9 Illinois at retail from a retailer and which is titled or  
10 registered by any agency of this State's government shall be  
11 distributed to municipalities as provided in this paragraph.  
12 Each municipality shall receive the amount attributable to  
13 sales for which Illinois addresses for titling or registration  
14 purposes are given as being in such municipality. The remainder  
15 of the money paid into the Local Government Tax Fund from such  
16 sales shall be distributed to counties. Each county shall  
17 receive the amount attributable to sales for which Illinois  
18 addresses for titling or registration purposes are given as  
19 being located in the unincorporated area of such county.

20 A portion of the money paid into the Local Government Tax  
21 Fund from the 6.25% general rate (and, beginning July 1, 2000  
22 and through December 31, 2000, the 1.25% rate on motor fuel and  
23 gasohol, and beginning on August 6, 2010 through August 15,  
24 2010, the 1.25% rate on sales tax holiday items) on sales  
25 subject to taxation under the Retailers' Occupation Tax Act and  
26 the Service Occupation Tax Act, which occurred in



1 municipalities, shall be distributed to each municipality,  
2 based upon the sales which occurred in that municipality. The  
3 remainder shall be distributed to each county, based upon the  
4 sales which occurred in the unincorporated area of such county.

5 For the purpose of determining allocation to the local  
6 government unit, a retail sale by a producer of coal or other  
7 mineral mined in Illinois is a sale at retail at the place  
8 where the coal or other mineral mined in Illinois is extracted  
9 from the earth. This paragraph does not apply to coal or other  
10 mineral when it is delivered or shipped by the seller to the  
11 purchaser at a point outside Illinois so that the sale is  
12 exempt under the United States Constitution as a sale in  
13 interstate or foreign commerce.

14 Whenever the Department determines that a refund of money  
15 paid into the Local Government Tax Fund should be made to a  
16 claimant instead of issuing a credit memorandum, the Department  
17 shall notify the State Comptroller, who shall cause the order  
18 to be drawn for the amount specified, and to the person named,  
19 in such notification from the Department. Such refund shall be  
20 paid by the State Treasurer out of the Local Government Tax  
21 Fund.

22 As soon as possible after the first day of each month,  
23 beginning January 1, 2011, upon certification of the Department  
24 of Revenue, the Comptroller shall order transferred, and the  
25 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
26 local sales tax increment, as defined in the Innovation

1 Development and Economy Act, collected during the second  
2 preceding calendar month for sales within a STAR bond district  
3 and deposited into the Local Government Tax Fund, less 3% of  
4 that amount, which shall be transferred into the Tax Compliance  
5 and Administration Fund and shall be used by the Department,  
6 subject to appropriation, to cover the costs of the Department  
7 in administering the Innovation Development and Economy Act.

8 After the monthly transfer to the STAR Bonds Revenue Fund,  
9 on or before the 25th day of each calendar month, the  
10 Department shall prepare and certify to the Comptroller the  
11 disbursement of stated sums of money to named municipalities  
12 and counties, the municipalities and counties to be those  
13 entitled to distribution of taxes or penalties paid to the  
14 Department during the second preceding calendar month. The  
15 amount to be paid to each municipality or county shall be the  
16 amount (not including credit memoranda) collected during the  
17 second preceding calendar month by the Department and paid into  
18 the Local Government Tax Fund, plus an amount the Department  
19 determines is necessary to offset any amounts which were  
20 erroneously paid to a different taxing body, and not including  
21 an amount equal to the amount of refunds made during the second  
22 preceding calendar month by the Department, and not including  
23 any amount which the Department determines is necessary to  
24 offset any amounts which are payable to a different taxing body  
25 but were erroneously paid to the municipality or county, and  
26 not including any amounts that are transferred to the STAR

1 Bonds Revenue Fund. Within 10 days after receipt, by the  
2 Comptroller, of the disbursement certification to the  
3 municipalities and counties, provided for in this Section to be  
4 given to the Comptroller by the Department, the Comptroller  
5 shall cause the orders to be drawn for the respective amounts  
6 in accordance with the directions contained in such  
7 certification.

8 When certifying the amount of monthly disbursement to a  
9 municipality or county under this Section, the Department shall  
10 increase or decrease that amount by an amount necessary to  
11 offset any misallocation of previous disbursements. The offset  
12 amount shall be the amount erroneously disbursed within the 6  
13 months preceding the time a misallocation is discovered.

14 The provisions directing the distributions from the  
15 special fund in the State Treasury provided for in this Section  
16 shall constitute an irrevocable and continuing appropriation  
17 of all amounts as provided herein. The State Treasurer and  
18 State Comptroller are hereby authorized to make distributions  
19 as provided in this Section.

20 In construing any development, redevelopment, annexation,  
21 preannexation or other lawful agreement in effect prior to  
22 September 1, 1990, which describes or refers to receipts from a  
23 county or municipal retailers' occupation tax, use tax or  
24 service occupation tax which now cannot be imposed, such  
25 description or reference shall be deemed to include the  
26 replacement revenue for such abolished taxes, distributed from

1 the Local Government Tax Fund.

2 As soon as possible after the effective date of this  
3 amendatory Act of the 98th General Assembly, the State  
4 Comptroller shall order and the State Treasurer shall transfer  
5 \$6,600,000 from the Local Government Tax Fund to the Illinois  
6 State Medical Disciplinary Fund.

7 (Source: P.A. 97-333, eff. 8-12-11; 98-3, eff. 3-8-13.)

8 Section 25. The Illinois Income Tax Act is amended by  
9 changing Section 901 and by adding Section 703A as follows:

10 (35 ILCS 5/703A new)

11 Sec. 703A. Information for reportable payment  
12 transactions. Every person required under Section 6050W of the  
13 Internal Revenue Code to file federal Form 1099-K, Third-Party  
14 Payment Card and Third Party Network Transactions, identifying  
15 a reportable payment transaction to a payee with an Illinois  
16 address shall furnish a copy to the Department at such time and  
17 in such manner as the Department may prescribe.

18 (35 ILCS 5/901) (from Ch. 120, par. 9-901)

19 Sec. 901. Collection authority.

20 (a) In general. The Department shall collect the taxes  
21 imposed by this Act. The Department shall collect certified  
22 past due child support amounts under Section 2505-650 of the  
23 Department of Revenue Law of the Civil Administrative Code of

1 Illinois. Except as provided in subsections (b), (c), (e), (f),  
2 (g), and (h) of this Section, money collected pursuant to  
3 subsections (a) and (b) of Section 201 of this Act shall be  
4 paid into the General Revenue Fund in the State treasury; money  
5 collected pursuant to subsections (c) and (d) of Section 201 of  
6 this Act shall be paid into the Personal Property Tax  
7 Replacement Fund, a special fund in the State Treasury; and  
8 money collected under Section 2505-650 of the Department of  
9 Revenue Law of the Civil Administrative Code of Illinois ~~(20~~  
10 ~~ILCS 2505/2505-650)~~ shall be paid into the Child Support  
11 Enforcement Trust Fund, a special fund outside the State  
12 Treasury, or to the State Disbursement Unit established under  
13 Section 10-26 of the Illinois Public Aid Code, as directed by  
14 the Department of Healthcare and Family Services.

15 (b) Local Government Distributive Fund. Beginning August  
16 1, 1969, and continuing through June 30, 1994, the Treasurer  
17 shall transfer each month from the General Revenue Fund to a  
18 special fund in the State treasury, to be known as the "Local  
19 Government Distributive Fund", an amount equal to 1/12 of the  
20 net revenue realized from the tax imposed by subsections (a)  
21 and (b) of Section 201 of this Act during the preceding month.  
22 Beginning July 1, 1994, and continuing through June 30, 1995,  
23 the Treasurer shall transfer each month from the General  
24 Revenue Fund to the Local Government Distributive Fund an  
25 amount equal to 1/11 of the net revenue realized from the tax  
26 imposed by subsections (a) and (b) of Section 201 of this Act

1 during the preceding month. Beginning July 1, 1995 and  
2 continuing through January 31, 2011, the Treasurer shall  
3 transfer each month from the General Revenue Fund to the Local  
4 Government Distributive Fund an amount equal to the net of (i)  
5 1/10 of the net revenue realized from the tax imposed by  
6 subsections (a) and (b) of Section 201 of the Illinois Income  
7 Tax Act during the preceding month (ii) minus, beginning July  
8 1, 2003 and ending June 30, 2004, \$6,666,666, and beginning  
9 July 1, 2004, zero. Beginning February 1, 2011, and continuing  
10 through January 31, 2015, the Treasurer shall transfer each  
11 month from the General Revenue Fund to the Local Government  
12 Distributive Fund an amount equal to the sum of (i) 6% (10% of  
13 the ratio of the 3% individual income tax rate prior to 2011 to  
14 the 5% individual income tax rate after 2010) of the net  
15 revenue realized from the tax imposed by subsections (a) and  
16 (b) of Section 201 of this Act upon individuals, trusts, and  
17 estates during the preceding month and (ii) 6.86% (10% of the  
18 ratio of the 4.8% corporate income tax rate prior to 2011 to  
19 the 7% corporate income tax rate after 2010) of the net revenue  
20 realized from the tax imposed by subsections (a) and (b) of  
21 Section 201 of this Act upon corporations during the preceding  
22 month. Beginning February 1, 2015 and continuing through July  
23 31, 2017, the Treasurer shall transfer each month from the  
24 General Revenue Fund to the Local Government Distributive Fund  
25 an amount equal to the sum of (i) 8% (10% of the ratio of the 3%  
26 individual income tax rate prior to 2011 to the 3.75%

1 individual income tax rate after 2014) of the net revenue  
2 realized from the tax imposed by subsections (a) and (b) of  
3 Section 201 of this Act upon individuals, trusts, and estates  
4 during the preceding month and (ii) 9.14% (10% of the ratio of  
5 the 4.8% corporate income tax rate prior to 2011 to the 5.25%  
6 corporate income tax rate after 2014) of the net revenue  
7 realized from the tax imposed by subsections (a) and (b) of  
8 Section 201 of this Act upon corporations during the preceding  
9 month. Beginning August 1, 2017, the Treasurer shall transfer  
10 each month from the General Revenue Fund to the Local  
11 Government Distributive Fund an amount equal to the sum of (i)  
12 6.06% (10% of the ratio of the 3% individual income tax rate  
13 prior to 2011 to the 4.95% individual income tax rate after  
14 July 1, 2017) of the net revenue realized from the tax imposed  
15 by subsections (a) and (b) of Section 201 of this Act upon  
16 individuals, trusts, and estates during the preceding month and  
17 (ii) 6.85% (10% of the ratio of the 4.8% corporate income tax  
18 rate prior to 2011 to the 7% corporate income tax rate after  
19 July 1, 2017) of the net revenue realized from the tax imposed  
20 by subsections (a) and (b) of Section 201 of this Act upon  
21 corporations during the preceding month. Net revenue realized  
22 for a month shall be defined as the revenue from the tax  
23 imposed by subsections (a) and (b) of Section 201 of this Act  
24 which is deposited in the General Revenue Fund, the Education  
25 Assistance Fund, the Income Tax Surcharge Local Government  
26 Distributive Fund, the Fund for the Advancement of Education,

1 and the Commitment to Human Services Fund during the month  
2 minus the amount paid out of the General Revenue Fund in State  
3 warrants during that same month as refunds to taxpayers for  
4 overpayment of liability under the tax imposed by subsections  
5 (a) and (b) of Section 201 of this Act.

6 Notwithstanding any provision of law to the contrary,  
7 beginning on July 6, 2017 (the effective date of Public Act  
8 100-23) ~~this amendatory Act of the 100th General Assembly,~~  
9 those amounts required under this subsection (b) to be  
10 transferred by the Treasurer into the Local Government  
11 Distributive Fund from the General Revenue Fund shall be  
12 directly deposited into the Local Government Distributive Fund  
13 as the revenue is realized from the tax imposed by subsections  
14 (a) and (b) of Section 201 of this Act.

15 For State fiscal year 2018 only, notwithstanding any  
16 provision of law to the contrary, the total amount of revenue  
17 and deposits under this Section attributable to revenues  
18 realized during State fiscal year 2018 shall be reduced by 10%.

19 (c) Deposits Into Income Tax Refund Fund.

20 (1) Beginning on January 1, 1989 and thereafter, the  
21 Department shall deposit a percentage of the amounts  
22 collected pursuant to subsections (a) and (b) (1), (2), and  
23 (3) of Section 201 of this Act into a fund in the State  
24 treasury known as the Income Tax Refund Fund. The  
25 Department shall deposit 6% of such amounts during the  
26 period beginning January 1, 1989 and ending on June 30,



1 1989. Beginning with State fiscal year 1990 and for each  
2 fiscal year thereafter, the percentage deposited into the  
3 Income Tax Refund Fund during a fiscal year shall be the  
4 Annual Percentage. For fiscal years 1999 through 2001, the  
5 Annual Percentage shall be 7.1%. For fiscal year 2003, the  
6 Annual Percentage shall be 8%. For fiscal year 2004, the  
7 Annual Percentage shall be 11.7%. Upon the effective date  
8 of Public Act 93-839 (July 30, 2004) ~~this amendatory Act of~~  
9 ~~the 93rd General Assembly~~, the Annual Percentage shall be  
10 10% for fiscal year 2005. For fiscal year 2006, the Annual  
11 Percentage shall be 9.75%. For fiscal year 2007, the Annual  
12 Percentage shall be 9.75%. For fiscal year 2008, the Annual  
13 Percentage shall be 7.75%. For fiscal year 2009, the Annual  
14 Percentage shall be 9.75%. For fiscal year 2010, the Annual  
15 Percentage shall be 9.75%. For fiscal year 2011, the Annual  
16 Percentage shall be 8.75%. For fiscal year 2012, the Annual  
17 Percentage shall be 8.75%. For fiscal year 2013, the Annual  
18 Percentage shall be 9.75%. For fiscal year 2014, the Annual  
19 Percentage shall be 9.5%. For fiscal year 2015, the Annual  
20 Percentage shall be 10%. For fiscal year 2018, the Annual  
21 Percentage shall be 9.8%. For all other fiscal years, the  
22 Annual Percentage shall be calculated as a fraction, the  
23 numerator of which shall be the amount of refunds approved  
24 for payment by the Department during the preceding fiscal  
25 year as a result of overpayment of tax liability under  
26 subsections (a) and (b) (1), (2), and (3) of Section 201 of

1           this Act plus the amount of such refunds remaining approved  
2           but unpaid at the end of the preceding fiscal year, minus  
3           the amounts transferred into the Income Tax Refund Fund  
4           from the Tobacco Settlement Recovery Fund, and the  
5           denominator of which shall be the amounts which will be  
6           collected pursuant to subsections (a) and (b) (1), (2), and  
7           (3) of Section 201 of this Act during the preceding fiscal  
8           year; except that in State fiscal year 2002, the Annual  
9           Percentage shall in no event exceed 7.6%. The Director of  
10          Revenue shall certify the Annual Percentage to the  
11          Comptroller on the last business day of the fiscal year  
12          immediately preceding the fiscal year for which it is to be  
13          effective.

14           (2) Beginning on January 1, 1989 and thereafter, the  
15          Department shall deposit a percentage of the amounts  
16          collected pursuant to subsections (a) and (b) (6), (7), and  
17          (8), (c) and (d) of Section 201 of this Act into a fund in  
18          the State treasury known as the Income Tax Refund Fund. The  
19          Department shall deposit 18% of such amounts during the  
20          period beginning January 1, 1989 and ending on June 30,  
21          1989. Beginning with State fiscal year 1990 and for each  
22          fiscal year thereafter, the percentage deposited into the  
23          Income Tax Refund Fund during a fiscal year shall be the  
24          Annual Percentage. For fiscal years 1999, 2000, and 2001,  
25          the Annual Percentage shall be 19%. For fiscal year 2003,  
26          the Annual Percentage shall be 27%. For fiscal year 2004,

1 the Annual Percentage shall be 32%. Upon the effective date  
2 of Public Act 93-839 (July 30, 2004) ~~this amendatory Act of~~  
3 ~~the 93rd General Assembly~~, the Annual Percentage shall be  
4 24% for fiscal year 2005. For fiscal year 2006, the Annual  
5 Percentage shall be 20%. For fiscal year 2007, the Annual  
6 Percentage shall be 17.5%. For fiscal year 2008, the Annual  
7 Percentage shall be 15.5%. For fiscal year 2009, the Annual  
8 Percentage shall be 17.5%. For fiscal year 2010, the Annual  
9 Percentage shall be 17.5%. For fiscal year 2011, the Annual  
10 Percentage shall be 17.5%. For fiscal year 2012, the Annual  
11 Percentage shall be 17.5%. For fiscal year 2013, the Annual  
12 Percentage shall be 14%. For fiscal year 2014, the Annual  
13 Percentage shall be 13.4%. For fiscal year 2015, the Annual  
14 Percentage shall be 14%. For fiscal year 2018, the Annual  
15 Percentage shall be 17.5%. For all other fiscal years, the  
16 Annual Percentage shall be calculated as a fraction, the  
17 numerator of which shall be the amount of refunds approved  
18 for payment by the Department during the preceding fiscal  
19 year as a result of overpayment of tax liability under  
20 subsections (a) and (b) (6), (7), and (8), (c) and (d) of  
21 Section 201 of this Act plus the amount of such refunds  
22 remaining approved but unpaid at the end of the preceding  
23 fiscal year, and the denominator of which shall be the  
24 amounts which will be collected pursuant to subsections (a)  
25 and (b) (6), (7), and (8), (c) and (d) of Section 201 of  
26 this Act during the preceding fiscal year; except that in

1 State fiscal year 2002, the Annual Percentage shall in no  
2 event exceed 23%. The Director of Revenue shall certify the  
3 Annual Percentage to the Comptroller on the last business  
4 day of the fiscal year immediately preceding the fiscal  
5 year for which it is to be effective.

6 (3) The Comptroller shall order transferred and the  
7 Treasurer shall transfer from the Tobacco Settlement  
8 Recovery Fund to the Income Tax Refund Fund (i) \$35,000,000  
9 in January, 2001, (ii) \$35,000,000 in January, 2002, and  
10 (iii) \$35,000,000 in January, 2003.

11 (d) Expenditures from Income Tax Refund Fund.

12 (1) Beginning January 1, 1989, money in the Income Tax  
13 Refund Fund shall be expended exclusively for the purpose  
14 of paying refunds resulting from overpayment of tax  
15 liability under Section 201 of this Act, for paying rebates  
16 under Section 208.1 in the event that the amounts in the  
17 Homeowners' Tax Relief Fund are insufficient for that  
18 purpose, and for making transfers pursuant to this  
19 subsection (d).

20 (2) The Director shall order payment of refunds  
21 resulting from overpayment of tax liability under Section  
22 201 of this Act from the Income Tax Refund Fund only to the  
23 extent that amounts collected pursuant to Section 201 of  
24 this Act and transfers pursuant to this subsection (d) and  
25 item (3) of subsection (c) have been deposited and retained  
26 in the Fund.

1           (3) As soon as possible after the end of each fiscal  
2 year, the Director shall order transferred and the State  
3 Treasurer and State Comptroller shall transfer from the  
4 Income Tax Refund Fund to the Personal Property Tax  
5 Replacement Fund an amount, certified by the Director to  
6 the Comptroller, equal to the excess of the amount  
7 collected pursuant to subsections (c) and (d) of Section  
8 201 of this Act deposited into the Income Tax Refund Fund  
9 during the fiscal year over the amount of refunds resulting  
10 from overpayment of tax liability under subsections (c) and  
11 (d) of Section 201 of this Act paid from the Income Tax  
12 Refund Fund during the fiscal year.

13           (4) As soon as possible after the end of each fiscal  
14 year, the Director shall order transferred and the State  
15 Treasurer and State Comptroller shall transfer from the  
16 Personal Property Tax Replacement Fund to the Income Tax  
17 Refund Fund an amount, certified by the Director to the  
18 Comptroller, equal to the excess of the amount of refunds  
19 resulting from overpayment of tax liability under  
20 subsections (c) and (d) of Section 201 of this Act paid  
21 from the Income Tax Refund Fund during the fiscal year over  
22 the amount collected pursuant to subsections (c) and (d) of  
23 Section 201 of this Act deposited into the Income Tax  
24 Refund Fund during the fiscal year.

25           (4.5) As soon as possible after the end of fiscal year  
26 1999 and of each fiscal year thereafter, the Director shall

1 order transferred and the State Treasurer and State  
2 Comptroller shall transfer from the Income Tax Refund Fund  
3 to the General Revenue Fund any surplus remaining in the  
4 Income Tax Refund Fund as of the end of such fiscal year;  
5 excluding for fiscal years 2000, 2001, and 2002 amounts  
6 attributable to transfers under item (3) of subsection (c)  
7 less refunds resulting from the earned income tax credit.

8 (5) This Act shall constitute an irrevocable and  
9 continuing appropriation from the Income Tax Refund Fund  
10 for the purpose of paying refunds upon the order of the  
11 Director in accordance with the provisions of this Section.

12 (e) Deposits into the Education Assistance Fund and the  
13 Income Tax Surcharge Local Government Distributive Fund. On  
14 July 1, 1991, and thereafter, of the amounts collected pursuant  
15 to subsections (a) and (b) of Section 201 of this Act, minus  
16 deposits into the Income Tax Refund Fund, the Department shall  
17 deposit 7.3% into the Education Assistance Fund in the State  
18 Treasury. Beginning July 1, 1991, and continuing through  
19 January 31, 1993, of the amounts collected pursuant to  
20 subsections (a) and (b) of Section 201 of the Illinois Income  
21 Tax Act, minus deposits into the Income Tax Refund Fund, the  
22 Department shall deposit 3.0% into the Income Tax Surcharge  
23 Local Government Distributive Fund in the State Treasury.  
24 Beginning February 1, 1993 and continuing through June 30,  
25 1993, of the amounts collected pursuant to subsections (a) and  
26 (b) of Section 201 of the Illinois Income Tax Act, minus

1 deposits into the Income Tax Refund Fund, the Department shall  
2 deposit 4.4% into the Income Tax Surcharge Local Government  
3 Distributive Fund in the State Treasury. Beginning July 1,  
4 1993, and continuing through June 30, 1994, of the amounts  
5 collected under subsections (a) and (b) of Section 201 of this  
6 Act, minus deposits into the Income Tax Refund Fund, the  
7 Department shall deposit 1.475% into the Income Tax Surcharge  
8 Local Government Distributive Fund in the State Treasury.

9 (f) Deposits into the Fund for the Advancement of  
10 Education. Beginning February 1, 2015, the Department shall  
11 deposit the following portions of the revenue realized from the  
12 tax imposed upon individuals, trusts, and estates by  
13 subsections (a) and (b) of Section 201 of this Act ~~during the~~  
14 ~~preceding month~~, minus deposits into the Income Tax Refund  
15 Fund, into the Fund for the Advancement of Education:

16 (1) beginning February 1, 2015, and prior to February  
17 1, 2025, 1/30; and

18 (2) beginning February 1, 2025, 1/26.

19 If the rate of tax imposed by subsection (a) and (b) of  
20 Section 201 is reduced pursuant to Section 201.5 of this Act,  
21 the Department shall not make the deposits required by this  
22 subsection (f) on or after the effective date of the reduction.

23 (g) Deposits into the Commitment to Human Services Fund.  
24 Beginning February 1, 2015, the Department shall deposit the  
25 following portions of the revenue realized from the tax imposed  
26 upon individuals, trusts, and estates by subsections (a) and

1 (b) of Section 201 of this Act ~~during the preceding month,~~  
2 minus deposits into the Income Tax Refund Fund, into the  
3 Commitment to Human Services Fund:

4 (1) beginning February 1, 2015, and prior to February  
5 1, 2025, 1/30; and

6 (2) beginning February 1, 2025, 1/26.

7 If the rate of tax imposed by subsection (a) and (b) of  
8 Section 201 is reduced pursuant to Section 201.5 of this Act,  
9 the Department shall not make the deposits required by this  
10 subsection (g) on or after the effective date of the reduction.

11 (h) Deposits into the Tax Compliance and Administration  
12 Fund. Beginning on the first day of the first calendar month to  
13 occur on or after August 26, 2014 (the effective date of Public  
14 Act 98-1098), each month the Department shall pay into the Tax  
15 Compliance and Administration Fund, to be used, subject to  
16 appropriation, to fund additional auditors and compliance  
17 personnel at the Department, an amount equal to 1/12 of 5% of  
18 the cash receipts collected during the preceding fiscal year by  
19 the Audit Bureau of the Department from the tax imposed by  
20 subsections (a), (b), (c), and (d) of Section 201 of this Act,  
21 net of deposits into the Income Tax Refund Fund made from those  
22 cash receipts.

23 (Source: P.A. 99-78, eff. 7-20-15; 100-22, eff. 7-6-17; 100-23,  
24 eff. 7-6-17; revised 8-3-17.)

25 Section 30. The Use Tax Act is amended by changing Sections



1 3-5, 3-5.5, 9, and 10 as follows:

2 (35 ILCS 105/3-5)

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

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

12 (2) Personal property purchased by a not-for-profit  
13 Illinois county fair association for use in conducting,  
14 operating, or promoting the county fair.

15 (3) Personal property purchased by a not-for-profit arts or  
16 cultural organization that establishes, by proof required by  
17 the Department by rule, that it has received an exemption under  
18 Section 501(c)(3) of the Internal Revenue Code and that is  
19 organized and operated primarily for the presentation or  
20 support of arts or cultural programming, activities, or  
21 services. These organizations include, but are not limited to,  
22 music and dramatic arts organizations such as symphony  
23 orchestras and theatrical groups, arts and cultural service  
24 organizations, local arts councils, visual arts organizations,  
25 and media arts organizations. On and after July 1, 2001 (the

1 effective date of Public Act 92-35) ~~this amendatory Act of the~~  
2 ~~92nd General Assembly~~, however, an entity otherwise eligible  
3 for this exemption shall not make tax-free purchases unless it  
4 has an active identification number issued by the Department.

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

19 (5) Until July 1, 2003, a passenger car that is a  
20 replacement vehicle to the extent that the purchase price of  
21 the car is subject to the Replacement Vehicle Tax.

22 (6) Until July 1, 2003 and beginning again on September 1,  
23 2004 through August 30, 2014, graphic arts machinery and  
24 equipment, including repair and replacement parts, both new and  
25 used, and including that manufactured on special order,  
26 certified by the purchaser to be used primarily for graphic

1 arts production, and including machinery and equipment  
2 purchased for lease. Equipment includes chemicals or chemicals  
3 acting as catalysts but only if the chemicals or chemicals  
4 acting as catalysts effect a direct and immediate change upon a  
5 graphic arts product. Beginning on July 1, 2017, graphic arts  
6 machinery and equipment is included in the manufacturing and  
7 assembling machinery and equipment exemption under paragraph  
8 (18).

9 (7) Farm chemicals.

10 (8) Legal tender, currency, medallions, or gold or silver  
11 coinage issued by the State of Illinois, the government of the  
12 United States of America, or the government of any foreign  
13 country, and bullion.

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

17 (10) A motor vehicle that is used for automobile renting,  
18 as defined in the Automobile Renting Occupation and Use Tax  
19 Act.

20 (11) Farm machinery and equipment, both new and used,  
21 including that manufactured on special order, certified by the  
22 purchaser to be used primarily for production agriculture or  
23 State or federal agricultural programs, including individual  
24 replacement parts for the machinery and equipment, including  
25 machinery and equipment purchased for lease, and including  
26 implements of husbandry defined in Section 1-130 of the

1 Illinois Vehicle Code, farm machinery and agricultural  
2 chemical and fertilizer spreaders, and nurse wagons required to  
3 be registered under Section 3-809 of the Illinois Vehicle Code,  
4 but excluding other motor vehicles required to be registered  
5 under the Illinois Vehicle Code. Horticultural polyhouses or  
6 hoop houses used for propagating, growing, or overwintering  
7 plants shall be considered farm machinery and equipment under  
8 this item (11). Agricultural chemical tender tanks and dry  
9 boxes shall include units sold separately from a motor vehicle  
10 required to be licensed and units sold mounted on a motor  
11 vehicle required to be licensed if the selling price of the  
12 tender is separately stated.

13 Farm machinery and equipment shall include precision  
14 farming equipment that is installed or purchased to be  
15 installed on farm machinery and equipment including, but not  
16 limited to, tractors, harvesters, sprayers, planters, seeders,  
17 or spreaders. Precision farming equipment includes, but is not  
18 limited to, soil testing sensors, computers, monitors,  
19 software, global positioning and mapping systems, and other  
20 such equipment.

21 Farm machinery and equipment also includes computers,  
22 sensors, software, and related equipment used primarily in the  
23 computer-assisted operation of production agriculture  
24 facilities, equipment, and activities such as, but not limited  
25 to, the collection, monitoring, and correlation of animal and  
26 crop data for the purpose of formulating animal diets and

1 agricultural chemicals. This item (11) is exempt from the  
2 provisions of Section 3-90.

3 (12) Until June 30, 2013, fuel and petroleum products sold  
4 to or used by an air common carrier, certified by the carrier  
5 to be used for consumption, shipment, or storage in the conduct  
6 of its business as an air common carrier, for a flight destined  
7 for or returning from a location or locations outside the  
8 United States without regard to previous or subsequent domestic  
9 stopovers.

10 Beginning July 1, 2013, fuel and petroleum products sold to  
11 or used by an air carrier, certified by the carrier to be used  
12 for consumption, shipment, or storage in the conduct of its  
13 business as an air common carrier, for a flight that (i) is  
14 engaged in foreign trade or is engaged in trade between the  
15 United States and any of its possessions and (ii) transports at  
16 least one individual or package for hire from the city of  
17 origination to the city of final destination on the same  
18 aircraft, without regard to a change in the flight number of  
19 that aircraft.

20 (13) Proceeds of mandatory service charges separately  
21 stated on customers' bills for the purchase and consumption of  
22 food and beverages purchased at retail from a retailer, to the  
23 extent that the proceeds of the service charge are in fact  
24 turned over as tips or as a substitute for tips to the  
25 employees who participate directly in preparing, serving,  
26 hosting or cleaning up the food or beverage function with

1 respect to which the service charge is imposed.

2 (14) Until July 1, 2003, oil field exploration, drilling,  
3 and production equipment, including (i) rigs and parts of rigs,  
4 rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and  
5 tubular goods, including casing and drill strings, (iii) pumps  
6 and pump-jack units, (iv) storage tanks and flow lines, (v) any  
7 individual replacement part for oil field exploration,  
8 drilling, and production equipment, and (vi) machinery and  
9 equipment purchased for lease; but excluding motor vehicles  
10 required to be registered under the Illinois Vehicle Code.

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

16 (16) Coal and aggregate exploration, mining, off-highway  
17 hauling, processing, maintenance, and reclamation equipment,  
18 including replacement parts and equipment, and including  
19 equipment purchased for lease, but excluding motor vehicles  
20 required to be registered under the Illinois Vehicle Code. The  
21 changes made to this Section by Public Act 97-767 apply on and  
22 after July 1, 2003, but no claim for credit or refund is  
23 allowed on or after August 16, 2013 (the effective date of  
24 Public Act 98-456) for such taxes paid during the period  
25 beginning July 1, 2003 and ending on August 16, 2013 (the  
26 effective date of Public Act 98-456).

1           (17) Until July 1, 2003, distillation machinery and  
2 equipment, sold as a unit or kit, assembled or installed by the  
3 retailer, certified by the user to be used only for the  
4 production of ethyl alcohol that will be used for consumption  
5 as motor fuel or as a component of motor fuel for the personal  
6 use of the user, and not subject to sale or resale.

7           (18) Manufacturing and assembling machinery and equipment  
8 used primarily in the process of manufacturing or assembling  
9 tangible personal property for wholesale or retail sale or  
10 lease, whether that sale or lease is made directly by the  
11 manufacturer or by some other person, whether the materials  
12 used in the process are owned by the manufacturer or some other  
13 person, or whether that sale or lease is made apart from or as  
14 an incident to the seller's engaging in the service occupation  
15 of producing machines, tools, dies, jigs, patterns, gauges, or  
16 other similar items of no commercial value on special order for  
17 a particular purchaser. The exemption provided by this  
18 paragraph (18) does not include machinery and equipment used in  
19 (i) the generation of electricity for wholesale or retail sale;  
20 (ii) the generation or treatment of natural or artificial gas  
21 for wholesale or retail sale that is delivered to customers  
22 through pipes, pipelines, or mains; or (iii) the treatment of  
23 water for wholesale or retail sale that is delivered to  
24 customers through pipes, pipelines, or mains. The provisions of  
25 Public Act 98-583 are declaratory of existing law as to the  
26 meaning and scope of this exemption. Beginning on July 1, 2017,

1 the exemption provided by this paragraph (18) includes, but is  
2 not limited to, graphic arts machinery and equipment, as  
3 defined in paragraph (6) of this Section.

4 (19) Personal property delivered to a purchaser or  
5 purchaser's donee inside Illinois when the purchase order for  
6 that personal property was received by a florist located  
7 outside Illinois who has a florist located inside Illinois  
8 deliver the personal property.

9 (20) Semen used for artificial insemination of livestock  
10 for direct agricultural production.

11 (21) Horses, or interests in horses, registered with and  
12 meeting the requirements of any of the Arabian Horse Club  
13 Registry of America, Appaloosa Horse Club, American Quarter  
14 Horse Association, United States Trotting Association, or  
15 Jockey Club, as appropriate, used for purposes of breeding or  
16 racing for prizes. This item (21) is exempt from the provisions  
17 of Section 3-90, and the exemption provided for under this item  
18 (21) applies for all periods beginning May 30, 1995, but no  
19 claim for credit or refund is allowed on or after January 1,  
20 2008 for such taxes paid during the period beginning May 30,  
21 2000 and ending on January 1, 2008.

22 (22) Computers and communications equipment utilized for  
23 any hospital purpose and equipment used in the diagnosis,  
24 analysis, or treatment of hospital patients purchased by a  
25 lessor who leases the equipment, under a lease of one year or  
26 longer executed or in effect at the time the lessor would



1 otherwise be subject to the tax imposed by this Act, to a  
2 hospital that has been issued an active tax exemption  
3 identification number by the Department under Section 1g of the  
4 Retailers' Occupation Tax Act. If the equipment is leased in a  
5 manner that does not qualify for this exemption or is used in  
6 any other non-exempt manner, the lessor shall be liable for the  
7 tax imposed under this Act or the Service Use Tax Act, as the  
8 case may be, based on the fair market value of the property at  
9 the time the non-qualifying use occurs. No lessor shall collect  
10 or attempt to collect an amount (however designated) that  
11 purports to reimburse that lessor for the tax imposed by this  
12 Act or the Service Use Tax Act, as the case may be, if the tax  
13 has not been paid by the lessor. If a lessor improperly  
14 collects any such amount from the lessee, the lessee shall have  
15 a legal right to claim a refund of that amount from the lessor.  
16 If, however, that amount is not refunded to the lessee for any  
17 reason, the lessor is liable to pay that amount to the  
18 Department.

19 (23) Personal property purchased by a lessor who leases the  
20 property, under a lease of one year or longer executed or in  
21 effect at the time the lessor would otherwise be subject to the  
22 tax imposed by this Act, to a governmental body that has been  
23 issued an active sales tax exemption identification number by  
24 the Department under Section 1g of the Retailers' Occupation  
25 Tax Act. If the property is leased in a manner that does not  
26 qualify for this exemption or used in any other non-exempt

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

13 (24) Beginning with taxable years ending on or after  
14 December 31, 1995 and ending with taxable years ending on or  
15 before December 31, 2004, personal property that is donated for  
16 disaster relief to be used in a State or federally declared  
17 disaster area in Illinois or bordering Illinois by a  
18 manufacturer or retailer that is registered in this State to a  
19 corporation, society, association, foundation, or institution  
20 that has been issued a sales tax exemption identification  
21 number by the Department that assists victims of the disaster  
22 who reside within the declared disaster area.

23 (25) Beginning with taxable years ending on or after  
24 December 31, 1995 and ending with taxable years ending on or  
25 before December 31, 2004, personal property that is used in the  
26 performance of infrastructure repairs in this State, including

1 but not limited to municipal roads and streets, access roads,  
2 bridges, sidewalks, waste disposal systems, water and sewer  
3 line extensions, water distribution and purification  
4 facilities, storm water drainage and retention facilities, and  
5 sewage treatment facilities, resulting from a State or  
6 federally declared disaster in Illinois or bordering Illinois  
7 when such repairs are initiated on facilities located in the  
8 declared disaster area within 6 months after the disaster.

9 (26) Beginning July 1, 1999, game or game birds purchased  
10 at a "game breeding and hunting preserve area" as that term is  
11 used in the Wildlife Code. This paragraph is exempt from the  
12 provisions of Section 3-90.

13 (27) A motor vehicle, as that term is defined in Section  
14 1-146 of the Illinois Vehicle Code, that is donated to a  
15 corporation, limited liability company, society, association,  
16 foundation, or institution that is determined by the Department  
17 to be organized and operated exclusively for educational  
18 purposes. For purposes of this exemption, "a corporation,  
19 limited liability company, society, association, foundation,  
20 or institution organized and operated exclusively for  
21 educational purposes" means all tax-supported public schools,  
22 private schools that offer systematic instruction in useful  
23 branches of learning by methods common to public schools and  
24 that compare favorably in their scope and intensity with the  
25 course of study presented in tax-supported schools, and  
26 vocational or technical schools or institutes organized and

1 operated exclusively to provide a course of study of not less  
2 than 6 weeks duration and designed to prepare individuals to  
3 follow a trade or to pursue a manual, technical, mechanical,  
4 industrial, business, or commercial occupation.

5 (28) Beginning January 1, 2000, personal property,  
6 including food, purchased through fundraising events for the  
7 benefit of a public or private elementary or secondary school,  
8 a group of those schools, or one or more school districts if  
9 the events are sponsored by an entity recognized by the school  
10 district that consists primarily of volunteers and includes  
11 parents and teachers of the school children. This paragraph  
12 does not apply to fundraising events (i) for the benefit of  
13 private home instruction or (ii) for which the fundraising  
14 entity purchases the personal property sold at the events from  
15 another individual or entity that sold the property for the  
16 purpose of resale by the fundraising entity and that profits  
17 from the sale to the fundraising entity. This paragraph is  
18 exempt from the provisions of Section 3-90.

19 (29) Beginning January 1, 2000 and through December 31,  
20 2001, new or used automatic vending machines that prepare and  
21 serve hot food and beverages, including coffee, soup, and other  
22 items, and replacement parts for these machines. Beginning  
23 January 1, 2002 and through June 30, 2003, machines and parts  
24 for machines used in commercial, coin-operated amusement and  
25 vending business if a use or occupation tax is paid on the  
26 gross receipts derived from the use of the commercial,

1 coin-operated amusement and vending machines. This paragraph  
2 is exempt from the provisions of Section 3-90.

3 (30) Beginning January 1, 2001 and through June 30, 2016,  
4 food for human consumption that is to be consumed off the  
5 premises where it is sold (other than alcoholic beverages, soft  
6 drinks, and food that 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, for human  
10 use, when purchased for use by a person receiving medical  
11 assistance under Article V of the Illinois Public Aid Code who  
12 resides in a licensed long-term care facility, as defined in  
13 the Nursing Home Care Act, or in a licensed facility as defined  
14 in the ID/DD Community Care Act, the MC/DD Act, or the  
15 Specialized Mental Health Rehabilitation Act of 2013.

16 (31) Beginning on August 2, 2001 (the effective date of  
17 Public Act 92-227) ~~this amendatory Act of the 92nd General~~  
18 ~~Assembly~~, computers and communications equipment utilized for  
19 any hospital purpose and equipment used in the diagnosis,  
20 analysis, or treatment of hospital patients purchased by a  
21 lessor who leases the equipment, under a lease of one year or  
22 longer executed or in effect at the time the lessor would  
23 otherwise be subject to the tax imposed by this Act, to a  
24 hospital that has been issued an active tax exemption  
25 identification number by the Department under Section 1g of the  
26 Retailers' Occupation Tax Act. If the equipment is leased in a

1 manner that does not qualify for this exemption or is used in  
2 any other nonexempt manner, the lessor shall be liable for the  
3 tax imposed under this Act or the Service Use Tax Act, as the  
4 case may be, based on the fair market value of the property at  
5 the time the nonqualifying use occurs. No lessor shall collect  
6 or attempt to collect an amount (however designated) that  
7 purports to reimburse that lessor for the tax imposed by this  
8 Act or the Service Use Tax Act, as the case may be, if the tax  
9 has not been paid by the lessor. If a lessor improperly  
10 collects any such amount from the lessee, the lessee shall have  
11 a legal right to claim a refund of that amount from the lessor.  
12 If, however, that amount is not refunded to the lessee for any  
13 reason, the lessor is liable to pay that amount to the  
14 Department. This paragraph is exempt from the provisions of  
15 Section 3-90.

16 (32) Beginning on August 2, 2001 (the effective date of  
17 Public Act 92-227) ~~this amendatory Act of the 92nd General~~  
18 ~~Assembly~~, personal property purchased by a lessor who leases  
19 the property, under a lease of one year or longer executed or  
20 in effect at the time the lessor would otherwise be subject to  
21 the tax imposed by this Act, to a governmental body that has  
22 been issued an active sales tax exemption identification number  
23 by the Department under Section 1g of the Retailers' Occupation  
24 Tax Act. If the property is leased in a manner that does not  
25 qualify for this exemption or used in any other nonexempt  
26 manner, the lessor shall be liable for the tax imposed under

1 this Act or the Service Use Tax Act, as the case may be, based  
2 on the fair market value of the property at the time the  
3 nonqualifying use occurs. No lessor shall collect or attempt to  
4 collect an amount (however designated) that purports to  
5 reimburse that lessor for the tax imposed by this Act or the  
6 Service Use Tax Act, as the case may be, if the tax has not been  
7 paid by the lessor. If a lessor improperly collects any such  
8 amount from the lessee, the lessee shall have a legal right to  
9 claim a refund of that amount from the lessor. If, however,  
10 that amount is not refunded to the lessee for any reason, the  
11 lessor is liable to pay that amount to the Department. This  
12 paragraph is exempt from the provisions of Section 3-90.

13 (33) On and after July 1, 2003 and through June 30, 2004,  
14 the use in this State of motor vehicles of the second division  
15 with a gross vehicle weight in excess of 8,000 pounds and that  
16 are subject to the commercial distribution fee imposed under  
17 Section 3-815.1 of the Illinois Vehicle Code. Beginning on July  
18 1, 2004 and through June 30, 2005, the use in this State of  
19 motor vehicles of the second division: (i) with a gross vehicle  
20 weight rating in excess of 8,000 pounds; (ii) that are subject  
21 to the commercial distribution fee imposed under Section  
22 3-815.1 of the Illinois Vehicle Code; and (iii) that are  
23 primarily used for commercial purposes. Through June 30, 2005,  
24 this exemption applies to repair and replacement parts added  
25 after the initial purchase of such a motor vehicle if that  
26 motor vehicle is used in a manner that would qualify for the

1 rolling stock exemption otherwise provided for in this Act. For  
2 purposes of this paragraph, the term "used for commercial  
3 purposes" means the transportation of persons or property in  
4 furtherance of any commercial or industrial enterprise,  
5 whether for-hire or not.

6 (34) Beginning January 1, 2008, tangible personal property  
7 used in the construction or maintenance of a community water  
8 supply, as defined under Section 3.145 of the Environmental  
9 Protection Act, that is operated by a not-for-profit  
10 corporation that holds a valid water supply permit issued under  
11 Title IV of the Environmental Protection Act. This paragraph is  
12 exempt from the provisions of Section 3-90.

13 (35) Beginning January 1, 2010, materials, parts,  
14 equipment, components, and furnishings incorporated into or  
15 upon an aircraft as part of the modification, refurbishment,  
16 completion, replacement, repair, or maintenance of the  
17 aircraft. This exemption includes consumable supplies used in  
18 the modification, refurbishment, completion, replacement,  
19 repair, and maintenance of aircraft, but excludes any  
20 materials, parts, equipment, components, and consumable  
21 supplies used in the modification, replacement, repair, and  
22 maintenance of aircraft engines or power plants, whether such  
23 engines or power plants are installed or uninstalled upon any  
24 such aircraft. "Consumable supplies" include, but are not  
25 limited to, adhesive, tape, sandpaper, general purpose  
26 lubricants, cleaning solution, latex gloves, and protective



1 films. This exemption applies only to the use of qualifying  
2 tangible personal property by persons who modify, refurbish,  
3 complete, repair, replace, or maintain aircraft and who (i)  
4 hold an Air Agency Certificate and are empowered to operate an  
5 approved repair station by the Federal Aviation  
6 Administration, (ii) have a Class IV Rating, and (iii) conduct  
7 operations in accordance with Part 145 of the Federal Aviation  
8 Regulations. The exemption does not include aircraft operated  
9 by a commercial air carrier providing scheduled passenger air  
10 service pursuant to authority issued under Part 121 or Part 129  
11 of the Federal Aviation Regulations. The changes made to this  
12 paragraph (35) by Public Act 98-534 are declarative of existing  
13 law.

14 (36) Tangible personal property purchased by a  
15 public-facilities corporation, as described in Section  
16 11-65-10 of the Illinois Municipal Code, for purposes of  
17 constructing or furnishing a municipal convention hall, but  
18 only if the legal title to the municipal convention hall is  
19 transferred to the municipality without any further  
20 consideration by or on behalf of the municipality at the time  
21 of the completion of the municipal convention hall or upon the  
22 retirement or redemption of any bonds or other debt instruments  
23 issued by the public-facilities corporation in connection with  
24 the development of the municipal convention hall. This  
25 exemption includes existing public-facilities corporations as  
26 provided in Section 11-65-25 of the Illinois Municipal Code.

1 This paragraph is exempt from the provisions of Section 3-90.

2 (37) Beginning January 1, 2017, menstrual pads, tampons,  
3 and menstrual cups.

4 (38) Merchandise that is subject to the Rental Purchase  
5 Agreement Occupation and Use Tax. The purchaser must certify  
6 that the item is purchased to be rented subject to a rental  
7 purchase agreement, as defined in the Rental Purchase Agreement  
8 Act, and provide proof of registration under the Rental  
9 Purchase Agreement Occupation and Use Tax Act. This paragraph  
10 is exempt from the provisions of Section 3-90.

11 (39) Tangible personal property purchased by a purchaser  
12 who is exempt from the tax imposed by this Act by operation of  
13 federal law. This paragraph is exempt from the provisions of  
14 Section 3-90.

15 (Source: P.A. 99-180, eff. 7-29-15; 99-855, eff. 8-19-16;  
16 100-22, eff. 7-6-17; 100-437, eff. 1-1-18; revised 9-27-17.)

17 (35 ILCS 105/3-5.5)

18 Sec. 3-5.5. Food and drugs sold by not-for-profit  
19 organizations; exemption. The Department shall not collect the  
20 1% tax imposed under this Act ~~on food for human consumption~~  
21 ~~that is to be consumed off the premises where it is sold (other~~  
22 ~~than alcoholic beverages, soft drinks, and food that 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 by~~

1 ~~diabetics, for human use~~ from any not-for-profit organization,  
2 that sells food in a food distribution program at a price below  
3 the retail cost of the food to purchasers who, as a condition  
4 of participation in the program, are required to perform  
5 community service, located in a county or municipality that  
6 notifies the Department, in writing, that the county or  
7 municipality does not want the tax to be collected from any of  
8 such organizations located in the county or municipality.

9 (Source: P.A. 88-374.)

10 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

11 (Text of Section before amendment by P.A. 100-363)

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

1 discount shall be taken with each such tax remittance instead  
2 of when such retailer files his periodic return. The discount  
3 allowed under this Section is allowed only for returns that are  
4 filed in the manner required by this Act. The Department may  
5 disallow the discount for retailers whose certificate of  
6 registration is revoked at the time the return is filed, but  
7 only if the Department's decision to revoke the certificate of  
8 registration has become final. A retailer need not remit that  
9 part of any tax collected by him to the extent that he is  
10 required to remit and does remit the tax imposed by the  
11 Retailers' Occupation Tax Act, with respect to the sale of the  
12 same property.

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

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

1 such information as the Department may reasonably require. On  
2 and after January 1, 2018, except for returns for motor  
3 vehicles, watercraft, aircraft, and trailers that are required  
4 to be registered with an agency of this State, with respect to  
5 retailers whose annual gross receipts average \$20,000 or more,  
6 all returns required to be filed pursuant to this Act shall be  
7 filed electronically. Retailers who demonstrate that they do  
8 not have access to the Internet or demonstrate hardship in  
9 filing electronically may petition the Department to waive the  
10 electronic filing requirement.

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

- 18 1. The name of the seller;
- 19 2. The address of the principal place of business from  
20 which he engages in the business of selling tangible  
21 personal property at retail in this State;
- 22 3. The total amount of taxable receipts received by him  
23 during the preceding calendar month from sales of tangible  
24 personal property by him during such preceding calendar  
25 month, including receipts from charge and time sales, but  
26 less all deductions allowed by law;

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

3           5. The amount of tax due;

4           5-5. The signature of the taxpayer; and

5           6. Such other reasonable information as the Department  
6           may require.

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

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

1 The term "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 the  
4 Department, for the immediately preceding calendar year  
5 divided by 12. Beginning on October 1, 2002, a taxpayer who has  
6 a tax liability in the amount set forth in subsection (b) of  
7 Section 2505-210 of the Department of Revenue Law shall make  
8 all payments required by rules of the Department by electronic  
9 funds transfer.

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

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

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

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

25 Before October 1, 2000, if the taxpayer's average monthly  
26 tax liability to the Department under this Act, the Retailers'

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



1 payment shall be in an amount equal to 22.5% of the taxpayer's  
2 actual liability for the month or 27.5% of the taxpayer's  
3 liability for the same calendar month of the preceding year. If  
4 the month during which such tax liability is incurred begins on  
5 or after January 1, 1987, and prior to January 1, 1988, each  
6 payment shall be in an amount equal to 22.5% of the taxpayer's  
7 actual liability for the month or 26.25% of the taxpayer's  
8 liability for the same calendar month of the preceding year. If  
9 the month during which such tax liability is incurred begins on  
10 or after January 1, 1988, and prior to January 1, 1989, or  
11 begins on or after January 1, 1996, each payment shall be in an  
12 amount equal to 22.5% of the taxpayer's actual liability for  
13 the month or 25% of the taxpayer's liability for the same  
14 calendar month of the preceding year. If the month during which  
15 such tax liability is incurred begins on or after January 1,  
16 1989, and prior to January 1, 1996, each payment shall be in an  
17 amount equal to 22.5% of the taxpayer's actual liability for  
18 the month or 25% of the taxpayer's liability for the same  
19 calendar month of the preceding year or 100% of the taxpayer's  
20 actual liability for the quarter monthly reporting period. The  
21 amount of such quarter monthly payments shall be credited  
22 against the final tax liability of the taxpayer's return for  
23 that month. Before October 1, 2000, once applicable, the  
24 requirement of the making of quarter monthly payments to the  
25 Department shall continue until such taxpayer's average  
26 monthly liability to the Department during the preceding 4

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

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

15 If any such payment provided for in this Section exceeds  
16 the taxpayer's liabilities under this Act, the Retailers'  
17 Occupation Tax Act, the Service Occupation Tax Act and the  
18 Service Use Tax Act, as shown by an original monthly return,  
19 the Department shall issue to the taxpayer a credit memorandum  
20 no later than 30 days after the date of payment, which  
21 memorandum may be submitted by the taxpayer to the Department  
22 in payment of tax liability subsequently to be remitted by the  
23 taxpayer to the Department or be assigned by the taxpayer to a  
24 similar taxpayer under this Act, the Retailers' Occupation Tax  
25 Act, the Service Occupation Tax Act or the Service Use Tax Act,  
26 in accordance with reasonable rules and regulations to be

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

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

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

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

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

17           In addition, with respect to motor vehicles, watercraft,  
18 aircraft, and trailers that are required to be registered with  
19 an agency of this State, except as otherwise provided in this  
20 Section, every retailer selling this kind of tangible personal  
21 property shall file, with the Department, upon a form to be  
22 prescribed and supplied by the Department, a separate return  
23 for each such item of tangible personal property which the  
24 retailer sells, except that if, in the same transaction, (i) a  
25 retailer of aircraft, watercraft, motor vehicles or trailers  
26 transfers more than one aircraft, watercraft, motor vehicle or

1 trailer to another aircraft, watercraft, motor vehicle or  
2 trailer retailer for the purpose of resale or (ii) a retailer  
3 of aircraft, watercraft, motor vehicles, or trailers transfers  
4 more than one aircraft, watercraft, motor vehicle, or trailer  
5 to a purchaser for use as a qualifying rolling stock as  
6 provided in Section 3-55 of this Act, then that seller may  
7 report the transfer of all the aircraft, watercraft, motor  
8 vehicles or trailers involved in that transaction to the  
9 Department on the same uniform invoice-transaction reporting  
10 return form. For purposes of this Section, "watercraft" means a  
11 Class 2, Class 3, or Class 4 watercraft as defined in Section  
12 3-2 of the Boat Registration and Safety Act, a personal  
13 watercraft, or any boat equipped with an inboard motor.

14 In addition, with respect to motor vehicles, watercraft,  
15 aircraft, and trailers that are required to be registered with  
16 an agency of this State, every person who is engaged in the  
17 business of leasing or renting such items and who, in  
18 connection with such business, sells any such item to a  
19 retailer for the purpose of resale is, notwithstanding any  
20 other provision of this Section to the contrary, authorized to  
21 meet the return-filing requirement of this Act by reporting the  
22 transfer of all the aircraft, watercraft, motor vehicles, or  
23 trailers transferred for resale during a month to the  
24 Department on the same uniform invoice-transaction reporting  
25 return form on or before the 20th of the month following the  
26 month in which the transfer takes place. Notwithstanding any

1 other provision of this Act to the contrary, all returns filed  
2 under this paragraph must be filed by electronic means in the  
3 manner and form as required by the Department.

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

25       The transaction reporting return in the case of watercraft  
26 and aircraft must show the name and address of the seller; the

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

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



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

14           No retailer's failure or refusal to remit tax under this  
15 Act precludes a user, who has paid the proper tax to the  
16 retailer, from obtaining his certificate of title or other  
17 evidence of title or registration (if titling or registration  
18 is required) upon satisfying the Department that such user has  
19 paid the proper tax (if tax is due) to the retailer. The  
20 Department shall adopt appropriate rules to carry out the  
21 mandate of this paragraph.

22           If the user who would otherwise pay tax to the retailer  
23 wants the transaction reporting return filed and the payment of  
24 tax or proof of exemption made to the Department before the  
25 retailer is willing to take these actions and such user has not  
26 paid the tax to the retailer, such user may certify to the fact

1 of such delay by the retailer, and may (upon the Department  
2 being satisfied of the truth of such certification) transmit  
3 the information required by the transaction reporting return  
4 and the remittance for tax or proof of exemption directly to  
5 the Department and obtain his tax receipt or exemption  
6 determination, in which event the transaction reporting return  
7 and tax remittance (if a tax payment was required) shall be  
8 credited by the Department to the proper retailer's account  
9 with the Department, but without the 2.1% or 1.75% discount  
10 provided for in this Section being allowed. When the user pays  
11 the tax directly to the Department, he shall pay the tax in the  
12 same amount and in the same form in which it would be remitted  
13 if the tax 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 and  
16 the purchaser thereafter returns such tangible personal  
17 property and the retailer refunds the selling price thereof to  
18 the purchaser, such retailer shall also refund, to the  
19 purchaser, the tax so collected from the purchaser. When filing  
20 his return for the period in which he refunds such tax to the  
21 purchaser, the retailer may deduct the amount of the tax so  
22 refunded by him to the purchaser from any other use tax which  
23 such retailer may be required to pay or remit to the  
24 Department, as shown by such return, if the amount of the tax  
25 to be deducted was previously remitted to the Department by  
26 such retailer. If the retailer has not previously remitted the

1 amount of such tax to the Department, he is entitled to no  
2 deduction under this Act upon refunding such tax to the  
3 purchaser.

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

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

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

23 Beginning January 1, 1990, each month the Department shall  
24 pay into the State and Local Sales Tax Reform Fund, a special  
25 fund in the State Treasury which is hereby created, the net  
26 revenue realized for the preceding month from the 1% tax

1 ~~imposed under this Act on sales of food for human consumption~~  
2 ~~which is to be consumed off the premises where it is sold~~  
3 ~~(other than alcoholic beverages, soft drinks and food which has~~  
4 ~~been prepared for immediate consumption) and prescription and~~  
5 ~~nonprescription medicines, drugs, medical appliances, products~~  
6 ~~classified as Class III medical devices by the United States~~  
7 ~~Food and Drug Administration that are used for cancer treatment~~  
8 ~~pursuant to a prescription, as well as any accessories and~~  
9 ~~components related to those devices, and insulin, urine testing~~  
10 ~~materials, syringes and needles used by diabetics.~~

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

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

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

1 pay into the State and Local Sales Tax Reform Fund 100% of the  
2 net revenue realized for the preceding month from the 1.25%  
3 rate on the selling price of motor fuel and gasohol. Beginning  
4 September 1, 2010, each month the Department shall pay into the  
5 State and Local Sales Tax Reform Fund 100% of the net revenue  
6 realized for the preceding month from the 1.25% rate on the  
7 selling price of sales tax holiday items.

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

15 Beginning October 1, 2009, each month the Department shall  
16 pay into the Capital Projects Fund an amount that is equal to  
17 an amount estimated by the Department to represent 80% of the  
18 net revenue realized for the preceding month from the sale of  
19 candy, grooming and hygiene products, and soft drinks that had  
20 been taxed at a rate of 1% prior to September 1, 2009 but that  
21 are now taxed at 6.25%.

22 Beginning July 1, 2011, each month the Department shall pay  
23 into the Clean Air Act Permit Fund 80% of the net revenue  
24 realized for the preceding month from the 6.25% general rate on  
25 the selling price of sorbents used in Illinois in the process  
26 of sorbent injection as used to comply with the Environmental

1 Protection Act or the federal Clean Air Act, but the total  
2 payment into the Clean Air Act Permit Fund under this Act and  
3 the Retailers' Occupation Tax Act shall not exceed \$2,000,000  
4 in any fiscal year.

5 Beginning July 1, 2013, each month the Department shall pay  
6 into the Underground Storage Tank Fund from the proceeds  
7 collected under this Act, the Service Use Tax Act, the Service  
8 Occupation Tax Act, and the Retailers' Occupation Tax Act an  
9 amount equal to the average monthly deficit in the Underground  
10 Storage Tank Fund during the prior year, as certified annually  
11 by the Illinois Environmental Protection Agency, but the total  
12 payment into the Underground Storage Tank Fund under this Act,  
13 the Service Use Tax Act, the Service Occupation Tax Act, and  
14 the Retailers' Occupation Tax Act shall not exceed \$18,000,000  
15 in any State fiscal year. As used in this paragraph, the  
16 "average monthly deficit" shall be equal to the difference  
17 between the average monthly claims for payment by the fund and  
18 the average monthly revenues deposited into the fund, excluding  
19 payments made pursuant to this paragraph.

20 Beginning July 1, 2015, of the remainder of the moneys  
21 received by the Department under this Act, the Service Use Tax  
22 Act, the Service Occupation Tax Act, and the Retailers'  
23 Occupation Tax Act, each month the Department shall deposit  
24 \$500,000 into the State Crime Laboratory Fund.

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

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

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



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

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

24	Fiscal Year	Total Deposit
25	1993	\$0
26	1994	53,000,000

1	1995	58,000,000
2	1996	61,000,000
3	1997	64,000,000
4	1998	68,000,000
5	1999	71,000,000
6	2000	75,000,000
7	2001	80,000,000
8	2002	93,000,000
9	2003	99,000,000
10	2004	103,000,000
11	2005	108,000,000
12	2006	113,000,000
13	2007	119,000,000
14	2008	126,000,000
15	2009	132,000,000
16	2010	139,000,000
17	2011	146,000,000
18	2012	153,000,000
19	2013	161,000,000
20	2014	170,000,000
21	2015	179,000,000
22	2016	189,000,000
23	2017	199,000,000
24	2018	210,000,000
25	2019	221,000,000
26	2020	233,000,000

1	2021	246,000,000
2	2022	260,000,000
3	2023	275,000,000
4	2024	275,000,000
5	2025	275,000,000
6	2026	279,000,000
7	2027	292,000,000
8	2028	307,000,000
9	2029	322,000,000
10	2030	338,000,000
11	2031	350,000,000
12	2032	350,000,000

13                   and  
14                   each fiscal year  
15                   thereafter that bonds  
16                   are outstanding under  
17                   Section 13.2 of the  
18                   Metropolitan Pier and  
19                   Exposition Authority Act,  
20                   but not after fiscal year 2060.

21                   Beginning July 20, 1993 and in each month of each fiscal  
22                   year thereafter, one-eighth of the amount requested in the  
23                   certificate of the Chairman of the Metropolitan Pier and  
24                   Exposition Authority for that fiscal year, less the amount  
25                   deposited into the McCormick Place Expansion Project Fund by  
26                   the State Treasurer in the respective month under subsection

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

8 Subject to payment of amounts into the Build Illinois Fund  
9 and the McCormick Place Expansion Project Fund pursuant to the  
10 preceding paragraphs or in any amendments thereto hereafter  
11 enacted, beginning July 1, 1993 and ending on September 30,  
12 2013, the Department shall each month pay into the Illinois Tax  
13 Increment Fund 0.27% of 80% of the net revenue realized for the  
14 preceding month from the 6.25% general rate on the selling  
15 price of tangible personal property.

16 Subject to payment of amounts into the Build Illinois Fund  
17 and the McCormick Place Expansion Project Fund pursuant to the  
18 preceding paragraphs or in any amendments thereto hereafter  
19 enacted, beginning with the receipt of the first report of  
20 taxes paid by an eligible business and continuing for a 25-year  
21 period, the Department shall each month pay into the Energy  
22 Infrastructure Fund 80% of the net revenue realized from the  
23 6.25% general rate on the selling price of Illinois-mined coal  
24 that was sold to an eligible business. For purposes of this  
25 paragraph, the term "eligible business" means a new electric  
26 generating facility certified pursuant to Section 605-332 of

1 the Department of Commerce and Economic Opportunity Law of the  
2 Civil Administrative Code of Illinois.

3 Subject to payment of amounts into the Build Illinois Fund,  
4 the McCormick Place Expansion Project Fund, the Illinois Tax  
5 Increment Fund, and the Energy Infrastructure Fund pursuant to  
6 the preceding paragraphs or in any amendments to this Section  
7 hereafter enacted, beginning on the first day of the first  
8 calendar month to occur on or after August 26, 2014 (the  
9 effective date of Public Act 98-1098), each month, from the  
10 collections made under Section 9 of the Use Tax Act, Section 9  
11 of the Service Use Tax Act, Section 9 of the Service Occupation  
12 Tax Act, and Section 3 of the Retailers' Occupation Tax Act,  
13 the Department shall pay into the Tax Compliance and  
14 Administration Fund, to be used, subject to appropriation, to  
15 fund additional auditors and compliance personnel at the  
16 Department of Revenue, an amount equal to 1/12 of 5% of 80% of  
17 the cash receipts collected during the preceding fiscal year by  
18 the Audit Bureau of the Department under the Use Tax Act, the  
19 Service Use Tax Act, the Service Occupation Tax Act, the  
20 Retailers' Occupation Tax Act, and associated local occupation  
21 and use taxes administered by the Department.

22 Of the remainder of the moneys received by the Department  
23 pursuant to this Act, 75% thereof shall be paid into the State  
24 Treasury and 25% shall be reserved in a special account and  
25 used only for the transfer to the Common School Fund as part of  
26 the monthly transfer from the General Revenue Fund in

1 accordance with Section 8a of the State Finance Act.

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

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

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

20 (Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16;  
21 99-933, eff. 1-27-17; 100-303, eff. 8-24-17.)

22 (Text of Section after amendment by P.A. 100-363)

23 Sec. 9. Except as to motor vehicles, watercraft, aircraft,  
24 and trailers that are required to be registered with an agency  
25 of this State, each retailer required or authorized to collect

1 the tax imposed by this Act shall pay to the Department the  
2 amount of such tax (except as otherwise provided) at the time  
3 when he is required to file his return for the period during  
4 which such tax was collected, less a discount of 2.1% prior to  
5 January 1, 1990, and 1.75% on and after January 1, 1990, or \$5  
6 per calendar year, whichever is greater, which is allowed to  
7 reimburse the retailer for expenses incurred in collecting the  
8 tax, keeping records, preparing and filing returns, remitting  
9 the tax and supplying data to the Department on request. In the  
10 case of retailers who report and pay the tax on a transaction  
11 by transaction basis, as provided in this Section, such  
12 discount shall be taken with each such tax remittance instead  
13 of when such retailer files his periodic return. The discount  
14 allowed under this Section is allowed only for returns that are  
15 filed in the manner required by this Act. The Department may  
16 disallow the discount for retailers whose certificate of  
17 registration is revoked at the time the return is filed, but  
18 only if the Department's decision to revoke the certificate of  
19 registration has become final. A retailer need not remit that  
20 part of any tax collected by him to the extent that he is  
21 required to remit and does remit the tax imposed by the  
22 Retailers' Occupation Tax Act, with respect to the sale of the  
23 same property.

24 Where such tangible personal property is sold under a  
25 conditional sales contract, or under any other form of sale  
26 wherein the payment of the principal sum, or a part thereof, is

1 extended beyond the close of the period for which the return is  
2 filed, the retailer, in collecting the tax (except as to motor  
3 vehicles, watercraft, aircraft, and trailers that are required  
4 to be registered with an agency of this State), may collect for  
5 each tax return period, only the tax applicable to that part of  
6 the selling price actually received during such tax return  
7 period.

8 Except as provided in this Section, on or before the  
9 twentieth day of each calendar month, such retailer shall file  
10 a return for the preceding calendar month. Such return shall be  
11 filed on forms prescribed by the Department and shall furnish  
12 such information as the Department may reasonably require. On  
13 and after January 1, 2018, except for returns for motor  
14 vehicles, watercraft, aircraft, and trailers that are required  
15 to be registered with an agency of this State, with respect to  
16 retailers whose annual gross receipts average \$20,000 or more,  
17 all returns required to be filed pursuant to this Act shall be  
18 filed electronically. Retailers who demonstrate that they do  
19 not have access to the Internet or demonstrate hardship in  
20 filing electronically may petition the Department to waive the  
21 electronic filing requirement.

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



1 of the first two months of each calendar quarter, on or before  
2 the twentieth day of the following calendar month, stating:

3 1. The name of the seller;

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

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

12 4. The amount of credit provided in Section 2d of this  
13 Act;

14 5. The amount of tax due;

15 5-5. The signature of the taxpayer; and

16 6. Such other reasonable information as the Department  
17 may require.

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

22 Beginning October 1, 1993, a taxpayer who has an average  
23 monthly tax liability of \$150,000 or more shall make all  
24 payments required by rules of the Department by electronic  
25 funds transfer. Beginning October 1, 1994, a taxpayer who has  
26 an average monthly tax liability of \$100,000 or more shall make

1 all payments required by rules of the Department by electronic  
2 funds transfer. Beginning October 1, 1995, a taxpayer who has  
3 an average monthly tax liability of \$50,000 or more shall make  
4 all payments required by rules of the Department by electronic  
5 funds transfer. Beginning October 1, 2000, a taxpayer who has  
6 an annual tax liability of \$200,000 or more shall make all  
7 payments required by rules of the Department by electronic  
8 funds transfer. The term "annual tax liability" shall be the  
9 sum of the taxpayer's liabilities under this Act, and under all  
10 other State and local occupation and use tax laws administered  
11 by the Department, for the immediately preceding calendar year.  
12 The term "average monthly tax liability" means the sum of the  
13 taxpayer's liabilities under this Act, and under all other  
14 State and local occupation and use tax laws administered by the  
15 Department, for the immediately preceding calendar year  
16 divided by 12. Beginning on October 1, 2002, a taxpayer who has  
17 a tax liability in the amount set forth in subsection (b) of  
18 Section 2505-210 of the Department of Revenue Law shall make  
19 all payments required by rules of the Department by electronic  
20 funds transfer.

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

26 Any taxpayer not required to make payments by electronic

1 funds transfer may make payments by electronic funds transfer  
2 with the permission of the Department.

3 All taxpayers required to make payment by electronic funds  
4 transfer and any taxpayers authorized to voluntarily make  
5 payments by electronic funds transfer shall make those payments  
6 in the manner authorized by the Department.

7 The Department shall adopt such rules as are necessary to  
8 effectuate a program of electronic funds transfer and the  
9 requirements of this Section.

10 Before October 1, 2000, if the taxpayer's average monthly  
11 tax liability to the Department under this Act, the Retailers'  
12 Occupation Tax Act, the Service Occupation Tax Act, the Service  
13 Use Tax Act was \$10,000 or more during the preceding 4 complete  
14 calendar quarters, he shall file a return with the Department  
15 each month by the 20th day of the month next following the  
16 month during which such tax liability is incurred and shall  
17 make payments to the Department on or before the 7th, 15th,  
18 22nd and last day of the month during which such liability is  
19 incurred. On and after October 1, 2000, if the taxpayer's  
20 average monthly tax liability to the Department under this Act,  
21 the Retailers' Occupation Tax Act, the Service Occupation Tax  
22 Act, and the Service Use Tax Act was \$20,000 or more during the  
23 preceding 4 complete calendar quarters, he shall file a return  
24 with the Department each month by the 20th day of the month  
25 next following the month during which such tax liability is  
26 incurred and shall make payment to the Department on or before

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

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

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

26 If any such payment provided for in this Section exceeds

1 the taxpayer's liabilities under this Act, the Retailers'  
2 Occupation Tax Act, the Service Occupation Tax Act and the  
3 Service Use Tax Act, as shown by an original monthly return,  
4 the Department shall issue to the taxpayer a credit memorandum  
5 no later than 30 days after the date of payment, which  
6 memorandum may be submitted by the taxpayer to the Department  
7 in payment of tax liability subsequently to be remitted by the  
8 taxpayer to the Department or be assigned by the taxpayer to a  
9 similar taxpayer under this Act, the Retailers' Occupation Tax  
10 Act, the Service Occupation Tax Act or the Service Use Tax Act,  
11 in accordance with reasonable rules and regulations to be  
12 prescribed by the Department, except that if such excess  
13 payment is shown on an original monthly return and is made  
14 after December 31, 1986, no credit memorandum shall be issued,  
15 unless requested by the taxpayer. If no such request is made,  
16 the taxpayer may credit such excess payment against tax  
17 liability subsequently to be remitted by the taxpayer to the  
18 Department under this Act, the Retailers' Occupation Tax Act,  
19 the Service Occupation Tax Act or the Service Use Tax Act, in  
20 accordance with reasonable rules and regulations prescribed by  
21 the Department. If the Department subsequently determines that  
22 all or any part of the credit taken was not actually due to the  
23 taxpayer, the taxpayer's 2.1% or 1.75% vendor's discount shall  
24 be reduced by 2.1% or 1.75% of the difference between the  
25 credit taken and that actually due, and the taxpayer shall be  
26 liable for penalties and interest on such difference.

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

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

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

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



1 business.

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

25 In addition, with respect to motor vehicles, watercraft,  
26 aircraft, and trailers that are required to be registered with

1 an agency of this State, every person who is engaged in the  
2 business of leasing or renting such items and who, in  
3 connection with such business, sells any such item to a  
4 retailer for the purpose of resale is, notwithstanding any  
5 other provision of this Section to the contrary, authorized to  
6 meet the return-filing requirement of this Act by reporting the  
7 transfer of all the aircraft, watercraft, motor vehicles, or  
8 trailers transferred for resale during a month to the  
9 Department on the same uniform invoice-transaction reporting  
10 return form on or before the 20th of the month following the  
11 month in which the transfer takes place. Notwithstanding any  
12 other provision of this Act to the contrary, all returns filed  
13 under this paragraph must be filed by electronic means in the  
14 manner and form as required by the Department.

15       The transaction reporting return in the case of motor  
16 vehicles or trailers that are required to be registered with an  
17 agency of this State, shall be the same document as the Uniform  
18 Invoice referred to in Section 5-402 of the Illinois Vehicle  
19 Code and must show the name and address of the seller; the name  
20 and address of the purchaser; the amount of the selling price  
21 including the amount allowed by the retailer for traded-in  
22 property, if any; the amount allowed by the retailer for the  
23 traded-in tangible personal property, if any, to the extent to  
24 which Section 2 of this Act allows an exemption for the value  
25 of traded-in property; the balance payable after deducting such  
26 trade-in allowance from the total selling price; the amount of

1 tax due from the retailer with respect to such transaction; the  
2 amount of tax collected from the purchaser by the retailer on  
3 such transaction (or satisfactory evidence that such tax is not  
4 due in that particular instance, if that is claimed to be the  
5 fact); the place and date of the sale; a sufficient  
6 identification of the property sold; such other information as  
7 is required in Section 5-402 of the Illinois Vehicle Code, and  
8 such other information as the Department may reasonably  
9 require.

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

26 Such transaction reporting return shall be filed not later

1 than 20 days after the date of delivery of the item that is  
2 being sold, but may be filed by the retailer at any time sooner  
3 than that if he chooses to do so. The transaction reporting  
4 return and tax remittance or proof of exemption from the tax  
5 that is imposed by this Act may be transmitted to the  
6 Department by way of the State agency with which, or State  
7 officer with whom, the tangible personal property must be  
8 titled or registered (if titling or registration is required)  
9 if the Department and such agency or State officer determine  
10 that this procedure will expedite the processing of  
11 applications for title or registration.

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

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

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

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

25 Where a retailer collects the tax with respect to the  
26 selling price of tangible personal property which he sells and

1 the purchaser thereafter returns such tangible personal  
2 property and the retailer refunds the selling price thereof to  
3 the purchaser, such retailer shall also refund, to the  
4 purchaser, the tax so collected from the purchaser. When filing  
5 his return for the period in which he refunds such tax to the  
6 purchaser, the retailer may deduct the amount of the tax so  
7 refunded by him to the purchaser from any other use tax which  
8 such retailer may be required to pay or remit to the  
9 Department, as shown by such return, if the amount of the tax  
10 to be deducted was previously remitted to the Department by  
11 such retailer. If the retailer has not previously remitted the  
12 amount of such tax to the Department, he is entitled to no  
13 deduction under this Act upon refunding such tax to the  
14 purchaser.

15 Any retailer filing a return under this Section shall also  
16 include (for the purpose of paying tax thereon) the total tax  
17 covered by such return upon the selling price of tangible  
18 personal property purchased by him at retail from a retailer,  
19 but as to which the tax imposed by this Act was not collected  
20 from the retailer filing such return, and such retailer shall  
21 remit the amount of such tax to the Department when filing such  
22 return.

23 If experience indicates such action to be practicable, the  
24 Department may prescribe and furnish a combination or joint  
25 return which will enable retailers, who are required to file  
26 returns hereunder and also under the Retailers' Occupation Tax

1 Act, to furnish all the return information required by both  
2 Acts on the one form.

3 Where the retailer has more than one business registered  
4 with the Department under separate registration under this Act,  
5 such retailer may not file each return that is due as a single  
6 return covering all such registered businesses, but shall file  
7 separate returns for each such registered business.

8 Beginning January 1, 1990, each month the Department shall  
9 pay into the State and Local Sales Tax Reform Fund, a special  
10 fund in the State Treasury which is hereby created, the net  
11 revenue realized for the preceding month from the 1% tax  
12 imposed under this Act ~~on sales of food for human consumption~~  
13 ~~which is to be consumed off the premises where it is sold~~  
14 ~~(other than alcoholic beverages, soft drinks and food which has~~  
15 ~~been prepared for immediate consumption) and prescription and~~  
16 ~~nonprescription medicines, drugs, medical appliances, products~~  
17 ~~classified as Class III medical devices by the United States~~  
18 ~~Food and Drug Administration that are used for cancer treatment~~  
19 ~~pursuant to a prescription, as well as any accessories and~~  
20 ~~components related to those devices, and insulin, urine testing~~  
21 ~~materials, syringes and needles used by diabetics.~~

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

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

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

11 Beginning August 1, 2000, each month the Department shall  
12 pay into the State and Local Sales Tax Reform Fund 100% of the  
13 net revenue realized for the preceding month from the 1.25%  
14 rate on the selling price of motor fuel and gasohol. Beginning  
15 September 1, 2010, each month the Department shall pay into the  
16 State and Local Sales Tax Reform Fund 100% of the net revenue  
17 realized for the preceding month from the 1.25% rate on the  
18 selling price of sales tax holiday items.

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

26 Beginning October 1, 2009, each month the Department shall



1 pay into the Capital Projects Fund an amount that is equal to  
2 an amount estimated by the Department to represent 80% of the  
3 net revenue realized for the preceding month from the sale of  
4 candy, grooming and hygiene products, and soft drinks that had  
5 been taxed at a rate of 1% prior to September 1, 2009 but that  
6 are now taxed at 6.25%.

7 Beginning July 1, 2011, each month the Department shall pay  
8 into the Clean Air Act Permit Fund 80% of the net revenue  
9 realized for the preceding month from the 6.25% general rate on  
10 the selling price of sorbents used in Illinois in the process  
11 of sorbent injection as used to comply with the Environmental  
12 Protection Act or the federal Clean Air Act, but the total  
13 payment into the Clean Air Act Permit Fund under this Act and  
14 the Retailers' Occupation Tax Act shall not exceed \$2,000,000  
15 in any fiscal year.

16 Beginning July 1, 2013, each month the Department shall pay  
17 into the Underground Storage Tank Fund from the proceeds  
18 collected under this Act, the Service Use Tax Act, the Service  
19 Occupation Tax Act, and the Retailers' Occupation Tax Act an  
20 amount equal to the average monthly deficit in the Underground  
21 Storage Tank Fund during the prior year, as certified annually  
22 by the Illinois Environmental Protection Agency, but the total  
23 payment into the Underground Storage Tank Fund under this Act,  
24 the Service Use Tax Act, the Service Occupation Tax Act, and  
25 the Retailers' Occupation Tax Act shall not exceed \$18,000,000  
26 in any State fiscal year. As used in this paragraph, the

1 "average monthly deficit" shall be equal to the difference  
2 between the average monthly claims for payment by the fund and  
3 the average monthly revenues deposited into the fund, excluding  
4 payments made pursuant to this paragraph.

5 Beginning July 1, 2015, of the remainder of the moneys  
6 received by the Department under this Act, the Service Use Tax  
7 Act, the Service Occupation Tax Act, and the Retailers'  
8 Occupation Tax Act, each month the Department shall deposit  
9 \$500,000 into the State Crime Laboratory Fund.

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

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

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

23 Subject to payment of amounts into the Build Illinois Fund  
24 as provided in the preceding paragraph or in any amendment  
25 thereto hereafter enacted, the following specified monthly  
26 installment of the amount requested in the certificate of the

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

9	Fiscal Year	Total Deposit
10	1993	\$0
11	1994	53,000,000
12	1995	58,000,000
13	1996	61,000,000
14	1997	64,000,000
15	1998	68,000,000
16	1999	71,000,000
17	2000	75,000,000
18	2001	80,000,000
19	2002	93,000,000
20	2003	99,000,000
21	2004	103,000,000
22	2005	108,000,000
23	2006	113,000,000
24	2007	119,000,000
25	2008	126,000,000
26	2009	132,000,000

1	2010	139,000,000
2	2011	146,000,000
3	2012	153,000,000
4	2013	161,000,000
5	2014	170,000,000
6	2015	179,000,000
7	2016	189,000,000
8	2017	199,000,000
9	2018	210,000,000
10	2019	221,000,000
11	2020	233,000,000
12	2021	246,000,000
13	2022	260,000,000
14	2023	275,000,000
15	2024	275,000,000
16	2025	275,000,000
17	2026	279,000,000
18	2027	292,000,000
19	2028	307,000,000
20	2029	322,000,000
21	2030	338,000,000
22	2031	350,000,000
23	2032	350,000,000
24	and	
25	each fiscal year	
26	thereafter that bonds	

1           are outstanding under  
2           Section 13.2 of the  
3           Metropolitan Pier and  
4           Exposition Authority Act,  
5       but not after fiscal year 2060.

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

19           Subject to payment of amounts into the Build Illinois Fund  
20      and the McCormick Place Expansion Project Fund pursuant to the  
21      preceding paragraphs or in any amendments thereto hereafter  
22      enacted, beginning July 1, 1993 and ending on September 30,  
23      2013, the Department shall each month pay into the Illinois Tax  
24      Increment Fund 0.27% of 80% of the net revenue realized for the  
25      preceding month from the 6.25% general rate on the selling  
26      price of tangible personal property.

1           Subject to payment of amounts into the Build Illinois Fund  
2 and the McCormick Place Expansion Project Fund pursuant to the  
3 preceding paragraphs or in any amendments thereto hereafter  
4 enacted, beginning with the receipt of the first report of  
5 taxes paid by an eligible business and continuing for a 25-year  
6 period, the Department shall each month pay into the Energy  
7 Infrastructure Fund 80% of the net revenue realized from the  
8 6.25% general rate on the selling price of Illinois-mined coal  
9 that was sold to an eligible business. For purposes of this  
10 paragraph, the term "eligible business" means a new electric  
11 generating facility certified pursuant to Section 605-332 of  
12 the Department of Commerce and Economic Opportunity Law of the  
13 Civil Administrative Code of Illinois.

14           Subject to payment of amounts into the Build Illinois Fund,  
15 the McCormick Place Expansion Project Fund, the Illinois Tax  
16 Increment Fund, and the Energy Infrastructure Fund pursuant to  
17 the preceding paragraphs or in any amendments to this Section  
18 hereafter enacted, beginning on the first day of the first  
19 calendar month to occur on or after August 26, 2014 (the  
20 effective date of Public Act 98-1098), each month, from the  
21 collections made under Section 9 of the Use Tax Act, Section 9  
22 of the Service Use Tax Act, Section 9 of the Service Occupation  
23 Tax Act, and Section 3 of the Retailers' Occupation Tax Act,  
24 the Department shall pay into the Tax Compliance and  
25 Administration Fund, to be used, subject to appropriation, to  
26 fund additional auditors and compliance personnel at the



1 Department of Revenue, an amount equal to 1/12 of 5% of 80% of  
2 the cash receipts collected during the preceding fiscal year by  
3 the Audit Bureau of the Department under the Use Tax Act, the  
4 Service Use Tax Act, the Service Occupation Tax Act, the  
5 Retailers' Occupation Tax Act, and associated local occupation  
6 and use taxes administered by the Department.

7 Subject to payments of amounts into the Build Illinois  
8 Fund, the McCormick Place Expansion Project Fund, the Illinois  
9 Tax Increment Fund, the Energy Infrastructure Fund, and the Tax  
10 Compliance and Administration Fund as provided in this Section,  
11 beginning on July 1, 2018 the Department shall pay each month  
12 into the Downstate Public Transportation Fund the moneys  
13 required to be so paid under Section 2-3 of the Downstate  
14 Public Transportation Act.

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

21 As soon as possible after the first day of each month, upon  
22 certification of the Department of Revenue, the Comptroller  
23 shall order transferred and the Treasurer shall transfer from  
24 the General Revenue Fund to the Motor Fuel Tax Fund an amount  
25 equal to 1.7% of 80% of the net revenue realized under this Act  
26 for the second preceding month. Beginning April 1, 2000, this

1 transfer is no longer required 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, manufacturers,  
7 importers and wholesalers whose products are sold at retail in  
8 Illinois by numerous retailers, and who wish to do so, may  
9 assume the responsibility for accounting and paying to the  
10 Department all tax accruing under this Act with respect to such  
11 sales, if the retailers who are affected do not make written  
12 objection to the Department to this arrangement.

13 (Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16;  
14 99-933, eff. 1-27-17; 100-303, eff. 8-24-17; 100-363, eff.  
15 7-1-18; revised 10-20-17.)

16 (35 ILCS 105/10) (from Ch. 120, par. 439.10)

17 Sec. 10. Except as to motor vehicles, aircraft, watercraft,  
18 and trailers, and except as to cigarettes as defined in the  
19 Cigarette Use Tax Act, when tangible personal property is  
20 purchased from a retailer for use in this State by a purchaser  
21 who did not pay the tax imposed by this Act to the retailer,  
22 and a purchaser who does not file returns with the Department  
23 as a retailer under Section 9 of this Act, such purchaser (by  
24 the last day of the month following the calendar month in which  
25 such purchaser makes any payment upon the selling price of such

1 property) shall, except as otherwise provided in this Section,  
2 file a return with the Department and pay the tax upon that  
3 portion of the selling price so paid by the purchaser during  
4 the preceding calendar month. When tangible personal property,  
5 other than motor vehicles and trailers, is purchased by a  
6 lessor, under a lease for one year or longer, executed or in  
7 effect at the time of purchase to an interstate carrier for  
8 hire, who did not pay the tax imposed by this Act to the  
9 retailer, such lessor (by the last day of the month following  
10 the calendar month in which such property reverts to the use of  
11 such lessor) shall file a return with the Department and pay  
12 the tax upon the fair market value of such property on the date  
13 of such reversion. However, in determining the fair market  
14 value at the time of reversion, the fair market value of such  
15 property shall not exceed the original purchase price of the  
16 property that was paid by the lessor at the time of purchase.  
17 Such return shall be filed on a form prescribed by the  
18 Department and shall contain such information as the Department  
19 may reasonably require. Such return and payment from the  
20 purchaser shall be submitted to the Department sooner than the  
21 last day of the month after the month in which the purchase is  
22 made to the extent that that may be necessary in order to  
23 secure the title to a motor vehicle or the certificate of  
24 registration for an aircraft. Except as to motor vehicles,  
25 aircraft, watercraft, and trailers, and except as to cigarettes  
26 as defined in the Cigarette Use Tax Act, when tangible personal

1 property is purchased out-of-state from a retailer by a  
2 purchaser who did not pay the tax imposed by this Act to the  
3 retailer, and a purchaser who does not file returns with the  
4 Department as a retailer under Section 9 of this Act, the  
5 liability for the tax imposed by the Act arises on the date  
6 such tangible personal property is brought into this State. The  
7 purchaser shall, within 30 days after such tangible personal  
8 property is brought into this State, file with the Department,  
9 upon a form to be prescribed and supplied by the Department, a  
10 return for the tangible personal property purchased. However,  
11 except as to motor vehicles and aircraft, and except as to  
12 cigarettes as defined in the Cigarette Use Tax Act, if the  
13 purchaser's annual use tax liability does not exceed \$600, the  
14 purchaser may file the return on an annual basis on or before  
15 April 15th of the year following the year use tax liability was  
16 incurred. Individual purchasers with an annual use tax  
17 liability that does not exceed \$600 may, in lieu of the filing  
18 and payment requirements in this Section, file and pay in  
19 compliance with Section 502.1 of the Illinois Income Tax Act.

20 If cigarettes, as defined in the Cigarette Use Tax Act, are  
21 purchased from a retailer for use in this State by a purchaser  
22 who did not pay the tax imposed by this Act to the retailer,  
23 and a purchaser who does not file returns with the Department  
24 as a retailer under Section 9 of this Act, such purchaser must,  
25 within 30 days after acquiring the cigarettes, file a return  
26 with the Department and pay the tax upon that portion of the

1 selling price so paid by the purchaser for the cigarettes. When  
2 cigarettes, as defined in the Cigarette Use Tax Act, are  
3 purchased out-of-state from a retailer for use in this State by  
4 a purchaser who did not pay the tax imposed by this Act to the  
5 retailer, and a purchaser who does not file returns with the  
6 Department as a retailer under Section 9 of this Act, the  
7 liability for the tax imposed by the Act arises on the date  
8 such cigarettes are brought into this State. The purchaser  
9 shall, within 30 days after such cigarettes are brought into  
10 this State, file with the Department, upon a form to be  
11 prescribed and supplied by the Department, a return for the  
12 cigarettes purchased.

13 In addition with respect to motor vehicles, aircraft,  
14 watercraft, and trailers, a purchaser of such tangible personal  
15 property for use in this State, who purchases such tangible  
16 personal property from an out-of-state retailer, shall file  
17 with the Department, upon a form to be prescribed and supplied  
18 by the Department, a return for each such item of tangible  
19 personal property purchased, except that if, in the same  
20 transaction, (i) a purchaser of motor vehicles, aircraft,  
21 watercraft, or trailers who is a retailer of motor vehicles,  
22 aircraft, watercraft, or trailers purchases more than one motor  
23 vehicle, aircraft, watercraft, or trailer for the purpose of  
24 resale or (ii) a purchaser of motor vehicles, aircraft,  
25 watercraft, or trailers purchases more than one motor vehicle,  
26 aircraft, watercraft, or trailer for use as qualifying rolling

1 stock as provided in Section 3-55 of this Act, then the  
2 purchaser may report the purchase of all motor vehicles,  
3 aircraft, watercraft, or trailers involved in that transaction  
4 to the Department on a single return prescribed by the  
5 Department. Such return in the case of motor vehicles and  
6 aircraft must show the name and address of the seller, the  
7 name, address of purchaser, the amount of the selling price  
8 including the amount allowed by the retailer for traded in  
9 property, if any; the amount allowed by the retailer for the  
10 traded-in tangible personal property, if any, to the extent to  
11 which Section 2 of this Act allows an exemption for the value  
12 of traded-in property; the balance payable after deducting such  
13 trade-in allowance from the total selling price; the amount of  
14 tax due from the purchaser with respect to such transaction;  
15 the amount of tax collected from the purchaser by the retailer  
16 on such transaction (or satisfactory evidence that such tax is  
17 not due in that particular instance if that is claimed to be  
18 the fact); the place and date of the sale, a sufficient  
19 identification of the property sold, and such other information  
20 as the Department may reasonably require.

21 Such return shall be filed not later than 30 days after  
22 such motor vehicle or aircraft is brought into this State for  
23 use.

24 For purposes of this Section, "watercraft" means a Class 2,  
25 Class 3, or Class 4 watercraft as defined in Section 3-2 of the  
26 Boat Registration and Safety Act, a personal watercraft, or any

1 boat equipped with an inboard motor.

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

22 When a purchaser pays a tax imposed by this Act directly to  
23 the Department, the Department (upon request therefor from such  
24 purchaser) shall issue an appropriate receipt to such purchaser  
25 showing that he has paid such tax to the Department. Such  
26 receipt shall be sufficient to relieve the purchaser from

1 further liability for the tax to which such receipt may refer.

2 A user who is liable to pay use tax directly to the  
3 Department only occasionally and not on a frequently recurring  
4 basis, and who is not required to file returns with the  
5 Department as a retailer under Section 9 of this Act, or under  
6 the "Retailers' Occupation Tax Act", or as a registrant with  
7 the Department under the "Service Occupation Tax Act" or the  
8 "Service Use Tax Act", need not register with the Department.  
9 However, if such a user has a frequently recurring direct use  
10 tax liability to pay to the Department, such user shall be  
11 required to register with the Department on forms prescribed by  
12 the Department and to obtain and display a certificate of  
13 registration from the Department. In that event, all of the  
14 provisions of Section 9 of this Act concerning the filing of  
15 regular monthly, quarterly or annual tax returns and all of the  
16 provisions of Section 2a of the "Retailers' Occupation Tax Act"  
17 concerning the requirements for registrants to post bond or  
18 other security with the Department, as the provisions of such  
19 sections now exist or may hereafter be amended, shall apply to  
20 such users to the same extent as if such provisions were  
21 included herein.

22 (Source: P.A. 100-321, eff. 8-24-17.)

23 Section 35. The Service Use Tax Act is amended by changing  
24 Sections 3-5, 3-5.5, and 9 as follows:



1 (35 ILCS 110/3-5)

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

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

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

14 (3) Personal property purchased by a not-for-profit arts or  
15 cultural organization that establishes, by proof required by  
16 the Department by rule, that it has received an exemption under  
17 Section 501(c)(3) of the Internal Revenue Code and that is  
18 organized and operated primarily for the presentation or  
19 support of arts or cultural programming, activities, or  
20 services. These organizations include, but are not limited to,  
21 music and dramatic arts organizations such as symphony  
22 orchestras and theatrical groups, arts and cultural service  
23 organizations, local arts councils, visual arts organizations,  
24 and media arts organizations. On and after the effective date  
25 of this amendatory Act of the 92nd General Assembly, however,  
26 an entity otherwise eligible for this exemption shall not make

1 tax-free purchases unless it has an active identification  
2 number issued by the Department.

3 (4) Legal tender, currency, medallions, or gold or silver  
4 coinage issued by the State of Illinois, the government of the  
5 United States of America, or the government of any foreign  
6 country, and bullion.

7 (5) Until July 1, 2003 and beginning again on September 1,  
8 2004 through August 30, 2014, graphic arts machinery and  
9 equipment, including repair and replacement parts, both new and  
10 used, and including that manufactured on special order or  
11 purchased for lease, certified by the purchaser to be used  
12 primarily for graphic arts production. Equipment includes  
13 chemicals or chemicals acting as catalysts but only if the  
14 chemicals or chemicals acting as catalysts effect a direct and  
15 immediate change upon a graphic arts product. Beginning on July  
16 1, 2017, graphic arts machinery and equipment is included in  
17 the manufacturing and assembling machinery and equipment  
18 exemption under Section 2 of this Act.

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

22 (7) Farm machinery and equipment, both new and used,  
23 including that manufactured on special order, certified by the  
24 purchaser to be used primarily for production agriculture or  
25 State or federal agricultural programs, including individual  
26 replacement parts for the machinery and equipment, including

1 machinery and equipment purchased for lease, and including  
2 implements of husbandry defined in Section 1-130 of the  
3 Illinois Vehicle Code, farm machinery and agricultural  
4 chemical and fertilizer spreaders, and nurse wagons required to  
5 be registered under Section 3-809 of the Illinois Vehicle Code,  
6 but excluding other motor vehicles required to be registered  
7 under the Illinois Vehicle Code. Horticultural polyhouses or  
8 hoop houses used for propagating, growing, or overwintering  
9 plants shall be considered farm machinery and equipment under  
10 this item (7). Agricultural chemical tender tanks and dry boxes  
11 shall include units sold separately from a motor vehicle  
12 required to be licensed and units sold mounted on a motor  
13 vehicle required to be licensed if the selling price of the  
14 tender is separately stated.

15 Farm machinery and equipment shall include precision  
16 farming equipment that is installed or purchased to be  
17 installed on farm machinery and equipment including, but not  
18 limited to, tractors, harvesters, sprayers, planters, seeders,  
19 or spreaders. Precision farming equipment includes, but is not  
20 limited to, soil testing sensors, computers, monitors,  
21 software, global positioning and mapping systems, and other  
22 such equipment.

23 Farm machinery and equipment also includes computers,  
24 sensors, software, and related equipment used primarily in the  
25 computer-assisted operation of production agriculture  
26 facilities, equipment, and activities such as, but not limited

1 to, the collection, monitoring, and correlation of animal and  
2 crop data for the purpose of formulating animal diets and  
3 agricultural chemicals. This item (7) is exempt from the  
4 provisions of Section 3-75.

5 (8) Until June 30, 2013, fuel and petroleum products sold  
6 to or used by an air common carrier, certified by the carrier  
7 to be used for consumption, shipment, or storage in the conduct  
8 of its business as an air common carrier, for a flight destined  
9 for or returning from a location or locations outside the  
10 United States without regard to previous or subsequent domestic  
11 stopovers.

12 Beginning July 1, 2013, fuel and petroleum products sold to  
13 or used by an air carrier, certified by the carrier to be used  
14 for consumption, shipment, or storage in the conduct of its  
15 business as an air common carrier, for a flight that (i) is  
16 engaged in foreign trade or is engaged in trade between the  
17 United States and any of its possessions and (ii) transports at  
18 least one individual or package for hire from the city of  
19 origination to the city of final destination on the same  
20 aircraft, without regard to a change in the flight number of  
21 that aircraft.

22 (9) Proceeds of mandatory service charges separately  
23 stated on customers' bills for the purchase and consumption of  
24 food and beverages acquired as an incident to the purchase of a  
25 service from a serviceman, to the extent that the proceeds of  
26 the service charge are in fact turned over as tips or as a

1 substitute for tips to the employees who participate directly  
2 in preparing, serving, hosting or cleaning up the food or  
3 beverage function with respect to which the service charge is  
4 imposed.

5 (10) Until July 1, 2003, oil field exploration, drilling,  
6 and production equipment, including (i) rigs and parts of rigs,  
7 rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and  
8 tubular goods, including casing and drill strings, (iii) pumps  
9 and pump-jack units, (iv) storage tanks and flow lines, (v) any  
10 individual replacement part for oil field exploration,  
11 drilling, and production equipment, and (vi) machinery and  
12 equipment purchased for lease; but excluding motor vehicles  
13 required to be registered under the Illinois Vehicle Code.

14 (11) Proceeds from the sale of photoprocessing machinery  
15 and equipment, including repair and replacement parts, both new  
16 and used, including that manufactured on special order,  
17 certified by the purchaser to be used primarily for  
18 photoprocessing, and including photoprocessing machinery and  
19 equipment purchased for lease.

20 (12) Coal and aggregate exploration, mining, off-highway  
21 hauling, processing, maintenance, and reclamation equipment,  
22 including replacement parts and equipment, and including  
23 equipment purchased for lease, but excluding motor vehicles  
24 required to be registered under the Illinois Vehicle Code. The  
25 changes made to this Section by Public Act 97-767 apply on and  
26 after July 1, 2003, but no claim for credit or refund is

1 allowed on or after August 16, 2013 (the effective date of  
2 Public Act 98-456) for such taxes paid during the period  
3 beginning July 1, 2003 and ending on August 16, 2013 (the  
4 effective date of Public Act 98-456).

5 (13) Semen used for artificial insemination of livestock  
6 for direct agricultural production.

7 (14) Horses, or interests in horses, registered with and  
8 meeting the requirements of any of the Arabian Horse Club  
9 Registry of America, Appaloosa Horse Club, American Quarter  
10 Horse Association, United States Trotting Association, or  
11 Jockey Club, as appropriate, used for purposes of breeding or  
12 racing for prizes. This item (14) is exempt from the provisions  
13 of Section 3-75, and the exemption provided for under this item  
14 (14) applies for all periods beginning May 30, 1995, but no  
15 claim for credit or refund is allowed on or after the effective  
16 date of this amendatory Act of the 95th General Assembly for  
17 such taxes paid during the period beginning May 30, 2000 and  
18 ending on the effective date of this amendatory Act of the 95th  
19 General Assembly.

20 (15) Computers and communications equipment utilized for  
21 any hospital purpose and equipment used in the diagnosis,  
22 analysis, or treatment of hospital patients purchased by a  
23 lessor who leases the equipment, under a lease of one year or  
24 longer executed or in effect at the time the lessor would  
25 otherwise be subject to the tax imposed by this Act, to a  
26 hospital that has been issued an active tax exemption

1 identification number by the Department under Section 1g of the  
2 Retailers' Occupation Tax Act. If the equipment is leased in a  
3 manner that does not qualify for this exemption or is used in  
4 any other non-exempt manner, the lessor shall be liable for the  
5 tax imposed under this Act or the Use Tax Act, as the case may  
6 be, based on the fair market value of the property at the time  
7 the non-qualifying use occurs. No lessor shall collect or  
8 attempt to collect an amount (however designated) that purports  
9 to reimburse that lessor for the tax imposed by this Act or the  
10 Use Tax Act, as the case may be, if the tax has not been paid by  
11 the lessor. If a lessor improperly collects any such amount  
12 from the lessee, the lessee shall have a legal right to claim a  
13 refund of that amount from the lessor. If, however, that amount  
14 is not refunded to the lessee for any reason, the lessor is  
15 liable to pay that amount to the Department.

16 (16) Personal property purchased by a lessor who leases the  
17 property, under a lease of one year or longer executed or in  
18 effect at the time the lessor would otherwise be subject to the  
19 tax imposed by this Act, to a governmental body that has been  
20 issued an active tax exemption identification number by the  
21 Department under Section 1g of the Retailers' Occupation Tax  
22 Act. If the property is leased in a manner that does not  
23 qualify for this exemption or is used in any other non-exempt  
24 manner, the lessor shall be liable for the tax imposed under  
25 this Act or the Use Tax Act, as the case may be, based on the  
26 fair market value of the property at the time the

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

10 (17) Beginning with taxable years ending on or after  
11 December 31, 1995 and ending with taxable years ending on or  
12 before December 31, 2004, personal property that is donated for  
13 disaster relief to be used in a State or federally declared  
14 disaster area in Illinois or bordering Illinois by a  
15 manufacturer or retailer that is registered in this State to a  
16 corporation, society, association, foundation, or institution  
17 that has been issued a sales tax exemption identification  
18 number by the Department that assists victims of the disaster  
19 who reside within the declared disaster area.

20 (18) Beginning with taxable years ending on or after  
21 December 31, 1995 and ending with taxable years ending on or  
22 before December 31, 2004, personal property that is used in the  
23 performance of infrastructure repairs in this State, including  
24 but not limited to municipal roads and streets, access roads,  
25 bridges, sidewalks, waste disposal systems, water and sewer  
26 line extensions, water distribution and purification



1 facilities, storm water drainage and retention facilities, and  
2 sewage treatment facilities, resulting from a State or  
3 federally declared disaster in Illinois or bordering Illinois  
4 when such repairs are initiated on facilities located in the  
5 declared disaster area within 6 months after the disaster.

6 (19) Beginning July 1, 1999, game or game birds purchased  
7 at a "game breeding and hunting preserve area" as that term is  
8 used in the Wildlife Code. This paragraph is exempt from the  
9 provisions of Section 3-75.

10 (20) A motor vehicle, as that term is defined in Section  
11 1-146 of the Illinois Vehicle Code, that is donated to a  
12 corporation, limited liability company, society, association,  
13 foundation, or institution that is determined by the Department  
14 to be organized and operated exclusively for educational  
15 purposes. For purposes of this exemption, "a corporation,  
16 limited liability company, society, association, foundation,  
17 or institution organized and operated exclusively for  
18 educational purposes" means all tax-supported public schools,  
19 private schools that offer systematic instruction in useful  
20 branches of learning by methods common to public schools and  
21 that compare favorably in their scope and intensity with the  
22 course of study presented in tax-supported schools, and  
23 vocational or technical schools or institutes organized and  
24 operated exclusively to provide a course of study of not less  
25 than 6 weeks duration and designed to prepare individuals to  
26 follow a trade or to pursue a manual, technical, mechanical,

1 industrial, business, or commercial occupation.

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

16 (22) Beginning January 1, 2000 and through December 31,  
17 2001, new or used automatic vending machines that prepare and  
18 serve hot food and beverages, including coffee, soup, and other  
19 items, and replacement parts for these machines. Beginning  
20 January 1, 2002 and through June 30, 2003, machines and parts  
21 for machines used in commercial, coin-operated amusement and  
22 vending business if a use or occupation tax is paid on the  
23 gross receipts derived from the use of the commercial,  
24 coin-operated amusement and vending machines. This paragraph  
25 is exempt from the provisions of Section 3-75.

26 (23) Beginning August 23, 2001 and through June 30, 2016,

1 food for human consumption that is to be consumed off the  
2 premises where it is sold (other than alcoholic beverages, soft  
3 drinks, and food that has been prepared for immediate  
4 consumption) and prescription and nonprescription medicines,  
5 drugs, medical appliances, and insulin, urine testing  
6 materials, syringes, and needles used by diabetics, for human  
7 use, when purchased for use by a person receiving medical  
8 assistance under Article V of the Illinois Public Aid Code who  
9 resides in a licensed long-term care facility, as defined in  
10 the Nursing Home Care Act, or in a licensed facility as defined  
11 in the ID/DD Community Care Act, the MC/DD Act, or the  
12 Specialized Mental Health Rehabilitation Act of 2013.

13 (24) Beginning on the effective date of this amendatory Act  
14 of the 92nd General Assembly, computers and communications  
15 equipment utilized for any hospital purpose and equipment used  
16 in the diagnosis, analysis, or treatment of hospital patients  
17 purchased by a lessor who leases the equipment, under a lease  
18 of one year or longer executed or in effect at the time the  
19 lessor would otherwise be subject to the tax imposed by this  
20 Act, to a hospital that has been issued an active tax exemption  
21 identification number by the Department under Section 1g of the  
22 Retailers' Occupation Tax Act. If the equipment is leased in a  
23 manner that does not qualify for this exemption or is used in  
24 any other nonexempt manner, the lessor shall be liable for the  
25 tax imposed under this Act or the Use Tax Act, as the case may  
26 be, based on the fair market value of the property at the time

1 the nonqualifying use occurs. No lessor shall collect or  
2 attempt to collect an amount (however designated) that purports  
3 to reimburse that lessor for the tax imposed by this Act or the  
4 Use Tax Act, as the case may be, if the tax has not been paid by  
5 the lessor. If a lessor improperly collects any such amount  
6 from the lessee, the lessee shall have a legal right to claim a  
7 refund of that amount from the lessor. If, however, that amount  
8 is not refunded to the lessee for any reason, the lessor is  
9 liable to pay that amount to the Department. This paragraph is  
10 exempt from the provisions of Section 3-75.

11 (25) Beginning on the effective date of this amendatory Act  
12 of the 92nd General Assembly, personal property purchased by a  
13 lessor who leases the property, under a lease of one year or  
14 longer executed or in effect at the time the lessor would  
15 otherwise be subject to the tax imposed by this Act, to a  
16 governmental body that has been issued an active tax exemption  
17 identification number by the Department under Section 1g of the  
18 Retailers' Occupation Tax Act. If the property is leased in a  
19 manner that does not qualify for this exemption or is used in  
20 any other nonexempt manner, the lessor shall be liable for the  
21 tax imposed under this Act or the Use Tax Act, as the case may  
22 be, based on the fair market value of the property at the time  
23 the nonqualifying use occurs. No lessor shall collect or  
24 attempt to collect an amount (however designated) that purports  
25 to reimburse that lessor for the tax imposed by this Act or the  
26 Use Tax Act, as the case may be, if the tax has not been paid by

1 the lessor. If a lessor improperly collects any such amount  
2 from the lessee, the lessee shall have a legal right to claim a  
3 refund of that amount from the lessor. If, however, that amount  
4 is not refunded to the lessee for any reason, the lessor is  
5 liable to pay that amount to the Department. This paragraph is  
6 exempt from the provisions of Section 3-75.

7 (26) Beginning January 1, 2008, tangible personal property  
8 used in the construction or maintenance of a community water  
9 supply, as defined under Section 3.145 of the Environmental  
10 Protection Act, that is operated by a not-for-profit  
11 corporation that holds a valid water supply permit issued under  
12 Title IV of the Environmental Protection Act. This paragraph is  
13 exempt from the provisions of Section 3-75.

14 (27) Beginning January 1, 2010, materials, parts,  
15 equipment, components, and furnishings incorporated into or  
16 upon an aircraft as part of the modification, refurbishment,  
17 completion, replacement, repair, or maintenance of the  
18 aircraft. This exemption includes consumable supplies used in  
19 the modification, refurbishment, completion, replacement,  
20 repair, and maintenance of aircraft, but excludes any  
21 materials, parts, equipment, components, and consumable  
22 supplies used in the modification, replacement, repair, and  
23 maintenance of aircraft engines or power plants, whether such  
24 engines or power plants are installed or uninstalled upon any  
25 such aircraft. "Consumable supplies" include, but are not  
26 limited to, adhesive, tape, sandpaper, general purpose

1 lubricants, cleaning solution, latex gloves, and protective  
2 films. This exemption applies only to the use of qualifying  
3 tangible personal property transferred incident to the  
4 modification, refurbishment, completion, replacement, repair,  
5 or maintenance of aircraft by persons who (i) hold an Air  
6 Agency Certificate and are empowered to operate an approved  
7 repair station by the Federal Aviation Administration, (ii)  
8 have a Class IV Rating, and (iii) conduct operations in  
9 accordance with Part 145 of the Federal Aviation Regulations.  
10 The exemption does not include aircraft operated by a  
11 commercial air carrier providing scheduled passenger air  
12 service pursuant to authority issued under Part 121 or Part 129  
13 of the Federal Aviation Regulations. The changes made to this  
14 paragraph (27) by Public Act 98-534 are declarative of existing  
15 law.

16 (28) Tangible personal property purchased by a  
17 public-facilities corporation, as described in Section  
18 11-65-10 of the Illinois Municipal Code, for purposes of  
19 constructing or furnishing a municipal convention hall, but  
20 only if the legal title to the municipal convention hall is  
21 transferred to the municipality without any further  
22 consideration by or on behalf of the municipality at the time  
23 of the completion of the municipal convention hall or upon the  
24 retirement or redemption of any bonds or other debt instruments  
25 issued by the public-facilities corporation in connection with  
26 the development of the municipal convention hall. This

1 exemption includes existing public-facilities corporations as  
2 provided in Section 11-65-25 of the Illinois Municipal Code.  
3 This paragraph is exempt from the provisions of Section 3-75.

4 (29) Beginning January 1, 2017, menstrual pads, tampons,  
5 and menstrual cups.

6 (30) Tangible personal property transferred to a purchaser  
7 who is exempt from the tax imposed by this Act by operation of  
8 federal law. This paragraph is exempt from the provisions of  
9 Section 3-75.

10 (Source: P.A. 99-180, eff. 7-29-15; 99-855, eff. 8-19-16;  
11 100-22, eff. 7-6-17.)

12 (35 ILCS 110/3-5.5)

13 Sec. 3-5.5. Food and drugs sold by not-for-profit  
14 organizations; exemption. The Department shall not collect the  
15 1% tax imposed under this Act ~~on food for human consumption~~  
16 ~~that is to be consumed off the premises where it is sold (other~~  
17 ~~than alcoholic beverages, soft drinks, and food that has been~~  
18 ~~prepared for immediate consumption) and prescription and~~  
19 ~~nonprescription medicines, drugs, medical appliances, and~~  
20 ~~insulin, urine testing materials, syringes, and needles used by~~  
21 ~~diabetics, for human use~~ from any not-for-profit organization,  
22 that sells food in a food distribution program at a price below  
23 the retail cost of the food to purchasers who, as a condition  
24 of participation in the program, are required to perform  
25 community service, located in a county or municipality that

1 notifies the Department, in writing, that the county or  
2 municipality does not want the tax to be collected from any of  
3 such organizations located in the county or municipality.

4 (Source: P.A. 88-374.)

5 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

6 (Text of Section before amendment by P.A. 100-363)

7 Sec. 9. Each serviceman required or authorized to collect  
8 the tax herein imposed shall pay to the Department the amount  
9 of such tax (except as otherwise provided) at the time when he  
10 is required to file his return for the period during which such  
11 tax was collected, less a discount of 2.1% prior to January 1,  
12 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar  
13 year, whichever is greater, which is allowed to reimburse the  
14 serviceman for expenses incurred in collecting the tax, keeping  
15 records, preparing and filing returns, remitting the tax and  
16 supplying data to the Department on request. The discount  
17 allowed under this Section is allowed only for returns that are  
18 filed in the manner required by this Act. The Department may  
19 disallow the discount for servicemen whose certificate of  
20 registration is revoked at the time the return is filed, but  
21 only if the Department's decision to revoke the certificate of  
22 registration has become final. A serviceman need not remit that  
23 part of any tax collected by him to the extent that he is  
24 required to pay and does pay the tax imposed by the Service  
25 Occupation Tax Act with respect to his sale of service



1 involving the incidental transfer by him of the same property.

2 Except as provided hereinafter in this Section, on or  
3 before the twentieth day of each calendar month, such  
4 serviceman shall file a return for the preceding calendar month  
5 in accordance with reasonable Rules and Regulations to be  
6 promulgated by the Department. Such return shall be filed on a  
7 form prescribed by the Department and shall contain such  
8 information as the Department may reasonably require. On and  
9 after January 1, 2018, with respect to servicemen whose annual  
10 gross receipts average \$20,000 or more, all returns required to  
11 be filed pursuant to this Act shall be filed electronically.  
12 Servicemen who demonstrate that they do not have access to the  
13 Internet or demonstrate hardship in filing electronically may  
14 petition the Department to waive the electronic filing  
15 requirement.

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

- 23 1. The name of the seller;
- 24 2. The address of the principal place of business from  
25 which he engages in business as a serviceman in this State;
- 26 3. The total amount of taxable receipts received by him

1           during the preceding calendar month, including receipts  
2           from charge and time sales, but less all deductions allowed  
3           by law;

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

6           5. The amount of tax due;

7           5-5. The signature of the taxpayer; and

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

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

14          Beginning October 1, 1993, a taxpayer who has an average  
15          monthly tax liability of \$150,000 or more shall make all  
16          payments required by rules of the Department by electronic  
17          funds transfer. Beginning October 1, 1994, a taxpayer who has  
18          an average monthly tax liability of \$100,000 or more shall make  
19          all payments required by rules of the Department by electronic  
20          funds transfer. Beginning October 1, 1995, a taxpayer who has  
21          an average monthly tax liability of \$50,000 or more shall make  
22          all payments required by rules of the Department by electronic  
23          funds transfer. Beginning October 1, 2000, a taxpayer who has  
24          an annual tax liability of \$200,000 or more shall make all  
25          payments required by rules of the Department by electronic  
26          funds transfer. The term "annual tax liability" shall be the

1 sum of the taxpayer's liabilities under this Act, and under all  
2 other State and local occupation and use tax laws administered  
3 by the Department, for the immediately preceding calendar year.  
4 The term "average monthly tax liability" means the sum of the  
5 taxpayer's liabilities under this Act, and under all other  
6 State and local occupation and use tax laws administered by the  
7 Department, for the immediately preceding calendar year  
8 divided by 12. Beginning on October 1, 2002, a taxpayer who has  
9 a tax liability in the amount set forth in subsection (b) of  
10 Section 2505-210 of the Department of Revenue Law shall make  
11 all payments required by rules of the Department by electronic  
12 funds transfer.

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

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

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

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

1 requirements of this Section.

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

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

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

22 Notwithstanding any other provision in this Act concerning  
23 the time within which a serviceman may file his return, in the  
24 case of any serviceman who ceases to engage in a kind of  
25 business which makes him responsible for filing returns under  
26 this Act, such serviceman shall file a final return under this

1 Act with the Department not more than 1 month after  
2 discontinuing such business.

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

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

25 If experience indicates such action to be practicable, the  
26 Department may prescribe and furnish a combination or joint

1 return which will enable servicemen, who are required to file  
2 returns hereunder and also under the Service Occupation Tax  
3 Act, to furnish all the return information required by both  
4 Acts on the one form.

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

10 Beginning January 1, 1990, each month the Department shall  
11 pay into the State and Local Tax Reform Fund, a special fund in  
12 the State Treasury, the net revenue realized for the preceding  
13 month from the 1% tax imposed under this Act ~~on sales of food~~  
14 ~~for human consumption which is to be consumed off the premises~~  
15 ~~where it is sold (other than alcoholic beverages, soft drinks~~  
16 ~~and food which has been prepared for immediate consumption) and~~  
17 ~~prescription and nonprescription medicines, drugs, medical~~  
18 ~~appliances, products classified as Class III medical devices,~~  
19 ~~by the United States Food and Drug Administration that are used~~  
20 ~~for cancer treatment pursuant to a prescription, as well as any~~  
21 ~~accessories and components related to those devices, and~~  
22 ~~insulin, urine testing materials, syringes and needles used by~~  
23 ~~diabetics.~~

24 Beginning January 1, 1990, each month the Department shall  
25 pay into the State and Local Sales Tax Reform Fund 20% of the  
26 net revenue realized for the preceding month from the 6.25%

1 general rate on transfers of tangible personal property, other  
2 than tangible personal property which is purchased outside  
3 Illinois at retail from a retailer and which is titled or  
4 registered by an agency of this State's government.

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

9 Beginning October 1, 2009, each month the Department shall  
10 pay into the Capital Projects Fund an amount that is equal to  
11 an amount estimated by the Department to represent 80% of the  
12 net revenue realized for the preceding month from the sale of  
13 candy, grooming and hygiene products, and soft drinks that had  
14 been taxed at a rate of 1% prior to September 1, 2009 but that  
15 are now taxed at 6.25%.

16 Beginning July 1, 2013, each month the Department shall pay  
17 into the Underground Storage Tank Fund from the proceeds  
18 collected under this Act, the Use Tax Act, the Service  
19 Occupation Tax Act, and the Retailers' Occupation Tax Act an  
20 amount equal to the average monthly deficit in the Underground  
21 Storage Tank Fund during the prior year, as certified annually  
22 by the Illinois Environmental Protection Agency, but the total  
23 payment into the Underground Storage Tank Fund under this Act,  
24 the Use Tax Act, the Service Occupation Tax Act, and the  
25 Retailers' Occupation Tax Act shall not exceed \$18,000,000 in  
26 any State fiscal year. As used in this paragraph, the "average

1 monthly deficit" shall be equal to the difference between the  
2 average monthly claims for payment by the fund and the average  
3 monthly revenues deposited into the fund, excluding payments  
4 made pursuant to this paragraph.

5 Beginning July 1, 2015, of the remainder of the moneys  
6 received by the Department under the Use Tax Act, this Act, the  
7 Service Occupation Tax Act, and the Retailers' Occupation Tax  
8 Act, each month the Department shall deposit \$500,000 into the  
9 State Crime Laboratory Fund.

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



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

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

23 Subject to payment of amounts into the Build Illinois Fund  
24 as provided in the preceding paragraph or in any amendment  
25 thereto hereafter enacted, the following specified monthly  
26 installment of the amount requested in the certificate of the

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

		Total
	Fiscal Year	Deposit
9		
10	1993	\$0
11	1994	53,000,000
12	1995	58,000,000
13	1996	61,000,000
14	1997	64,000,000
15	1998	68,000,000
16	1999	71,000,000
17	2000	75,000,000
18	2001	80,000,000
19	2002	93,000,000
20	2003	99,000,000
21	2004	103,000,000
22	2005	108,000,000
23	2006	113,000,000
24	2007	119,000,000
25	2008	126,000,000

1	2009	132,000,000
2	2010	139,000,000
3	2011	146,000,000
4	2012	153,000,000
5	2013	161,000,000
6	2014	170,000,000
7	2015	179,000,000
8	2016	189,000,000
9	2017	199,000,000
10	2018	210,000,000
11	2019	221,000,000
12	2020	233,000,000
13	2021	246,000,000
14	2022	260,000,000
15	2023	275,000,000
16	2024	275,000,000
17	2025	275,000,000
18	2026	279,000,000
19	2027	292,000,000
20	2028	307,000,000
21	2029	322,000,000
22	2030	338,000,000
23	2031	350,000,000
24	2032	350,000,000
25	and	
26	each fiscal year	

1           thereafter that bonds  
2           are outstanding under  
3           Section 13.2 of the  
4           Metropolitan Pier and  
5           Exposition Authority Act,  
6       but not after fiscal year 2060.

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

20           Subject to payment of amounts into the Build Illinois Fund  
21      and the McCormick Place Expansion Project Fund pursuant to the  
22      preceding paragraphs or in any amendments thereto hereafter  
23      enacted, beginning July 1, 1993 and ending on September 30,  
24      2013, the Department shall each month pay into the Illinois Tax  
25      Increment Fund 0.27% of 80% of the net revenue realized for the  
26      preceding month from the 6.25% general rate on the selling

1 price of tangible personal property.

2 Subject to payment of amounts into the Build Illinois Fund  
3 and the McCormick Place Expansion Project Fund pursuant to the  
4 preceding paragraphs or in any amendments thereto hereafter  
5 enacted, beginning with the receipt of the first report of  
6 taxes paid by an eligible business and continuing for a 25-year  
7 period, the Department shall each month pay into the Energy  
8 Infrastructure Fund 80% of the net revenue realized from the  
9 6.25% general rate on the selling price of Illinois-mined coal  
10 that was sold to an eligible business. For purposes of this  
11 paragraph, the term "eligible business" means a new electric  
12 generating facility certified pursuant to Section 605-332 of  
13 the Department of Commerce and Economic Opportunity Law of the  
14 Civil Administrative Code of Illinois.

15 Subject to payment of amounts into the Build Illinois Fund,  
16 the McCormick Place Expansion Project Fund, the Illinois Tax  
17 Increment Fund, and the Energy Infrastructure Fund pursuant to  
18 the preceding paragraphs or in any amendments to this Section  
19 hereafter enacted, beginning on the first day of the first  
20 calendar month to occur on or after August 26, 2014 (the  
21 effective date of Public Act 98-1098) ~~this amendatory Act of~~  
22 ~~the 98th General Assembly~~, each month, from the collections  
23 made under Section 9 of the Use Tax Act, Section 9 of the  
24 Service Use Tax Act, Section 9 of the Service Occupation Tax  
25 Act, and Section 3 of the Retailers' Occupation Tax Act, the  
26 Department shall pay into the Tax Compliance and Administration

1 Fund, to be used, subject to appropriation, to fund additional  
2 auditors and compliance personnel at the Department of Revenue,  
3 an amount equal to 1/12 of 5% of 80% of the cash receipts  
4 collected during the preceding fiscal year by the Audit Bureau  
5 of the Department under the Use Tax Act, the Service Use Tax  
6 Act, the Service Occupation Tax Act, the Retailers' Occupation  
7 Tax Act, and associated local occupation and use taxes  
8 administered by the Department.

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

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

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

1 (Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16;  
2 100-303, eff. 8-24-17; revised 1-22-18.)

3 (Text of Section after amendment by P.A. 100-363)

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

24 Except as provided hereinafter in this Section, on or  
25 before the twentieth day of each calendar month, such



1 serviceman shall file a return for the preceding calendar month  
2 in accordance with reasonable Rules and Regulations to be  
3 promulgated by the Department. Such return shall be filed on a  
4 form prescribed by the Department and shall contain such  
5 information as the Department may reasonably require. On and  
6 after January 1, 2018, with respect to servicemen whose annual  
7 gross receipts average \$20,000 or more, all returns required to  
8 be filed pursuant to this Act shall be filed electronically.  
9 Servicemen who demonstrate that they do not have access to the  
10 Internet or demonstrate hardship in filing electronically may  
11 petition the Department to waive the electronic filing  
12 requirement.

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

- 20 1. The name of the seller;
- 21 2. The address of the principal place of business from  
22 which he engages in business as a serviceman in this State;
- 23 3. The total amount of taxable receipts received by him  
24 during the preceding calendar month, including receipts  
25 from charge and time sales, but less all deductions allowed  
26 by law;

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

3           5. The amount of tax due;

4           5-5. The signature of the taxpayer; and

5           6. Such other reasonable information as the Department  
6           may require.

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

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

1 The term "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 the  
4 Department, for the immediately preceding calendar year  
5 divided by 12. Beginning on October 1, 2002, a taxpayer who has  
6 a tax liability in the amount set forth in subsection (b) of  
7 Section 2505-210 of the Department of Revenue Law shall make  
8 all payments required by rules of the Department by electronic  
9 funds transfer.

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

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

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

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

25 If the serviceman is otherwise required to file a monthly  
26 return and if the serviceman's average monthly tax liability to

1 the Department does not exceed \$200, the Department may  
2 authorize his returns to be filed on a quarter annual basis,  
3 with the return for January, February and March of a given year  
4 being due by April 20 of such year; with the return for April,  
5 May and June of a given year being due by July 20 of such year;  
6 with the return for July, August and September of a given year  
7 being due by October 20 of such year, and with the return for  
8 October, November and December of a given year being due by  
9 January 20 of the following year.

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

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

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

26 Where a serviceman collects the tax with respect to the

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

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

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

1 Acts on the one form.

2 Where the serviceman has more than one business registered  
3 with the Department under separate registration hereunder,  
4 such serviceman shall not file each return that is due as a  
5 single return covering all such registered businesses, but  
6 shall file separate returns for each such registered business.

7 Beginning January 1, 1990, each month the Department shall  
8 pay into the State and Local Tax Reform Fund, a special fund in  
9 the State Treasury, the net revenue realized for the preceding  
10 month from the 1% tax imposed under this Act ~~on sales of food  
11 for human consumption which is to be consumed off the premises  
12 where it is sold (other than alcoholic beverages, soft drinks  
13 and food which has been prepared for immediate consumption) and  
14 prescription and nonprescription medicines, drugs, medical  
15 appliances, products classified as Class III medical devices,  
16 by the United States Food and Drug Administration that are used  
17 for cancer treatment pursuant to a prescription, as well as any  
18 accessories and components related to those devices, and  
19 insulin, urine testing materials, syringes and needles used by  
20 diabetics.~~

21 Beginning January 1, 1990, each month the Department shall  
22 pay into the State and Local Sales Tax Reform Fund 20% of the  
23 net revenue realized for the preceding month from the 6.25%  
24 general rate on transfers of tangible personal property, other  
25 than tangible personal property which is purchased outside  
26 Illinois at retail from a retailer and which is titled or

1 registered by an agency of this State's government.

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

6 Beginning October 1, 2009, each month the Department shall  
7 pay into the Capital Projects Fund an amount that is equal to  
8 an amount estimated by the Department to represent 80% of the  
9 net revenue realized for the preceding month from the sale of  
10 candy, grooming and hygiene products, and soft drinks that had  
11 been taxed at a rate of 1% prior to September 1, 2009 but that  
12 are now taxed at 6.25%.

13 Beginning July 1, 2013, each month the Department shall pay  
14 into the Underground Storage Tank Fund from the proceeds  
15 collected under this Act, the Use Tax Act, the Service  
16 Occupation Tax Act, and the Retailers' Occupation Tax Act an  
17 amount equal to the average monthly deficit in the Underground  
18 Storage Tank Fund during the prior year, as certified annually  
19 by the Illinois Environmental Protection Agency, but the total  
20 payment into the Underground Storage Tank Fund under this Act,  
21 the Use Tax Act, the Service Occupation Tax Act, and the  
22 Retailers' Occupation Tax Act shall not exceed \$18,000,000 in  
23 any State fiscal year. As used in this paragraph, the "average  
24 monthly deficit" shall be equal to the difference between the  
25 average monthly claims for payment by the fund and the average  
26 monthly revenues deposited into the fund, excluding payments

1 made pursuant to this paragraph.

2 Beginning July 1, 2015, of the remainder of the moneys  
3 received by the Department under the Use Tax Act, this Act, the  
4 Service Occupation Tax Act, and the Retailers' Occupation Tax  
5 Act, each month the Department shall deposit \$500,000 into the  
6 State Crime Laboratory Fund.

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



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

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

20 Subject to payment of amounts into the Build Illinois Fund  
21 as provided in the preceding paragraph or in any amendment  
22 thereto hereafter enacted, the following specified monthly  
23 installment of the amount requested in the certificate of the  
24 Chairman of the Metropolitan Pier and Exposition Authority  
25 provided under Section 8.25f of the State Finance Act, but not  
26 in excess of the sums designated as "Total Deposit", shall be

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

	Fiscal Year	Total Deposit
6		
7	1993	\$0
8	1994	53,000,000
9	1995	58,000,000
10	1996	61,000,000
11	1997	64,000,000
12	1998	68,000,000
13	1999	71,000,000
14	2000	75,000,000
15	2001	80,000,000
16	2002	93,000,000
17	2003	99,000,000
18	2004	103,000,000
19	2005	108,000,000
20	2006	113,000,000
21	2007	119,000,000
22	2008	126,000,000
23	2009	132,000,000
24	2010	139,000,000
25	2011	146,000,000

1	2012	153,000,000
2	2013	161,000,000
3	2014	170,000,000
4	2015	179,000,000
5	2016	189,000,000
6	2017	199,000,000
7	2018	210,000,000
8	2019	221,000,000
9	2020	233,000,000
10	2021	246,000,000
11	2022	260,000,000
12	2023	275,000,000
13	2024	275,000,000
14	2025	275,000,000
15	2026	279,000,000
16	2027	292,000,000
17	2028	307,000,000
18	2029	322,000,000
19	2030	338,000,000
20	2031	350,000,000
21	2032	350,000,000

22                   and  
23                    each fiscal year  
24                   thereafter that bonds  
25                   are outstanding under  
26                   Section 13.2 of the

1 Metropolitan Pier and  
2 Exposition Authority Act,  
3 but not after fiscal year 2060.

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

17 Subject to payment of amounts into the Build Illinois Fund  
18 and the McCormick Place Expansion Project Fund pursuant to the  
19 preceding paragraphs or in any amendments thereto hereafter  
20 enacted, beginning July 1, 1993 and ending on September 30,  
21 2013, the Department shall each month pay into the Illinois Tax  
22 Increment Fund 0.27% of 80% of the net revenue realized for the  
23 preceding month from the 6.25% general rate on the selling  
24 price of tangible personal property.

25 Subject to payment of amounts into the Build Illinois Fund  
26 and the McCormick Place Expansion Project Fund pursuant to the

1 preceding paragraphs or in any amendments thereto hereafter  
2 enacted, beginning with the receipt of the first report of  
3 taxes paid by an eligible business and continuing for a 25-year  
4 period, the Department shall each month pay into the Energy  
5 Infrastructure Fund 80% of the net revenue realized from the  
6 6.25% general rate on the selling price of Illinois-mined coal  
7 that was sold to an eligible business. For purposes of this  
8 paragraph, the term "eligible business" means a new electric  
9 generating facility certified pursuant to Section 605-332 of  
10 the Department of Commerce and Economic Opportunity Law of the  
11 Civil Administrative Code of Illinois.

12 Subject to payment of amounts into the Build Illinois Fund,  
13 the McCormick Place Expansion Project Fund, the Illinois Tax  
14 Increment Fund, and the Energy Infrastructure Fund pursuant to  
15 the preceding paragraphs or in any amendments to this Section  
16 hereafter enacted, beginning on the first day of the first  
17 calendar month to occur on or after August 26, 2014 (the  
18 effective date of Public Act 98-1098) ~~this amendatory Act of~~  
19 ~~the 98th General Assembly~~, each month, from the collections  
20 made under Section 9 of the Use Tax Act, Section 9 of the  
21 Service Use Tax Act, Section 9 of the Service Occupation Tax  
22 Act, and Section 3 of the Retailers' Occupation Tax Act, the  
23 Department shall pay into the Tax Compliance and Administration  
24 Fund, to be used, subject to appropriation, to fund additional  
25 auditors and compliance personnel at the Department of Revenue,  
26 an amount equal to 1/12 of 5% of 80% of the cash receipts

1 collected during the preceding fiscal year by the Audit Bureau  
2 of the Department under the Use Tax Act, the Service Use Tax  
3 Act, the Service Occupation Tax Act, the Retailers' Occupation  
4 Tax Act, and associated local occupation and use taxes  
5 administered by the Department.

6 Subject to payments of amounts into the Build Illinois  
7 Fund, the McCormick Place Expansion Project Fund, the Illinois  
8 Tax Increment Fund, the Energy Infrastructure Fund, and the Tax  
9 Compliance and Administration Fund as provided in this Section,  
10 beginning on July 1, 2018 the Department shall pay each month  
11 into the Downstate Public Transportation Fund the moneys  
12 required to be so paid under Section 2-3 of the Downstate  
13 Public Transportation Act.

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

21 As soon as possible after the first day of each month, upon  
22 certification of the Department of Revenue, the Comptroller  
23 shall order transferred and the Treasurer shall transfer from  
24 the General Revenue Fund to the Motor Fuel Tax Fund an amount  
25 equal to 1.7% of 80% of the net revenue realized under this Act  
26 for the second preceding month. Beginning April 1, 2000, this

1 transfer is no longer required 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 (Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16;  
7 100-303, eff. 8-24-17; 100-363, eff. 7-1-18; revised 1-22-18.)

8 Section 40. The Service Occupation Tax Act is amended by  
9 changing Sections 3-5, 3-5.5 and 9 as follows:

10 (35 ILCS 115/3-5)

11 Sec. 3-5. Exemptions. The following tangible personal  
12 property is exempt from the tax imposed by this Act:

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

20 (2) Personal property purchased by a not-for-profit  
21 Illinois county fair association for use in conducting,  
22 operating, or promoting the county fair.

23 (3) Personal property purchased by any not-for-profit arts  
24 or cultural organization that establishes, by proof required by



1 the Department by rule, that it has received an exemption under  
2 Section 501(c)(3) of the Internal Revenue Code and that is  
3 organized and operated primarily for the presentation or  
4 support of arts or cultural programming, activities, or  
5 services. These organizations include, but are not limited to,  
6 music and dramatic arts organizations such as symphony  
7 orchestras and theatrical groups, arts and cultural service  
8 organizations, local arts councils, visual arts organizations,  
9 and media arts organizations. On and after the effective date  
10 of this amendatory Act of the 92nd General Assembly, however,  
11 an entity otherwise eligible for this exemption shall not make  
12 tax-free purchases unless it has an active identification  
13 number issued by the Department.

14 (4) Legal tender, currency, medallions, or gold or silver  
15 coinage issued by the State of Illinois, the government of the  
16 United States of America, or the government of any foreign  
17 country, and bullion.

18 (5) Until July 1, 2003 and beginning again on September 1,  
19 2004 through August 30, 2014, graphic arts machinery and  
20 equipment, including repair and replacement parts, both new and  
21 used, and including that manufactured on special order or  
22 purchased for lease, certified by the purchaser to be used  
23 primarily for graphic arts production. Equipment includes  
24 chemicals or chemicals acting as catalysts but only if the  
25 chemicals or chemicals acting as catalysts effect a direct and  
26 immediate change upon a graphic arts product. Beginning on July

1 1, 2017, graphic arts machinery and equipment is included in  
2 the manufacturing and assembling machinery and equipment  
3 exemption under Section 2 of this Act.

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

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

26 Farm machinery and equipment shall include precision

1 farming equipment that is installed or purchased to be  
2 installed on farm machinery and equipment including, but not  
3 limited to, tractors, harvesters, sprayers, planters, seeders,  
4 or spreaders. Precision farming equipment includes, but is not  
5 limited to, soil testing sensors, computers, monitors,  
6 software, global positioning and mapping systems, and other  
7 such equipment.

8 Farm machinery and equipment also includes computers,  
9 sensors, software, and related equipment used primarily in the  
10 computer-assisted operation of production agriculture  
11 facilities, equipment, and activities such as, but not limited  
12 to, the collection, monitoring, and correlation of animal and  
13 crop data for the purpose of formulating animal diets and  
14 agricultural chemicals. This item (7) is exempt from the  
15 provisions of Section 3-55.

16 (8) Until June 30, 2013, fuel and petroleum products sold  
17 to or used by an air common carrier, certified by the carrier  
18 to be used for consumption, shipment, or storage in the conduct  
19 of its business as an air common carrier, for a flight destined  
20 for or returning from a location or locations outside the  
21 United States without regard to previous or subsequent domestic  
22 stopovers.

23 Beginning July 1, 2013, fuel and petroleum products sold to  
24 or used by an air carrier, certified by the carrier to be used  
25 for consumption, shipment, or storage in the conduct of its  
26 business as an air common carrier, for a flight that (i) is

1 engaged in foreign trade or is engaged in trade between the  
2 United States and any of its possessions and (ii) transports at  
3 least one individual or package for hire from the city of  
4 origination to the city of final destination on the same  
5 aircraft, without regard to a change in the flight number of  
6 that aircraft.

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

15 (10) Until July 1, 2003, oil field exploration, drilling,  
16 and production equipment, including (i) rigs and parts of rigs,  
17 rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and  
18 tubular goods, including casing and drill strings, (iii) pumps  
19 and pump-jack units, (iv) storage tanks and flow lines, (v) any  
20 individual replacement part for oil field exploration,  
21 drilling, and production equipment, and (vi) machinery and  
22 equipment purchased for lease; but excluding motor vehicles  
23 required to be registered under the Illinois Vehicle Code.

24 (11) Photoprocessing machinery and equipment, including  
25 repair and replacement parts, both new and used, including that  
26 manufactured on special order, certified by the purchaser to be

1 used primarily for photoprocessing, and including  
2 photoprocessing machinery and equipment purchased for lease.

3 (12) Coal and aggregate exploration, mining, off-highway  
4 hauling, processing, maintenance, and reclamation equipment,  
5 including replacement parts and equipment, and including  
6 equipment purchased for lease, but excluding motor vehicles  
7 required to be registered under the Illinois Vehicle Code. The  
8 changes made to this Section by Public Act 97-767 apply on and  
9 after July 1, 2003, but no claim for credit or refund is  
10 allowed on or after August 16, 2013 (the effective date of  
11 Public Act 98-456) for such taxes paid during the period  
12 beginning July 1, 2003 and ending on August 16, 2013 (the  
13 effective date of Public Act 98-456).

14 (13) Beginning January 1, 1992 and through June 30, 2016,  
15 food for human consumption that is to be consumed off the  
16 premises where it is sold (other than alcoholic beverages, soft  
17 drinks and food that has been prepared for immediate  
18 consumption) and prescription and non-prescription medicines,  
19 drugs, medical appliances, and insulin, urine testing  
20 materials, syringes, and needles used by diabetics, for human  
21 use, when purchased for use by a person receiving medical  
22 assistance under Article V of the Illinois Public Aid Code who  
23 resides in a licensed long-term care facility, as defined in  
24 the Nursing Home Care Act, or in a licensed facility as defined  
25 in the ID/DD Community Care Act, the MC/DD Act, or the  
26 Specialized Mental Health Rehabilitation Act of 2013.

1           (14) Semen used for artificial insemination of livestock  
2 for direct agricultural production.

3           (15) Horses, or interests in horses, registered with and  
4 meeting the requirements of any of the Arabian Horse Club  
5 Registry of America, Appaloosa Horse Club, American Quarter  
6 Horse Association, United States Trotting Association, or  
7 Jockey Club, as appropriate, used for purposes of breeding or  
8 racing for prizes. This item (15) is exempt from the provisions  
9 of Section 3-55, and the exemption provided for under this item  
10 (15) applies for all periods beginning May 30, 1995, but no  
11 claim for credit or refund is allowed on or after January 1,  
12 2008 (the effective date of Public Act 95-88) for such taxes  
13 paid during the period beginning May 30, 2000 and ending on  
14 January 1, 2008 (the effective date of Public Act 95-88).

15           (16) Computers and communications equipment utilized for  
16 any hospital purpose and equipment used in the diagnosis,  
17 analysis, or treatment of hospital patients sold to a lessor  
18 who leases the equipment, under a lease of one year or longer  
19 executed or in effect at the time of the purchase, to a  
20 hospital that has been issued an active tax exemption  
21 identification number by the Department under Section 1g of the  
22 Retailers' Occupation Tax Act.

23           (17) Personal property sold to a lessor who leases the  
24 property, under a lease of one year or longer executed or in  
25 effect at the time of the purchase, to a governmental body that  
26 has been issued an active tax exemption identification number

1 by the Department under Section 1g of the Retailers' Occupation  
2 Tax Act.

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

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

25 (20) Beginning July 1, 1999, game or game birds sold at a  
26 "game breeding and hunting preserve area" as that term is used

1 in the Wildlife Code. This paragraph is exempt from the  
2 provisions of Section 3-55.

3 (21) A motor vehicle, as that term is defined in Section  
4 1-146 of the Illinois Vehicle Code, that is donated to a  
5 corporation, limited liability company, society, association,  
6 foundation, or institution that is determined by the Department  
7 to be organized and operated exclusively for educational  
8 purposes. For purposes of this exemption, "a corporation,  
9 limited liability company, society, association, foundation,  
10 or institution organized and operated exclusively for  
11 educational purposes" means all tax-supported public schools,  
12 private schools that offer systematic instruction in useful  
13 branches of learning by methods common to public schools and  
14 that compare favorably in their scope and intensity with the  
15 course of study presented in tax-supported schools, and  
16 vocational or technical schools or institutes organized and  
17 operated exclusively to provide a course of study of not less  
18 than 6 weeks duration and designed to prepare individuals to  
19 follow a trade or to pursue a manual, technical, mechanical,  
20 industrial, business, or commercial occupation.

21 (22) Beginning January 1, 2000, personal property,  
22 including food, purchased through fundraising events for the  
23 benefit of a public or private elementary or secondary school,  
24 a group of those schools, or one or more school districts if  
25 the events are sponsored by an entity recognized by the school  
26 district that consists primarily of volunteers and includes



1 parents and teachers of the school children. This paragraph  
2 does not apply to fundraising events (i) for the benefit of  
3 private home instruction or (ii) for which the fundraising  
4 entity purchases the personal property sold at the events from  
5 another individual or entity that sold the property for the  
6 purpose of resale by the fundraising entity and that profits  
7 from the sale to the fundraising entity. This paragraph is  
8 exempt from the provisions of Section 3-55.

9 (23) Beginning January 1, 2000 and through December 31,  
10 2001, new or used automatic vending machines that prepare and  
11 serve hot food and beverages, including coffee, soup, and other  
12 items, and replacement parts for these machines. Beginning  
13 January 1, 2002 and through June 30, 2003, machines and parts  
14 for machines used in commercial, coin-operated amusement and  
15 vending business if a use or occupation tax is paid on the  
16 gross receipts derived from the use of the commercial,  
17 coin-operated amusement and vending machines. This paragraph  
18 is exempt from the provisions of Section 3-55.

19 (24) Beginning on the effective date of this amendatory Act  
20 of the 92nd General Assembly, computers and communications  
21 equipment utilized for any hospital purpose and equipment used  
22 in the diagnosis, analysis, or treatment of hospital patients  
23 sold to a lessor who leases the equipment, under a lease of one  
24 year or longer executed or in effect at the time of the  
25 purchase, to a hospital that has been issued an active tax  
26 exemption identification number by the Department under

1 Section 1g of the Retailers' Occupation Tax Act. This paragraph  
2 is exempt from the provisions of Section 3-55.

3 (25) Beginning on the effective date of this amendatory Act  
4 of the 92nd General Assembly, personal property sold to a  
5 lessor who leases the property, under a lease of one year or  
6 longer executed or in effect at the time of the purchase, to a  
7 governmental body that has been issued an active tax exemption  
8 identification number by the Department under Section 1g of the  
9 Retailers' Occupation Tax Act. This paragraph is exempt from  
10 the provisions of Section 3-55.

11 (26) Beginning on January 1, 2002 and through June 30,  
12 2016, tangible personal property purchased from an Illinois  
13 retailer by a taxpayer engaged in centralized purchasing  
14 activities in Illinois who will, upon receipt of the property  
15 in Illinois, temporarily store the property in Illinois (i) for  
16 the purpose of subsequently transporting it outside this State  
17 for use or consumption thereafter solely outside this State or  
18 (ii) for the purpose of being processed, fabricated, or  
19 manufactured into, attached to, or incorporated into other  
20 tangible personal property to be transported outside this State  
21 and thereafter used or consumed solely outside this State. The  
22 Director of Revenue shall, pursuant to rules adopted in  
23 accordance with the Illinois Administrative Procedure Act,  
24 issue a permit to any taxpayer in good standing with the  
25 Department who is eligible for the exemption under this  
26 paragraph (26). The permit issued under this paragraph (26)

1 shall authorize the holder, to the extent and in the manner  
2 specified in the rules adopted under this Act, to purchase  
3 tangible personal property from a retailer exempt from the  
4 taxes imposed by this Act. Taxpayers shall maintain all  
5 necessary books and records to substantiate the use and  
6 consumption of all such tangible personal property outside of  
7 the State of Illinois.

8 (27) Beginning January 1, 2008, tangible personal property  
9 used in the construction or maintenance of a community water  
10 supply, as defined under Section 3.145 of the Environmental  
11 Protection Act, that is operated by a not-for-profit  
12 corporation that holds a valid water supply permit issued under  
13 Title IV of the Environmental Protection Act. This paragraph is  
14 exempt from the provisions of Section 3-55.

15 (28) Tangible personal property sold to a  
16 public-facilities corporation, as described in Section  
17 11-65-10 of the Illinois Municipal Code, for purposes of  
18 constructing or furnishing a municipal convention hall, but  
19 only if the legal title to the municipal convention hall is  
20 transferred to the municipality without any further  
21 consideration by or on behalf of the municipality at the time  
22 of the completion of the municipal convention hall or upon the  
23 retirement or redemption of any bonds or other debt instruments  
24 issued by the public-facilities corporation in connection with  
25 the development of the municipal convention hall. This  
26 exemption includes existing public-facilities corporations as

1 provided in Section 11-65-25 of the Illinois Municipal Code.  
2 This paragraph is exempt from the provisions of Section 3-55.

3 (29) Beginning January 1, 2010, materials, parts,  
4 equipment, components, and furnishings incorporated into or  
5 upon an aircraft as part of the modification, refurbishment,  
6 completion, replacement, repair, or maintenance of the  
7 aircraft. This exemption includes consumable supplies used in  
8 the modification, refurbishment, completion, replacement,  
9 repair, and maintenance of aircraft, but excludes any  
10 materials, parts, equipment, components, and consumable  
11 supplies used in the modification, replacement, repair, and  
12 maintenance of aircraft engines or power plants, whether such  
13 engines or power plants are installed or uninstalled upon any  
14 such aircraft. "Consumable supplies" include, but are not  
15 limited to, adhesive, tape, sandpaper, general purpose  
16 lubricants, cleaning solution, latex gloves, and protective  
17 films. This exemption applies only to the transfer of  
18 qualifying tangible personal property incident to the  
19 modification, refurbishment, completion, replacement, repair,  
20 or maintenance of an aircraft by persons who (i) hold an Air  
21 Agency Certificate and are empowered to operate an approved  
22 repair station by the Federal Aviation Administration, (ii)  
23 have a Class IV Rating, and (iii) conduct operations in  
24 accordance with Part 145 of the Federal Aviation Regulations.  
25 The exemption does not include aircraft operated by a  
26 commercial air carrier providing scheduled passenger air

1 service pursuant to authority issued under Part 121 or Part 129  
2 of the Federal Aviation Regulations. The changes made to this  
3 paragraph (29) by Public Act 98-534 are declarative of existing  
4 law.

5 (30) Beginning January 1, 2017, menstrual pads, tampons,  
6 and menstrual cups.

7 (31) Tangible personal property transferred to a purchaser  
8 who is exempt from tax by operation of federal law. This  
9 paragraph is exempt from the provisions of Section 3-55.

10 (Source: P.A. 99-180, eff. 7-29-15; 99-855, eff. 8-19-16;  
11 100-22, eff. 7-6-17.)

12 (35 ILCS 115/3-5.5)

13 Sec. 3-5.5. Food and drugs sold by not-for-profit  
14 organizations; exemption. The Department shall not collect the  
15 1% tax imposed under this Act ~~on food for human consumption~~  
16 ~~that is to be consumed off the premises where it is sold (other~~  
17 ~~than alcoholic beverages, soft drinks, and food that has been~~  
18 ~~prepared for immediate consumption) and prescription and~~  
19 ~~nonprescription medicines, drugs, medical appliances, and~~  
20 ~~insulin, urine testing materials, syringes, and needles used by~~  
21 ~~diabetics, for human use~~ from any not-for-profit organization,  
22 that sells food in a food distribution program at a price below  
23 the retail cost of the food to purchasers who, as a condition  
24 of participation in the program, are required to perform  
25 community service, located in a county or municipality that

1 notifies the Department, in writing, that the county or  
2 municipality does not want the tax to be collected from any of  
3 such organizations located in the county or municipality.

4 (Source: P.A. 88-374.)

5 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

6 (Text of Section before amendment by P.A. 100-363)

7 Sec. 9. Each serviceman required or authorized to collect  
8 the tax herein imposed shall pay to the Department the amount  
9 of such tax at the time when he is required to file his return  
10 for the period during which such tax was collectible, less a  
11 discount of 2.1% prior to January 1, 1990, and 1.75% on and  
12 after January 1, 1990, or \$5 per calendar year, whichever is  
13 greater, which is allowed to reimburse the serviceman for  
14 expenses incurred in collecting the tax, keeping records,  
15 preparing and filing returns, remitting the tax and supplying  
16 data to the Department on request. The discount allowed under  
17 this Section is allowed only for returns that are filed in the  
18 manner required by this Act. The Department may disallow the  
19 discount for servicemen whose certificate of registration is  
20 revoked at the time the return is filed, but only if the  
21 Department's decision to revoke the certificate of  
22 registration has become final.

23 Where such tangible personal property is sold under a  
24 conditional sales contract, or under any other form of sale  
25 wherein the payment of the principal sum, or a part thereof, is

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

6 Except as provided hereinafter in this Section, on or  
7 before the twentieth day of each calendar month, such  
8 serviceman shall file a return for the preceding calendar month  
9 in accordance with reasonable rules and regulations to be  
10 promulgated by the Department of Revenue. Such return shall be  
11 filed on a form prescribed by the Department and shall contain  
12 such information as the Department may reasonably require. On  
13 and after January 1, 2018, with respect to servicemen whose  
14 annual gross receipts average \$20,000 or more, all returns  
15 required to be filed pursuant to this Act shall be filed  
16 electronically. Servicemen who demonstrate that they do not  
17 have access to the Internet or demonstrate hardship in filing  
18 electronically may petition the Department to waive the  
19 electronic filing requirement.

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

- 1           1. The name of the seller;
- 2           2. The address of the principal place of business from  
3           which he engages in business as a serviceman in this State;
- 4           3. The total amount of taxable receipts received by him  
5           during the preceding calendar month, including receipts  
6           from charge and time sales, but less all deductions allowed  
7           by law;
- 8           4. The amount of credit provided in Section 2d of this  
9           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 Department  
13          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 be  
17           due on the return shall be deemed assessed.

18           Prior to October 1, 2003, and on and after September 1,  
19           2004 a serviceman may accept a Manufacturer's Purchase Credit  
20           certification from a purchaser in satisfaction of Service Use  
21           Tax as provided in Section 3-70 of the Service Use Tax Act if  
22           the purchaser provides the appropriate documentation as  
23           required by Section 3-70 of the Service Use Tax Act. A  
24           Manufacturer's Purchase Credit certification, accepted prior  
25           to October 1, 2003 or on or after September 1, 2004 by a  
26           serviceman as provided in Section 3-70 of the Service Use Tax



1 Act, may be used by that serviceman to satisfy Service  
2 Occupation Tax liability in the amount claimed in the  
3 certification, not to exceed 6.25% of the receipts subject to  
4 tax from a qualifying purchase. A Manufacturer's Purchase  
5 Credit reported on any original or amended return filed under  
6 this Act after October 20, 2003 for reporting periods prior to  
7 September 1, 2004 shall be disallowed. Manufacturer's Purchase  
8 Credit reported on annual returns due on or after January 1,  
9 2005 will be disallowed for periods prior to September 1, 2004.  
10 No Manufacturer's Purchase Credit may be used after September  
11 30, 2003 through August 31, 2004 to satisfy any tax liability  
12 imposed under this Act, including any audit liability.

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

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

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

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

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

1 The term "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 the  
4 Department, for the immediately preceding calendar year  
5 divided by 12. Beginning on October 1, 2002, a taxpayer who has  
6 a tax liability in the amount set forth in subsection (b) of  
7 Section 2505-210 of the Department of Revenue Law shall make  
8 all payments required by rules of the Department by electronic  
9 funds transfer.

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

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

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

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

25 Where a serviceman collects the tax with respect to the  
26 selling price of tangible personal property which he sells and

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

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

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

1           Beginning January 1, 1990, each month the Department shall  
2 pay into the Local Government Tax Fund the revenue realized for  
3 the preceding month from the 1% tax imposed under this Act ~~on~~  
4 ~~sales of food for human consumption which is to be consumed off~~  
5 ~~the 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, products classified as Class III~~  
9 ~~medical devices by the United States Food and Drug~~  
10 ~~Administration that are used for cancer treatment pursuant to a~~  
11 ~~prescription, as well as any accessories and components related~~  
12 ~~to those devices, and insulin, urine testing materials,~~  
13 ~~syringes and needles used by diabetics.~~

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

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

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

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

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

4 Beginning October 1, 2009, each month the Department shall  
5 pay into the Capital Projects Fund an amount that is equal to  
6 an amount estimated by the Department to represent 80% of the  
7 net revenue realized for the preceding month from the sale of  
8 candy, grooming and hygiene products, and soft drinks that had  
9 been taxed at a rate of 1% prior to September 1, 2009 but that  
10 are now taxed at 6.25%.

11 Beginning July 1, 2013, each month the Department shall pay  
12 into the Underground Storage Tank Fund from the proceeds  
13 collected under this Act, the Use Tax Act, the Service Use Tax  
14 Act, and the Retailers' Occupation Tax Act an amount equal to  
15 the average monthly deficit in the Underground Storage Tank  
16 Fund during the prior year, as certified annually by the  
17 Illinois Environmental Protection Agency, but the total  
18 payment into the Underground Storage Tank Fund under this Act,  
19 the Use Tax Act, the Service Use Tax Act, and the Retailers'  
20 Occupation Tax Act shall not exceed \$18,000,000 in any State  
21 fiscal year. As used in this paragraph, the "average monthly  
22 deficit" shall be equal to the difference between the average  
23 monthly claims for payment by the fund and the average monthly  
24 revenues deposited into the fund, excluding payments made  
25 pursuant to this paragraph.

26 Beginning July 1, 2015, of the remainder of the moneys

1 received by the Department under the Use Tax Act, the Service  
2 Use Tax Act, this Act, and the Retailers' Occupation Tax Act,  
3 each month the Department shall deposit \$500,000 into the State  
4 Crime Laboratory Fund.

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

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



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

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

1 9 of the Service Occupation Tax Act, and Section 3 of the  
2 Retailers' Occupation Tax Act into the McCormick Place  
3 Expansion Project Fund in the specified fiscal years.

	Fiscal Year	Total Deposit
4		
5	1993	\$0
6	1994	53,000,000
7	1995	58,000,000
8	1996	61,000,000
9	1997	64,000,000
10	1998	68,000,000
11	1999	71,000,000
12	2000	75,000,000
13	2001	80,000,000
14	2002	93,000,000
15	2003	99,000,000
16	2004	103,000,000
17	2005	108,000,000
18	2006	113,000,000
19	2007	119,000,000
20	2008	126,000,000
21	2009	132,000,000
22	2010	139,000,000
23	2011	146,000,000
24	2012	153,000,000
25	2013	161,000,000

1	2014	170,000,000
2	2015	179,000,000
3	2016	189,000,000
4	2017	199,000,000
5	2018	210,000,000
6	2019	221,000,000
7	2020	233,000,000
8	2021	246,000,000
9	2022	260,000,000
10	2023	275,000,000
11	2024	275,000,000
12	2025	275,000,000
13	2026	279,000,000
14	2027	292,000,000
15	2028	307,000,000
16	2029	322,000,000
17	2030	338,000,000
18	2031	350,000,000
19	2032	350,000,000

20 and

21 each fiscal year  
22 thereafter that bonds  
23 are outstanding under  
24 Section 13.2 of the  
25 Metropolitan Pier and  
26 Exposition Authority Act,

1 but not after fiscal year 2060.

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

15 Subject to payment of amounts into the Build Illinois Fund  
16 and the McCormick Place Expansion Project Fund pursuant to the  
17 preceding paragraphs or in any amendments thereto hereafter  
18 enacted, beginning July 1, 1993 and ending on September 30,  
19 2013, the Department shall each month pay into the Illinois Tax  
20 Increment Fund 0.27% of 80% of the net revenue realized for the  
21 preceding month from the 6.25% general rate on the selling  
22 price of tangible personal property.

23 Subject to payment of amounts into the Build Illinois Fund  
24 and the McCormick Place Expansion Project Fund pursuant to the  
25 preceding paragraphs or in any amendments thereto hereafter  
26 enacted, beginning with the receipt of the first report of

1 taxes paid by an eligible business and continuing for a 25-year  
2 period, the Department shall each month pay into the Energy  
3 Infrastructure Fund 80% of the net revenue realized from the  
4 6.25% general rate on the selling price of Illinois-mined coal  
5 that was sold to an eligible business. For purposes of this  
6 paragraph, the term "eligible business" means a new electric  
7 generating facility certified pursuant to Section 605-332 of  
8 the Department of Commerce and Economic Opportunity Law of the  
9 Civil Administrative Code of Illinois.

10 Subject to payment of amounts into the Build Illinois Fund,  
11 the McCormick Place Expansion Project Fund, the Illinois Tax  
12 Increment Fund, and the Energy Infrastructure Fund pursuant to  
13 the preceding paragraphs or in any amendments to this Section  
14 hereafter enacted, beginning on the first day of the first  
15 calendar month to occur on or after August 26, 2014 (the  
16 effective date of Public Act 98-1098) ~~this amendatory Act of~~  
17 ~~the 98th General Assembly~~, each month, from the collections  
18 made under Section 9 of the Use Tax Act, Section 9 of the  
19 Service Use Tax Act, Section 9 of the Service Occupation Tax  
20 Act, and Section 3 of the Retailers' Occupation Tax Act, the  
21 Department shall pay into the Tax Compliance and Administration  
22 Fund, to be used, subject to appropriation, to fund additional  
23 auditors and compliance personnel at the Department of Revenue,  
24 an amount equal to 1/12 of 5% of 80% of the cash receipts  
25 collected during the preceding fiscal year by the Audit Bureau  
26 of the Department under the Use Tax Act, the Service Use Tax

1 Act, the Service Occupation Tax Act, the Retailers' Occupation  
2 Tax Act, and associated local occupation and use taxes  
3 administered by the Department.

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

11 The Department may, upon separate written notice to a  
12 taxpayer, require the taxpayer to prepare and file with the  
13 Department on a form prescribed by the Department within not  
14 less than 60 days after receipt of the notice an annual  
15 information return for the tax year specified in the notice.  
16 Such annual return to the Department shall include a statement  
17 of gross receipts as shown by the taxpayer's last Federal  
18 income tax return. If the total receipts of the business as  
19 reported in the Federal income tax return do not agree with the  
20 gross receipts reported to the Department of Revenue for the  
21 same period, the taxpayer shall attach to his annual return a  
22 schedule showing a reconciliation of the 2 amounts and the  
23 reasons for the difference. The taxpayer's annual return to the  
24 Department shall also disclose the cost of goods sold by the  
25 taxpayer during the year covered by such return, opening and  
26 closing inventories of such goods for such year, cost of goods

1 used from stock or taken from stock and given away by the  
2 taxpayer during such year, pay roll information of the  
3 taxpayer's business during such year and any additional  
4 reasonable information which the Department deems would be  
5 helpful in determining the accuracy of the monthly, quarterly  
6 or annual returns filed by such taxpayer as hereinbefore  
7 provided for in this Section.

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

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

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

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

1 Department shall include a warning that the person signing the  
2 return may be liable for perjury.

3 The foregoing portion of this Section concerning the filing  
4 of an annual information return shall not apply to a serviceman  
5 who is not required to file an income tax return with the  
6 United States Government.

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

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

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

26 (Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16;



1 100-303, eff. 8-24-17; revised 10-31-17)

2 (Text of Section after amendment by P.A. 100-363)

3 Sec. 9. Each serviceman required or authorized to collect  
4 the tax herein imposed shall pay to the Department the amount  
5 of such tax at the time when he is required to file his return  
6 for the period during which such tax was collectible, less a  
7 discount of 2.1% prior to January 1, 1990, and 1.75% on and  
8 after January 1, 1990, or \$5 per calendar year, whichever is  
9 greater, which is allowed to reimburse the serviceman for  
10 expenses incurred in collecting the tax, keeping records,  
11 preparing and filing returns, remitting the tax and supplying  
12 data to the Department on request. The discount allowed under  
13 this Section is allowed only for returns that are filed in the  
14 manner required by this Act. The Department may disallow the  
15 discount for servicemen whose certificate of registration is  
16 revoked at the time the return is filed, but only if the  
17 Department's decision to revoke the certificate of  
18 registration has become final.

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

1 period.

2 Except as provided hereinafter in this Section, on or  
3 before the twentieth day of each calendar month, such  
4 serviceman shall file a return for the preceding calendar month  
5 in accordance with reasonable rules and regulations to be  
6 promulgated by the Department of Revenue. Such return shall be  
7 filed on a form prescribed by the Department and shall contain  
8 such information as the Department may reasonably require. On  
9 and after January 1, 2018, with respect to servicemen whose  
10 annual gross receipts average \$20,000 or more, all returns  
11 required to be filed pursuant to this Act shall be filed  
12 electronically. Servicemen who demonstrate that they do not  
13 have access to the Internet or demonstrate hardship in filing  
14 electronically may petition the Department to waive the  
15 electronic filing requirement.

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

- 23 1. The name of the seller;
- 24 2. The address of the principal place of business from  
25 which he engages in business as a serviceman in this State;
- 26 3. The total amount of taxable receipts received by him

1 during the preceding calendar month, including receipts  
2 from charge and time sales, but less all deductions allowed  
3 by law;

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

6 5. The amount of tax due;

7 5-5. The signature of the taxpayer; and

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

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

14 Prior to October 1, 2003, and on and after September 1,  
15 2004 a serviceman may accept a Manufacturer's Purchase Credit  
16 certification from a purchaser in satisfaction of Service Use  
17 Tax as provided in Section 3-70 of the Service Use Tax Act if  
18 the purchaser provides the appropriate documentation as  
19 required by Section 3-70 of the Service Use Tax Act. A  
20 Manufacturer's Purchase Credit certification, accepted prior  
21 to October 1, 2003 or on or after September 1, 2004 by a  
22 serviceman as provided in Section 3-70 of the Service Use Tax  
23 Act, may be used by that serviceman to satisfy Service  
24 Occupation Tax liability in the amount claimed in the  
25 certification, not to exceed 6.25% of the receipts subject to  
26 tax from a qualifying purchase. A Manufacturer's Purchase

1 Credit reported on any original or amended return filed under  
2 this Act after October 20, 2003 for reporting periods prior to  
3 September 1, 2004 shall be disallowed. Manufacturer's Purchase  
4 Credit reported on annual returns due on or after January 1,  
5 2005 will be disallowed for periods prior to September 1, 2004.  
6 No Manufacturer's Purchase Credit may be used after September  
7 30, 2003 through August 31, 2004 to satisfy any tax liability  
8 imposed under this Act, including any audit liability.

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

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

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

26 Notwithstanding any other provision in this Act concerning

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

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

1 divided by 12. Beginning on October 1, 2002, a taxpayer who has  
2 a tax liability in the amount set forth in subsection (b) of  
3 Section 2505-210 of the Department of Revenue Law shall make  
4 all payments required by rules of the Department by electronic  
5 funds transfer.

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

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

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

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

21 Where a serviceman collects the tax with respect to the  
22 selling price of tangible personal property which he sells and  
23 the purchaser thereafter returns such tangible personal  
24 property and the serviceman refunds the selling price thereof  
25 to the purchaser, such serviceman shall also refund, to the  
26 purchaser, the tax so collected from the purchaser. When filing

1 his return for the period in which he refunds such tax to the  
2 purchaser, the serviceman may deduct the amount of the tax so  
3 refunded by him to the purchaser from any other Service  
4 Occupation Tax, Service Use Tax, Retailers' Occupation Tax or  
5 Use Tax which such serviceman may be required to pay or remit  
6 to the Department, as shown by such return, provided that the  
7 amount of the tax to be deducted shall previously have been  
8 remitted to the Department by such serviceman. If the  
9 serviceman shall not previously have remitted the amount of  
10 such tax to the Department, he shall be entitled to no  
11 deduction hereunder upon refunding such tax to the purchaser.

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

19 Where the serviceman has more than one business registered  
20 with the Department under separate registrations hereunder,  
21 such serviceman shall file separate returns for each registered  
22 business.

23 Beginning January 1, 1990, each month the Department shall  
24 pay into the Local Government Tax Fund the revenue realized for  
25 the preceding month from the 1% tax imposed under this Act ~~on~~  
26 ~~sales of food for human consumption which is to be consumed off~~

1 ~~the premises where it is sold (other than alcoholic beverages,~~  
2 ~~soft drinks and food which has been prepared for immediate~~  
3 ~~consumption) and prescription and nonprescription medicines,~~  
4 ~~drugs, medical appliances, products classified as Class III~~  
5 ~~medical devices by the United States Food and Drug~~  
6 ~~Administration that are used for cancer treatment pursuant to a~~  
7 ~~prescription, as well as any accessories and components related~~  
8 ~~to those devices, and insulin, urine testing materials,~~  
9 ~~syringes and needles used by diabetics.~~

10 Beginning January 1, 1990, each month the Department shall  
11 pay into the County and Mass Transit District Fund 4% of the  
12 revenue realized for the preceding month from the 6.25% general  
13 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 January 1, 1990, each month the Department shall  
19 pay into the Local Government Tax Fund 16% of the revenue  
20 realized for the preceding month from the 6.25% general rate on  
21 transfers of tangible personal property.

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

26 Beginning October 1, 2009, each month the Department shall



1 pay into the Capital Projects Fund an amount that is equal to  
2 an amount estimated by the Department to represent 80% of the  
3 net revenue realized for the preceding month from the sale of  
4 candy, grooming and hygiene products, and soft drinks that had  
5 been taxed at a rate of 1% prior to September 1, 2009 but that  
6 are now taxed at 6.25%.

7 Beginning July 1, 2013, each month the Department shall pay  
8 into the Underground Storage Tank Fund from the proceeds  
9 collected under this Act, the Use Tax Act, the Service Use Tax  
10 Act, and the Retailers' Occupation Tax Act an amount equal to  
11 the average monthly deficit in the Underground Storage Tank  
12 Fund during the prior year, as certified annually by the  
13 Illinois Environmental Protection Agency, but the total  
14 payment into the Underground Storage Tank Fund under this Act,  
15 the Use Tax Act, the Service Use Tax Act, and the Retailers'  
16 Occupation Tax Act shall not exceed \$18,000,000 in any State  
17 fiscal year. As used in this paragraph, the "average monthly  
18 deficit" shall be equal to the difference between the average  
19 monthly claims for payment by the fund and the average monthly  
20 revenues deposited into the fund, excluding payments made  
21 pursuant to this paragraph.

22 Beginning July 1, 2015, of the remainder of the moneys  
23 received by the Department under the Use Tax Act, the Service  
24 Use Tax Act, this Act, and the Retailers' Occupation Tax Act,  
25 each month the Department shall deposit \$500,000 into the State  
26 Crime Laboratory Fund.

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

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

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

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

		Total
	Fiscal Year	Deposit
1		
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	93,000,000
12	2003	99,000,000
13	2004	103,000,000
14	2005	108,000,000
15	2006	113,000,000
16	2007	119,000,000
17	2008	126,000,000
18	2009	132,000,000
19	2010	139,000,000
20	2011	146,000,000
21	2012	153,000,000
22	2013	161,000,000
23	2014	170,000,000
24	2015	179,000,000
25	2016	189,000,000

1	2017	199,000,000
2	2018	210,000,000
3	2019	221,000,000
4	2020	233,000,000
5	2021	246,000,000
6	2022	260,000,000
7	2023	275,000,000
8	2024	275,000,000
9	2025	275,000,000
10	2026	279,000,000
11	2027	292,000,000
12	2028	307,000,000
13	2029	322,000,000
14	2030	338,000,000
15	2031	350,000,000
16	2032	350,000,000

17                   and  
18                    each fiscal year  
19                   thereafter that bonds  
20                   are outstanding under  
21                   Section 13.2 of the  
22                   Metropolitan Pier and  
23                   Exposition Authority Act,  
24                   but not after fiscal year 2060.

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

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

12 Subject to payment of amounts into the Build Illinois Fund  
13 and the McCormick Place Expansion Project Fund pursuant to the  
14 preceding paragraphs or in any amendments thereto hereafter  
15 enacted, beginning July 1, 1993 and ending on September 30,  
16 2013, the Department shall each month pay into the Illinois Tax  
17 Increment Fund 0.27% of 80% of the net revenue realized for the  
18 preceding month from the 6.25% general rate on the selling  
19 price of tangible personal property.

20 Subject to payment of amounts into the Build Illinois Fund  
21 and the McCormick Place Expansion Project Fund pursuant to the  
22 preceding paragraphs or in any amendments thereto hereafter  
23 enacted, beginning with the receipt of the first report of  
24 taxes paid by an eligible business and continuing for a 25-year  
25 period, the Department shall each month pay into the Energy  
26 Infrastructure Fund 80% of the net revenue realized from the

1 6.25% general rate on the selling price of Illinois-mined coal  
2 that was sold to an eligible business. For purposes of this  
3 paragraph, the term "eligible business" means a new electric  
4 generating facility certified pursuant to Section 605-332 of  
5 the Department of Commerce and Economic Opportunity Law of the  
6 Civil Administrative Code of Illinois.

7 Subject to payment of amounts into the Build Illinois Fund,  
8 the McCormick Place Expansion Project Fund, the Illinois Tax  
9 Increment Fund, and the Energy Infrastructure Fund pursuant to  
10 the preceding paragraphs or in any amendments to this Section  
11 hereafter enacted, beginning on the first day of the first  
12 calendar month to occur on or after August 26, 2014 (the  
13 effective date of Public Act 98-1098) ~~this amendatory Act of~~  
14 ~~the 98th General Assembly~~, each month, from the collections  
15 made under Section 9 of the Use Tax Act, Section 9 of the  
16 Service Use Tax Act, Section 9 of the Service Occupation Tax  
17 Act, and Section 3 of the Retailers' Occupation Tax Act, the  
18 Department shall pay into the Tax Compliance and Administration  
19 Fund, to be used, subject to appropriation, to fund additional  
20 auditors and compliance personnel at the Department of Revenue,  
21 an amount equal to 1/12 of 5% of 80% of the cash receipts  
22 collected during the preceding fiscal year by the Audit Bureau  
23 of the Department under the Use Tax Act, the Service Use Tax  
24 Act, the Service Occupation Tax Act, the Retailers' Occupation  
25 Tax Act, and associated local occupation and use taxes  
26 administered by the Department.



1           Subject to payments of amounts into the Build Illinois  
2 Fund, the McCormick Place Expansion Project Fund, the Illinois  
3 Tax Increment Fund, the Energy Infrastructure Fund, and the Tax  
4 Compliance and Administration Fund as provided in this Section,  
5 beginning on July 1, 2018 the Department shall pay each month  
6 into the Downstate Public Transportation Fund the moneys  
7 required to be so paid under Section 2-3 of the Downstate  
8 Public Transportation Act.

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

16           The Department may, upon separate written notice to a  
17 taxpayer, require the taxpayer to prepare and file with the  
18 Department on a form prescribed by the Department within not  
19 less than 60 days after receipt of the notice an annual  
20 information return for the tax year specified in the notice.  
21 Such annual return to the Department shall include a statement  
22 of gross receipts as shown by the taxpayer's last Federal  
23 income tax return. If the total receipts of the business as  
24 reported in the Federal income tax return do not agree with the  
25 gross receipts reported to the Department of Revenue for the  
26 same period, the taxpayer shall attach to his annual return a

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

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

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

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

26 The chief executive officer, proprietor, owner or highest

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

8 The foregoing portion of this Section concerning the filing  
9 of an annual information return shall not apply to a serviceman  
10 who is not required to file an income tax return with the  
11 United States Government.

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

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

23 For greater simplicity of administration, it shall be  
24 permissible for manufacturers, importers and wholesalers whose  
25 products are sold by numerous servicemen in Illinois, and who  
26 wish to do so, to assume the responsibility for accounting and

1 paying to the Department all tax accruing under this Act with  
2 respect to such sales, if the servicemen who are affected do  
3 not make written objection to the Department to this  
4 arrangement.

5 (Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16;  
6 100-303, eff. 8-24-17; 100-363, eff. 7-1-18; revised  
7 10-31-17.)

8 Section 45. The Retailers' Occupation Tax Act is amended by  
9 changing Sections 2-5, 2-5.5, 3, and 5j as follows:

10 (35 ILCS 120/2-5)

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

14 (1) Farm chemicals.

15 (2) Farm machinery and equipment, both new and used,  
16 including that manufactured on special order, certified by  
17 the purchaser to be used primarily for production  
18 agriculture or State or federal agricultural programs,  
19 including individual replacement parts for the machinery  
20 and equipment, including machinery and equipment purchased  
21 for lease, and including implements of husbandry defined in  
22 Section 1-130 of the Illinois Vehicle Code, farm machinery  
23 and agricultural chemical and fertilizer spreaders, and  
24 nurse wagons required to be registered under Section 3-809

1 of the Illinois Vehicle Code, but excluding other motor  
2 vehicles required to be registered under the Illinois  
3 Vehicle Code. Horticultural polyhouses or hoop houses used  
4 for propagating, growing, or overwintering plants shall be  
5 considered farm machinery and equipment under this item  
6 (2). Agricultural chemical tender tanks and dry boxes shall  
7 include units sold separately from a motor vehicle required  
8 to be licensed and units sold mounted on a motor vehicle  
9 required to be licensed, if the selling price of the tender  
10 is separately stated.

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

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

1           (3) Until July 1, 2003, distillation machinery and  
2 equipment, sold as a unit or kit, assembled or installed by  
3 the retailer, certified by the user to be used only for the  
4 production of ethyl alcohol that will be used for  
5 consumption as motor fuel or as a component of motor fuel  
6 for the personal use of the user, and not subject to sale  
7 or resale.

8           (4) Until July 1, 2003 and beginning again September 1,  
9 2004 through August 30, 2014, graphic arts machinery and  
10 equipment, including repair and replacement parts, both  
11 new and used, and including that manufactured on special  
12 order or purchased for lease, certified by the purchaser to  
13 be used primarily for graphic arts production. Equipment  
14 includes chemicals or chemicals acting as catalysts but  
15 only if the chemicals or chemicals acting as catalysts  
16 effect a direct and immediate change upon a graphic arts  
17 product. Beginning on July 1, 2017, graphic arts machinery  
18 and equipment is included in the manufacturing and  
19 assembling machinery and equipment exemption under  
20 paragraph (14).

21           (5) A motor vehicle that is used for automobile  
22 renting, as defined in the Automobile Renting Occupation  
23 and Use Tax Act. This paragraph is exempt from the  
24 provisions of Section 2-70.

25           (6) Personal property sold by a teacher-sponsored  
26 student organization affiliated with an elementary or

1 secondary school located in Illinois.

2 (7) Until July 1, 2003, proceeds of that portion of the  
3 selling price of a passenger car the sale of which is  
4 subject to the Replacement Vehicle Tax.

5 (8) Personal property sold to an Illinois county fair  
6 association for use in conducting, operating, or promoting  
7 the county fair.

8 (9) Personal property sold to a not-for-profit arts or  
9 cultural organization that establishes, by proof required  
10 by the Department by rule, that it has received an  
11 exemption under Section 501(c)(3) of the Internal Revenue  
12 Code and that is organized and operated primarily for the  
13 presentation or support of arts or cultural programming,  
14 activities, or services. These organizations include, but  
15 are not limited to, music and dramatic arts organizations  
16 such as symphony orchestras and theatrical groups, arts and  
17 cultural service organizations, local arts councils,  
18 visual arts organizations, and media arts organizations.  
19 On and after July 1, 2001 (the effective date of Public Act  
20 92-35) ~~this amendatory Act of the 92nd General Assembly,~~  
21 however, an entity otherwise eligible for this exemption  
22 shall not make tax-free purchases unless it has an active  
23 identification number issued by the Department.

24 (10) Personal property sold by a corporation, society,  
25 association, foundation, institution, or organization,  
26 other than a limited liability company, that is organized

1 and operated as a not-for-profit service enterprise for the  
2 benefit of persons 65 years of age or older if the personal  
3 property was not purchased by the enterprise for the  
4 purpose of resale by the enterprise.

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

20 (12) (Blank).

21 (12-5) On and after July 1, 2003 and through June 30,  
22 2004, motor vehicles of the second division with a gross  
23 vehicle weight in excess of 8,000 pounds that are subject  
24 to the commercial distribution fee imposed under Section  
25 3-815.1 of the Illinois Vehicle Code. Beginning on July 1,  
26 2004 and through June 30, 2005, the use in this State of



1 motor vehicles of the second division: (i) with a gross  
2 vehicle weight rating in excess of 8,000 pounds; (ii) that  
3 are subject to the commercial distribution fee imposed  
4 under Section 3-815.1 of the Illinois Vehicle Code; and  
5 (iii) that are primarily used for commercial purposes.  
6 Through June 30, 2005, this exemption applies to repair and  
7 replacement parts added after the initial purchase of such  
8 a motor vehicle if that motor vehicle is used in a manner  
9 that would qualify for the rolling stock exemption  
10 otherwise provided for in this Act. For purposes of this  
11 paragraph, "used for commercial purposes" means the  
12 transportation of persons or property in furtherance of any  
13 commercial or industrial enterprise whether for-hire or  
14 not.

15 (13) Proceeds from sales to owners, lessors, or  
16 shippers of tangible personal property that is utilized by  
17 interstate carriers for hire for use as rolling stock  
18 moving in interstate commerce and equipment operated by a  
19 telecommunications provider, licensed as a common carrier  
20 by the Federal Communications Commission, which is  
21 permanently installed in or affixed to aircraft moving in  
22 interstate commerce.

23 (14) Machinery and equipment that will be used by the  
24 purchaser, or a lessee of the purchaser, primarily in the  
25 process of manufacturing or assembling tangible personal  
26 property for wholesale or retail sale or lease, whether the

1 sale or lease is made directly by the manufacturer or by  
2 some other person, whether the materials used in the  
3 process are owned by the manufacturer or some other person,  
4 or whether the sale or lease is made apart from or as an  
5 incident to the seller's engaging in the service occupation  
6 of producing machines, tools, dies, jigs, patterns,  
7 gauges, or other similar items of no commercial value on  
8 special order for a particular purchaser. The exemption  
9 provided by this paragraph (14) does not include machinery  
10 and equipment used in (i) the generation of electricity for  
11 wholesale or retail sale; (ii) the generation or treatment  
12 of natural or artificial gas for wholesale or retail sale  
13 that is delivered to customers through pipes, pipelines, or  
14 mains; or (iii) the treatment of water for wholesale or  
15 retail sale that is delivered to customers through pipes,  
16 pipelines, or mains. The provisions of Public Act 98-583  
17 are declaratory of existing law as to the meaning and scope  
18 of this exemption. Beginning on July 1, 2017, the exemption  
19 provided by this paragraph (14) includes, but is not  
20 limited to, graphic arts machinery and equipment, as  
21 defined in paragraph (4) of this Section.

22 (15) Proceeds of mandatory service charges separately  
23 stated on customers' bills for purchase and consumption of  
24 food and beverages, to the extent that the proceeds of the  
25 service charge are in fact turned over as tips or as a  
26 substitute for tips to the employees who participate

1 directly in preparing, serving, hosting or cleaning up the  
2 food or beverage function with respect to which the service  
3 charge is imposed.

4 (16) Tangible personal property ~~Petroleum products~~  
5 sold to a purchaser if the purchaser is exempt from use tax  
6 ~~seller is prohibited~~ by operation of federal law ~~from~~  
7 ~~charging tax to the purchaser~~. This paragraph is exempt  
8 from the provisions of Section 2-70.

9 (17) Tangible personal property sold to a common  
10 carrier by rail or motor that receives the physical  
11 possession of the property in Illinois and that transports  
12 the property, or shares with another common carrier in the  
13 transportation of the property, out of Illinois on a  
14 standard uniform bill of lading showing the seller of the  
15 property as the shipper or consignor of the property to a  
16 destination outside Illinois, for use outside Illinois.

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

21 (19) Until July 1, 2003, oil field exploration,  
22 drilling, and production equipment, including (i) rigs and  
23 parts of rigs, rotary rigs, cable tool rigs, and workover  
24 rigs, (ii) pipe and tubular goods, including casing and  
25 drill strings, (iii) pumps and pump-jack units, (iv)  
26 storage tanks and flow lines, (v) any individual

1 replacement part for oil field exploration, drilling, and  
2 production equipment, and (vi) machinery and equipment  
3 purchased for lease; but excluding motor vehicles required  
4 to be registered under the Illinois Vehicle Code.

5 (20) Photoprocessing machinery and equipment,  
6 including repair and replacement parts, both new and used,  
7 including that manufactured on special order, certified by  
8 the purchaser to be used primarily for photoprocessing, and  
9 including photoprocessing machinery and equipment  
10 purchased for lease.

11 (21) Coal and aggregate exploration, mining,  
12 off-highway hauling, processing, maintenance, and  
13 reclamation equipment, including replacement parts and  
14 equipment, and including equipment purchased for lease,  
15 but excluding motor vehicles required to be registered  
16 under the Illinois Vehicle Code. The changes made to this  
17 Section by Public Act 97-767 apply on and after July 1,  
18 2003, but no claim for credit or refund is allowed on or  
19 after August 16, 2013 (the effective date of Public Act  
20 98-456) for such taxes paid during the period beginning  
21 July 1, 2003 and ending on August 16, 2013 (the effective  
22 date of Public Act 98-456).

23 (22) Until June 30, 2013, fuel and petroleum products  
24 sold to or used by an air carrier, certified by the carrier  
25 to be used for consumption, shipment, or storage in the  
26 conduct of its business as an air common carrier, for a

1 flight destined for or returning from a location or  
2 locations outside the United States without regard to  
3 previous or subsequent domestic stopovers.

4 Beginning July 1, 2013, fuel and petroleum products  
5 sold to or used by an air carrier, certified by the carrier  
6 to be used for consumption, shipment, or storage in the  
7 conduct of its business as an air common carrier, for a  
8 flight that (i) is engaged in foreign trade or is engaged  
9 in trade between the United States and any of its  
10 possessions and (ii) transports at least one individual or  
11 package for hire from the city of origination to the city  
12 of final destination on the same aircraft, without regard  
13 to a change in the flight number of that aircraft.

14 (23) A transaction in which the purchase order is  
15 received by a florist who is located outside Illinois, but  
16 who has a florist located in Illinois deliver the property  
17 to the purchaser or the purchaser's donee in Illinois.

18 (24) Fuel consumed or used in the operation of ships,  
19 barges, or vessels that are used primarily in or for the  
20 transportation of property or the conveyance of persons for  
21 hire on rivers bordering on this State if the fuel is  
22 delivered by the seller to the purchaser's barge, ship, or  
23 vessel while it is afloat upon that bordering river.

24 (25) Except as provided in item (25-5) of this Section,  
25 a motor vehicle sold in this State to a nonresident even  
26 though the motor vehicle is delivered to the nonresident in

1       this State, if the motor vehicle is not to be titled in  
2       this State, and if a drive-away permit is issued to the  
3       motor vehicle as provided in Section 3-603 of the Illinois  
4       Vehicle Code or if the nonresident purchaser has vehicle  
5       registration plates to transfer to the motor vehicle upon  
6       returning to his or her home state. The issuance of the  
7       drive-away permit or having the out-of-state registration  
8       plates to be transferred is prima facie evidence that the  
9       motor vehicle will not be titled in this State.

10       (25-5) The exemption under item (25) does not apply if  
11       the state in which the motor vehicle will be titled does  
12       not allow a reciprocal exemption for a motor vehicle sold  
13       and delivered in that state to an Illinois resident but  
14       titled in Illinois. The tax collected under this Act on the  
15       sale of a motor vehicle in this State to a resident of  
16       another state that does not allow a reciprocal exemption  
17       shall be imposed at a rate equal to the state's rate of tax  
18       on taxable property in the state in which the purchaser is  
19       a resident, except that the tax shall not exceed the tax  
20       that would otherwise be imposed under this Act. At the time  
21       of the sale, the purchaser shall execute a statement,  
22       signed under penalty of perjury, of his or her intent to  
23       title the vehicle in the state in which the purchaser is a  
24       resident within 30 days after the sale and of the fact of  
25       the payment to the State of Illinois of tax in an amount  
26       equivalent to the state's rate of tax on taxable property

1 in his or her state of residence and shall submit the  
2 statement to the appropriate tax collection agency in his  
3 or her state of residence. In addition, the retailer must  
4 retain a signed copy of the statement in his or her  
5 records. Nothing in this item shall be construed to require  
6 the removal of the vehicle from this state following the  
7 filing of an intent to title the vehicle in the purchaser's  
8 state of residence if the purchaser titles the vehicle in  
9 his or her state of residence within 30 days after the date  
10 of sale. The tax collected under this Act in accordance  
11 with this item (25-5) shall be proportionately distributed  
12 as if the tax were collected at the 6.25% general rate  
13 imposed under this Act.

14 (25-7) Beginning on July 1, 2007, no tax is imposed  
15 under this Act on the sale of an aircraft, as defined in  
16 Section 3 of the Illinois Aeronautics Act, if all of the  
17 following conditions are met:

18 (1) the aircraft leaves this State within 15 days  
19 after the later of either the issuance of the final  
20 billing for the sale of the aircraft, or the authorized  
21 approval for return to service, completion of the  
22 maintenance record entry, and completion of the test  
23 flight and ground test for inspection, as required by  
24 14 C.F.R. 91.407;

25 (2) the aircraft is not based or registered in this  
26 State after the sale of the aircraft; and

1           (3) the seller retains in his or her books and  
2 records and provides to the Department a signed and  
3 dated certification from the purchaser, on a form  
4 prescribed by the Department, certifying that the  
5 requirements of this item (25-7) are met. The  
6 certificate must also include the name and address of  
7 the purchaser, the address of the location where the  
8 aircraft is to be titled or registered, the address of  
9 the primary physical location of the aircraft, and  
10 other information that the Department may reasonably  
11 require.

12           For purposes of this item (25-7):

13           "Based in this State" means hangared, stored, or  
14 otherwise used, excluding post-sale customizations as  
15 defined in this Section, for 10 or more days in each  
16 12-month period immediately following the date of the sale  
17 of the aircraft.

18           "Registered in this State" means an aircraft  
19 registered with the Department of Transportation,  
20 Aeronautics Division, or titled or registered with the  
21 Federal Aviation Administration to an address located in  
22 this State.

23           This paragraph (25-7) is exempt from the provisions of  
24 Section 2-70.

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



1           (27) Horses, or interests in horses, registered with  
2           and meeting the requirements of any of the Arabian Horse  
3           Club Registry of America, Appaloosa Horse Club, American  
4           Quarter Horse Association, United States Trotting  
5           Association, or Jockey Club, as appropriate, used for  
6           purposes of breeding or racing for prizes. This item (27)  
7           is exempt from the provisions of Section 2-70, and the  
8           exemption provided for under this item (27) applies for all  
9           periods beginning May 30, 1995, but no claim for credit or  
10          refund is allowed on or after January 1, 2008 (the  
11          effective date of Public Act 95-88) for such taxes paid  
12          during the period beginning May 30, 2000 and ending on  
13          January 1, 2008 (the effective date of Public Act 95-88).

14          (28) Computers and communications equipment utilized  
15          for any hospital purpose and equipment used in the  
16          diagnosis, analysis, or treatment of hospital patients  
17          sold to a lessor who leases the equipment, under a lease of  
18          one year or longer executed or in effect at the time of the  
19          purchase, to a hospital that has been issued an active tax  
20          exemption identification number by the Department under  
21          Section 1g of this Act.

22          (29) Personal property sold to a lessor who leases the  
23          property, under a lease of one year or longer executed or  
24          in effect at the time of the purchase, to a governmental  
25          body that has been issued an active tax exemption  
26          identification number by the Department under Section 1g of

1           this Act.

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

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

26          (32) Beginning July 1, 1999, game or game birds sold at

1 a "game breeding and hunting preserve area" as that term is  
2 used in the Wildlife Code. This paragraph is exempt from  
3 the provisions of Section 2-70.

4 (33) A motor vehicle, as that term is defined in  
5 Section 1-146 of the Illinois Vehicle Code, that is donated  
6 to a corporation, limited liability company, society,  
7 association, foundation, or institution that is determined  
8 by the Department to be organized and operated exclusively  
9 for educational purposes. For purposes of this exemption,  
10 "a corporation, limited liability company, society,  
11 association, foundation, or institution organized and  
12 operated exclusively for educational purposes" means all  
13 tax-supported public schools, private schools that offer  
14 systematic instruction in useful branches of learning by  
15 methods common to public schools and that compare favorably  
16 in their scope and intensity with the course of study  
17 presented in tax-supported schools, and vocational or  
18 technical schools or institutes organized and operated  
19 exclusively to provide a course of study of not less than 6  
20 weeks duration and designed to prepare individuals to  
21 follow a trade or to pursue a manual, technical,  
22 mechanical, industrial, business, or commercial  
23 occupation.

24 (34) Beginning January 1, 2000, personal property,  
25 including food, purchased through fundraising events for  
26 the benefit of a public or private elementary or secondary

1 school, a group of those schools, or one or more school  
2 districts if the events are sponsored by an entity  
3 recognized by the school district that consists primarily  
4 of volunteers and includes parents and teachers of the  
5 school children. This paragraph does not apply to  
6 fundraising events (i) for the benefit of private home  
7 instruction or (ii) for which the fundraising entity  
8 purchases the personal property sold at the events from  
9 another individual or entity that sold the property for the  
10 purpose of resale by the fundraising entity and that  
11 profits from the sale to the fundraising entity. This  
12 paragraph is exempt from the provisions of Section 2-70.

13 (35) Beginning January 1, 2000 and through December 31,  
14 2001, new or used automatic vending machines that prepare  
15 and serve hot food and beverages, including coffee, soup,  
16 and other items, and replacement parts for these machines.  
17 Beginning January 1, 2002 and through June 30, 2003,  
18 machines and parts for machines used in commercial,  
19 coin-operated amusement and vending business if a use or  
20 occupation tax is paid on the gross receipts derived from  
21 the use of the commercial, coin-operated amusement and  
22 vending machines. This paragraph is exempt from the  
23 provisions of Section 2-70.

24 (35-5) Beginning August 23, 2001 and through June 30,  
25 2016, food for human consumption that is to be consumed off  
26 the premises where it is sold (other than alcoholic

1 beverages, soft drinks, and food that has been prepared for  
2 immediate consumption) and prescription and  
3 nonprescription medicines, drugs, medical appliances, and  
4 insulin, urine testing materials, syringes, and needles  
5 used by diabetics, for human use, when purchased for use by  
6 a person receiving medical assistance under Article V of  
7 the Illinois Public Aid Code who resides in a licensed  
8 long-term care facility, as defined in the Nursing Home  
9 Care Act, or a licensed facility as defined in the ID/DD  
10 Community Care Act, the MC/DD Act, or the Specialized  
11 Mental Health Rehabilitation Act of 2013.

12 (36) Beginning August 2, 2001, computers and  
13 communications equipment utilized for any hospital purpose  
14 and equipment used in the diagnosis, analysis, or treatment  
15 of hospital patients sold to a lessor who leases the  
16 equipment, under a lease of one year or longer executed or  
17 in effect at the time of the purchase, to a hospital that  
18 has been issued an active tax exemption identification  
19 number by the Department under Section 1g of this Act. This  
20 paragraph is exempt from the provisions of Section 2-70.

21 (37) Beginning August 2, 2001, personal property sold  
22 to a lessor who leases the property, under a lease of one  
23 year or longer executed or in effect at the time of the  
24 purchase, to a governmental body that has been issued an  
25 active tax exemption identification number by the  
26 Department under Section 1g of this Act. This paragraph is

1 exempt from the provisions of Section 2-70.

2 (38) Beginning on January 1, 2002 and through June 30,  
3 2016, tangible personal property purchased from an  
4 Illinois retailer by a taxpayer engaged in centralized  
5 purchasing activities in Illinois who will, upon receipt of  
6 the property in Illinois, temporarily store the property in  
7 Illinois (i) for the purpose of subsequently transporting  
8 it outside this State for use or consumption thereafter  
9 solely outside this State or (ii) for the purpose of being  
10 processed, fabricated, or manufactured into, attached to,  
11 or incorporated into other tangible personal property to be  
12 transported outside this State and thereafter used or  
13 consumed solely outside this State. The Director of Revenue  
14 shall, pursuant to rules adopted in accordance with the  
15 Illinois Administrative Procedure Act, issue a permit to  
16 any taxpayer in good standing with the Department who is  
17 eligible for the exemption under this paragraph (38). The  
18 permit issued under this paragraph (38) shall authorize the  
19 holder, to the extent and in the manner specified in the  
20 rules adopted under this Act, to purchase tangible personal  
21 property from a retailer exempt from the taxes imposed by  
22 this Act. Taxpayers shall maintain all necessary books and  
23 records to substantiate the use and consumption of all such  
24 tangible personal property outside of the State of  
25 Illinois.

26 (39) Beginning January 1, 2008, tangible personal

1 property used in the construction or maintenance of a  
2 community water supply, as defined under Section 3.145 of  
3 the Environmental Protection Act, that is operated by a  
4 not-for-profit corporation that holds a valid water supply  
5 permit issued under Title IV of the Environmental  
6 Protection Act. This paragraph is exempt from the  
7 provisions of Section 2-70.

8 (40) Beginning January 1, 2010, materials, parts,  
9 equipment, components, and furnishings incorporated into  
10 or upon an aircraft as part of the modification,  
11 refurbishment, completion, replacement, repair, or  
12 maintenance of the aircraft. This exemption includes  
13 consumable supplies used in the modification,  
14 refurbishment, completion, replacement, repair, and  
15 maintenance of aircraft, but excludes any materials,  
16 parts, equipment, components, and consumable supplies used  
17 in the modification, replacement, repair, and maintenance  
18 of aircraft engines or power plants, whether such engines  
19 or power plants are installed or uninstalled upon any such  
20 aircraft. "Consumable supplies" include, but are not  
21 limited to, adhesive, tape, sandpaper, general purpose  
22 lubricants, cleaning solution, latex gloves, and  
23 protective films. This exemption applies only to the sale  
24 of qualifying tangible personal property to persons who  
25 modify, refurbish, complete, replace, or maintain an  
26 aircraft and who (i) hold an Air Agency Certificate and are

1 empowered to operate an approved repair station by the  
2 Federal Aviation Administration, (ii) have a Class IV  
3 Rating, and (iii) conduct operations in accordance with  
4 Part 145 of the Federal Aviation Regulations. The exemption  
5 does not include aircraft operated by a commercial air  
6 carrier providing scheduled passenger air service pursuant  
7 to authority issued under Part 121 or Part 129 of the  
8 Federal Aviation Regulations. The changes made to this  
9 paragraph (40) by Public Act 98-534 are declarative of  
10 existing law.

11 (41) Tangible personal property sold to a  
12 public-facilities corporation, as described in Section  
13 11-65-10 of the Illinois Municipal Code, for purposes of  
14 constructing or furnishing a municipal convention hall,  
15 but only if the legal title to the municipal convention  
16 hall is transferred to the municipality without any further  
17 consideration by or on behalf of the municipality at the  
18 time of the completion of the municipal convention hall or  
19 upon the retirement or redemption of any bonds or other  
20 debt instruments issued by the public-facilities  
21 corporation in connection with the development of the  
22 municipal convention hall. This exemption includes  
23 existing public-facilities corporations as provided in  
24 Section 11-65-25 of the Illinois Municipal Code. This  
25 paragraph is exempt from the provisions of Section 2-70.

26 (42) Beginning January 1, 2017, menstrual pads,



1 tampons, and menstrual cups.

2 (43) Merchandise that is subject to the Rental Purchase  
3 Agreement Occupation and Use Tax. The purchaser must  
4 certify that the item is purchased to be rented subject to  
5 a rental purchase agreement, as defined in the Rental  
6 Purchase Agreement Act, and provide proof of registration  
7 under the Rental Purchase Agreement Occupation and Use Tax  
8 Act. This paragraph is exempt from the provisions of  
9 Section 2-70.

10 (Source: P.A. 99-180, eff. 7-29-15; 99-855, eff. 8-19-16;  
11 100-22, eff. 7-6-17; 100-321, eff. 8-24-17; 100-437, eff.  
12 1-1-18; revised 9-26-17.)

13 (35 ILCS 120/2-5.5)

14 Sec. 2-5.5. Food and drugs sold by not-for-profit  
15 organizations; exemption. The Department shall not collect the  
16 1% tax imposed under this Act ~~on food for human consumption~~  
17 ~~that is to be consumed off the premises where it is sold (other~~  
18 ~~than alcoholic beverages, soft drinks, and food that has been~~  
19 ~~prepared for immediate consumption) and prescription and~~  
20 ~~nonprescription medicines, drugs, medical appliances, and~~  
21 ~~insulin, urine testing materials, syringes, and needles used by~~  
22 ~~diabetics, for human use~~ from any not-for-profit organization,  
23 that sells food in a food distribution program at a price below  
24 the retail cost of the food to purchasers who, as a condition  
25 of participation in the program, are required to perform

1 community service, located in a county or municipality that  
2 notifies the Department, in writing, that the county or  
3 municipality does not want the tax to be collected from any of  
4 such organizations located in the county or municipality.

5 (Source: P.A. 88-374.)

6 (35 ILCS 120/3) (from Ch. 120, par. 442)

7 (Text of Section before amendment by P.A. 100-363)

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

13 1. The name of the seller;

14 2. His residence address and the address of his  
15 principal place of business and the address of the  
16 principal place of business (if that is a different  
17 address) from which he engages in the business of selling  
18 tangible personal property at retail in this State;

19 3. Total amount of receipts received by him during the  
20 preceding calendar month or quarter, as the case may be,  
21 from sales of tangible personal property, and from services  
22 furnished, by him during such preceding calendar month or  
23 quarter;

24 4. Total amount received by him during the preceding  
25 calendar month or quarter on charge and time sales of

1           tangible personal property, and from services furnished,  
2           by him prior to the month or quarter for which the return  
3           is filed;

4           5. Deductions allowed by law;

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

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

10          8. The amount of tax due;

11          9. The signature of the taxpayer; and

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

14          On and after January 1, 2018, except for returns for motor  
15          vehicles, watercraft, aircraft, and trailers that are required  
16          to be registered with an agency of this State, with respect to  
17          retailers whose annual gross receipts average \$20,000 or more,  
18          all returns required to be filed pursuant to this Act shall be  
19          filed electronically. Retailers who demonstrate that they do  
20          not have access to the Internet or demonstrate hardship in  
21          filing electronically may petition the Department to waive the  
22          electronic filing requirement.

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

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

4           Prior to October 1, 2003, and on and after September 1,  
5 2004 a retailer may accept a Manufacturer's Purchase Credit  
6 certification from a purchaser in satisfaction of Use Tax as  
7 provided in Section 3-85 of the Use Tax Act if the purchaser  
8 provides the appropriate documentation as required by Section  
9 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit  
10 certification, accepted by a retailer prior to October 1, 2003  
11 and on and after September 1, 2004 as provided in Section 3-85  
12 of the Use Tax Act, may be used by that retailer to satisfy  
13 Retailers' Occupation Tax liability in the amount claimed in  
14 the certification, not to exceed 6.25% of the receipts subject  
15 to tax from a qualifying purchase. A Manufacturer's Purchase  
16 Credit reported on any original or amended return filed under  
17 this Act after October 20, 2003 for reporting periods prior to  
18 September 1, 2004 shall be disallowed. Manufacturer's  
19 Purchaser Credit reported on annual returns due on or after  
20 January 1, 2005 will be disallowed for periods prior to  
21 September 1, 2004. No Manufacturer's Purchase Credit may be  
22 used after September 30, 2003 through August 31, 2004 to  
23 satisfy any tax liability imposed under this Act, including any  
24 audit liability.

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

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

6 1. The name of the seller;

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

10 3. The total amount of taxable receipts received by him  
11 during the preceding calendar month from sales of tangible  
12 personal property by him during such preceding calendar  
13 month, including receipts from charge and time sales, but  
14 less all deductions allowed by law;

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

17 5. The amount of tax due; and

18 6. Such other reasonable information as the Department  
19 may require.

20 Beginning on October 1, 2003, any person who is not a  
21 licensed distributor, importing distributor, or manufacturer,  
22 as defined in the Liquor Control Act of 1934, but is engaged in  
23 the business of selling, at retail, alcoholic liquor shall file  
24 a statement with the Department of Revenue, in a format and at  
25 a time prescribed by the Department, showing the total amount  
26 paid for alcoholic liquor purchased during the preceding month

1 and such other information as is reasonably required by the  
2 Department. The Department may adopt rules to require that this  
3 statement be filed in an electronic or telephonic format. Such  
4 rules may provide for exceptions from the filing requirements  
5 of this paragraph. For the purposes of this paragraph, the term  
6 "alcoholic liquor" shall have the meaning prescribed in the  
7 Liquor Control Act of 1934.

8 Beginning on October 1, 2003, every distributor, importing  
9 distributor, and manufacturer of alcoholic liquor as defined in  
10 the Liquor Control Act of 1934, shall file a statement with the  
11 Department of Revenue, no later than the 10th day of the month  
12 for the preceding month during which transactions occurred, by  
13 electronic means, showing the total amount of gross receipts  
14 from the sale of alcoholic liquor sold or distributed during  
15 the preceding month to purchasers; identifying the purchaser to  
16 whom it was sold or distributed; the purchaser's tax  
17 registration number; and such other information reasonably  
18 required by the Department. A distributor, importing  
19 distributor, or manufacturer of alcoholic liquor must  
20 personally deliver, mail, or provide by electronic means to  
21 each retailer listed on the monthly statement a report  
22 containing a cumulative total of that distributor's, importing  
23 distributor's, or manufacturer's total sales of alcoholic  
24 liquor to that retailer no later than the 10th day of the month  
25 for the preceding month during which the transaction occurred.  
26 The distributor, importing distributor, or manufacturer shall

1 notify the retailer as to the method by which the distributor,  
2 importing distributor, or manufacturer will provide the sales  
3 information. If the retailer is unable to receive the sales  
4 information by electronic means, the distributor, importing  
5 distributor, or manufacturer shall furnish the sales  
6 information by personal delivery or by mail. For purposes of  
7 this paragraph, the term "electronic means" includes, but is  
8 not limited to, the use of a secure Internet website, e-mail,  
9 or facsimile.

10 If a total amount of less than \$1 is payable, refundable or  
11 creditable, such amount shall be disregarded if it is less than  
12 50 cents and shall be increased to \$1 if it is 50 cents or more.

13 Beginning October 1, 1993, a taxpayer who has an average  
14 monthly tax liability of \$150,000 or more shall make all  
15 payments required by rules of the Department by electronic  
16 funds transfer. Beginning October 1, 1994, a taxpayer who has  
17 an average monthly tax liability of \$100,000 or more shall make  
18 all payments required by rules of the Department by electronic  
19 funds transfer. Beginning October 1, 1995, a taxpayer who has  
20 an average monthly tax liability of \$50,000 or more shall make  
21 all payments required by rules of the Department by electronic  
22 funds transfer. Beginning October 1, 2000, a taxpayer who has  
23 an annual tax liability of \$200,000 or more shall make all  
24 payments required by rules of the Department by electronic  
25 funds transfer. The term "annual tax liability" shall be the  
26 sum of the taxpayer's liabilities under this Act, and under all

1 other State and local occupation and use tax laws administered  
2 by the Department, for the immediately preceding calendar year.  
3 The term "average monthly tax liability" shall be the sum of  
4 the taxpayer's liabilities under this Act, and under all other  
5 State and local occupation and use tax laws administered by the  
6 Department, for the immediately preceding calendar year  
7 divided by 12. Beginning on October 1, 2002, a taxpayer who has  
8 a tax liability in the amount set forth in subsection (b) of  
9 Section 2505-210 of the Department of Revenue Law shall make  
10 all payments required by rules of the Department by electronic  
11 funds transfer.

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

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

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

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



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

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

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

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

1 returns.

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

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

14 In addition, with respect to motor vehicles, watercraft,  
15 aircraft, and trailers that are required to be registered with  
16 an agency of this State, except as otherwise provided in this  
17 Section, every retailer selling this kind of tangible personal  
18 property shall file, with the Department, upon a form to be  
19 prescribed and supplied by the Department, a separate return  
20 for each such item of tangible personal property which the  
21 retailer sells, except that if, in the same transaction, (i) a  
22 retailer of aircraft, watercraft, motor vehicles or trailers  
23 transfers more than one aircraft, watercraft, motor vehicle or  
24 trailer to another aircraft, watercraft, motor vehicle  
25 retailer or trailer retailer for the purpose of resale or (ii)  
26 a retailer of aircraft, watercraft, motor vehicles, or trailers

1 transfers more than one aircraft, watercraft, motor vehicle, or  
2 trailer to a purchaser for use as a qualifying rolling stock as  
3 provided in Section 2-5 of this Act, then that seller may  
4 report the transfer of all aircraft, watercraft, motor vehicles  
5 or trailers involved in that transaction to the Department on  
6 the same uniform invoice-transaction reporting return form.  
7 For purposes of this Section, "watercraft" means a Class 2,  
8 Class 3, or Class 4 watercraft as defined in Section 3-2 of the  
9 Boat Registration and Safety Act, a personal watercraft, or any  
10 boat equipped with an inboard motor.

11 In addition, with respect to motor vehicles, watercraft,  
12 aircraft, and trailers that are required to be registered with  
13 an agency of this State, every person who is engaged in the  
14 business of leasing or renting such items and who, in  
15 connection with such business, sells any such item to a  
16 retailer for the purpose of resale is, notwithstanding any  
17 other provision of this Section to the contrary, authorized to  
18 meet the return-filing requirement of this Act by reporting the  
19 transfer of all the aircraft, watercraft, motor vehicles, or  
20 trailers transferred for resale during a month to the  
21 Department on the same uniform invoice-transaction reporting  
22 return form on or before the 20th day of the month following  
23 the month in which the transfer takes place. Notwithstanding  
24 any other provision of this Act to the contrary, all returns  
25 filed under this paragraph must be filed by electronic means in  
26 the manner and form as required by the Department.

1 Any retailer who sells only motor vehicles, watercraft,  
2 aircraft, or trailers that are required to be registered with  
3 an agency of this State, so that all retailers' occupation tax  
4 liability is required to be reported, and is reported, on such  
5 transaction reporting returns and who is not otherwise required  
6 to file monthly or quarterly returns, need not file monthly or  
7 quarterly returns. However, those retailers shall be required  
8 to file returns on an annual basis.

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

1 is required in Section 5-402 of The Illinois Vehicle Code, and  
2 such other information as the Department may reasonably  
3 require.

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

20 Such transaction reporting return shall be filed not later  
21 than 20 days after the day of delivery of the item that is  
22 being sold, but may be filed by the retailer at any time sooner  
23 than that if he chooses to do so. The transaction reporting  
24 return and tax remittance or proof of exemption from the  
25 Illinois use tax may be transmitted to the Department by way of  
26 the State agency with which, or State officer with whom the

1 tangible personal property must be titled or registered (if  
2 titling or registration is required) if the Department and such  
3 agency or State officer determine that this procedure will  
4 expedite the processing of applications for title or  
5 registration.

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

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

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

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

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

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

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



1     revoked at the time the return is filed, but only if the  
2     Department's decision to revoke the certificate of  
3     registration has become final.

4             Before October 1, 2000, if the taxpayer's average monthly  
5     tax liability to the Department under this Act, the Use Tax  
6     Act, the Service Occupation Tax Act, and the Service Use Tax  
7     Act, excluding any liability for prepaid sales tax to be  
8     remitted in accordance with Section 2d of this Act, was \$10,000  
9     or more during the preceding 4 complete calendar quarters, he  
10    shall file a return with the Department each month by the 20th  
11   day of the month next following the month during which such tax  
12   liability is incurred and shall make payments to the Department  
13   on or before the 7th, 15th, 22nd and last day of the month  
14   during which such liability is incurred. On and after October  
15   1, 2000, if the taxpayer's average monthly tax liability to the  
16   Department under this Act, the Use Tax Act, the Service  
17   Occupation Tax Act, and the Service Use Tax Act, excluding any  
18   liability for prepaid sales tax to be remitted in accordance  
19   with Section 2d of this Act, was \$20,000 or more during the  
20   preceding 4 complete calendar quarters, he shall file a return  
21   with the Department each month by the 20th day of the month  
22   next following the month during which such tax liability is  
23   incurred and shall make payment to the Department on or before  
24   the 7th, 15th, 22nd and last day of the month during which such  
25   liability is incurred. If the month during which such tax  
26   liability is incurred began prior to January 1, 1985, each

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

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

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

1           The provisions of this paragraph apply before October 1,  
2           2001. Without regard to whether a taxpayer is required to make  
3           quarter monthly payments as specified above, any taxpayer who  
4           is required by Section 2d of this Act to collect and remit  
5           prepaid taxes and has collected prepaid taxes which average in  
6           excess of \$25,000 per month during the preceding 2 complete  
7           calendar quarters, shall file a return with the Department as  
8           required by Section 2f and shall make payments to the  
9           Department on or before the 7th, 15th, 22nd and last day of the  
10          month during which such liability is incurred. If the month  
11          during which such tax liability is incurred began prior to  
12          September 1, 1985 (the effective date of Public Act 84-221),  
13          each payment shall be in an amount not less than 22.5% of the  
14          taxpayer's actual liability under Section 2d. If the month  
15          during which such tax liability is incurred begins on or after  
16          January 1, 1986, each payment shall be in an amount equal to  
17          22.5% of the taxpayer's actual liability for the month or 27.5%  
18          of the taxpayer's liability for the same calendar month of the  
19          preceding calendar year. If the month during which such tax  
20          liability is incurred begins on or after January 1, 1987, each  
21          payment shall be in an amount equal to 22.5% of the taxpayer's  
22          actual liability for the month or 26.25% of the taxpayer's  
23          liability for the same calendar month of the preceding year.  
24          The amount of such quarter monthly payments shall be credited  
25          against the final tax liability of the taxpayer's return for  
26          that month filed under this Section or Section 2f, as the case

1 may be. Once applicable, the requirement of the making of  
2 quarter monthly payments to the Department pursuant to this  
3 paragraph shall continue until such taxpayer's average monthly  
4 prepaid tax collections during the preceding 2 complete  
5 calendar quarters is \$25,000 or less. If any such quarter  
6 monthly payment is not paid at the time or in the amount  
7 required, the taxpayer shall be liable for penalties and  
8 interest on such difference, except insofar as the taxpayer has  
9 previously made payments for that month in excess of the  
10 minimum payments previously due.

11 The provisions of this paragraph apply on and after October  
12 1, 2001. Without regard to whether a taxpayer is required to  
13 make quarter monthly payments as specified above, any taxpayer  
14 who is required by Section 2d of this Act to collect and remit  
15 prepaid taxes and has collected prepaid taxes that average in  
16 excess of \$20,000 per month during the preceding 4 complete  
17 calendar quarters shall file a return with the Department as  
18 required by Section 2f and shall make payments to the  
19 Department on or before the 7th, 15th, 22nd and last day of the  
20 month during which the liability is incurred. Each payment  
21 shall be in an amount equal to 22.5% of the taxpayer's actual  
22 liability for the month or 25% of the taxpayer's liability for  
23 the same calendar month of the preceding year. The amount of  
24 the quarter monthly payments shall be credited against the  
25 final tax liability of the taxpayer's return for that month  
26 filed under this Section or Section 2f, as the case may be.

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

15 If any payment provided for in this Section exceeds the  
16 taxpayer's liabilities under this Act, the Use Tax Act, the  
17 Service Occupation Tax Act and the Service Use Tax Act, as  
18 shown on an original monthly return, the Department shall, if  
19 requested by the taxpayer, issue to the taxpayer a credit  
20 memorandum no later than 30 days after the date of payment. The  
21 credit evidenced by such credit memorandum may be assigned by  
22 the taxpayer to a similar taxpayer under this Act, the Use Tax  
23 Act, the Service Occupation Tax Act or the Service Use Tax Act,  
24 in accordance with reasonable rules and regulations to be  
25 prescribed by the Department. If no such request is made, the  
26 taxpayer may credit such excess payment against tax liability

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

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

16 Beginning January 1, 1990, each month the Department shall  
17 pay into the Local Government Tax Fund, a special fund in the  
18 State treasury which is hereby created, the net revenue  
19 realized for the preceding month from the 1% tax imposed under  
20 this Act ~~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, products~~  
25 ~~classified as Class III medical devices by the United States~~  
26 ~~Food and Drug Administration that are used for cancer treatment~~



1 ~~pursuant to a prescription, as well as any accessories and~~  
2 ~~components related to those devices, and insulin, urine testing~~  
3 ~~materials, syringes and needles used by diabetics.~~

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

9       Beginning August 1, 2000, each month the Department shall  
10 pay into the County and Mass Transit District Fund 20% of the  
11 net revenue realized for the preceding month from the 1.25%  
12 rate on the selling price of motor fuel and gasohol. Beginning  
13 September 1, 2010, each month the Department shall pay into the  
14 County and Mass Transit District Fund 20% of the net revenue  
15 realized for the preceding month from the 1.25% rate on the  
16 selling price of sales tax holiday items.

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

21       Beginning August 1, 2000, each month the Department shall  
22 pay into the Local Government Tax Fund 80% of the net revenue  
23 realized for the preceding month from the 1.25% rate on the  
24 selling price of motor fuel and gasohol. Beginning September 1,  
25 2010, each month the Department shall pay into the Local  
26 Government Tax Fund 80% of the net revenue realized for the

1 preceding month from the 1.25% rate on the selling price of  
2 sales tax holiday items.

3 Beginning October 1, 2009, each month the Department shall  
4 pay into the Capital Projects Fund an amount that is equal to  
5 an amount estimated by the Department to represent 80% of the  
6 net revenue realized for the preceding month from the sale of  
7 candy, grooming and hygiene products, and soft drinks that had  
8 been taxed at a rate of 1% prior to September 1, 2009 but that  
9 are now taxed at 6.25%.

10 Beginning July 1, 2011, each month the Department shall pay  
11 into the Clean Air Act Permit Fund 80% of the net revenue  
12 realized for the preceding month from the 6.25% general rate on  
13 the selling price of sorbents used in Illinois in the process  
14 of sorbent injection as used to comply with the Environmental  
15 Protection Act or the federal Clean Air Act, but the total  
16 payment into the Clean Air Act Permit Fund under this Act and  
17 the Use Tax Act shall not exceed \$2,000,000 in any fiscal year.

18 Beginning July 1, 2013, each month the Department shall pay  
19 into the Underground Storage Tank Fund from the proceeds  
20 collected under this Act, the Use Tax Act, the Service Use Tax  
21 Act, and the Service Occupation Tax Act an amount equal to the  
22 average monthly deficit in the Underground Storage Tank Fund  
23 during the prior year, as certified annually by the Illinois  
24 Environmental Protection Agency, but the total payment into the  
25 Underground Storage Tank Fund under this Act, the Use Tax Act,  
26 the Service Use Tax Act, and the Service Occupation Tax Act

1 shall not exceed \$18,000,000 in any State fiscal year. As used  
2 in this paragraph, the "average monthly deficit" shall be equal  
3 to the difference between the average monthly claims for  
4 payment by the fund and the average monthly revenues deposited  
5 into the fund, excluding payments made pursuant to this  
6 paragraph.

7 Beginning July 1, 2015, of the remainder of the moneys  
8 received by the Department under the Use Tax Act, the Service  
9 Use Tax Act, the Service Occupation Tax Act, and this Act, each  
10 month the Department shall deposit \$500,000 into the State  
11 Crime Laboratory Fund.

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

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

6	Fiscal Year	Annual Specified Amount
7	1986	\$54,800,000
8	1987	\$76,650,000
9	1988	\$80,480,000
10	1989	\$88,510,000
11	1990	\$115,330,000
12	1991	\$145,470,000
13	1992	\$182,730,000
14	1993	\$206,520,000;

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

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

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

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

	Total
Fiscal Year	Deposit
1993	\$0

1	1994	53,000,000
2	1995	58,000,000
3	1996	61,000,000
4	1997	64,000,000
5	1998	68,000,000
6	1999	71,000,000
7	2000	75,000,000
8	2001	80,000,000
9	2002	93,000,000
10	2003	99,000,000
11	2004	103,000,000
12	2005	108,000,000
13	2006	113,000,000
14	2007	119,000,000
15	2008	126,000,000
16	2009	132,000,000
17	2010	139,000,000
18	2011	146,000,000
19	2012	153,000,000
20	2013	161,000,000
21	2014	170,000,000
22	2015	179,000,000
23	2016	189,000,000
24	2017	199,000,000
25	2018	210,000,000
26	2019	221,000,000

1	2020	233,000,000
2	2021	246,000,000
3	2022	260,000,000
4	2023	275,000,000
5	2024	275,000,000
6	2025	275,000,000
7	2026	279,000,000
8	2027	292,000,000
9	2028	307,000,000
10	2029	322,000,000
11	2030	338,000,000
12	2031	350,000,000
13	2032	350,000,000

14                   and  
15                    each fiscal year  
16                   thereafter that bonds  
17                   are outstanding under  
18                   Section 13.2 of the  
19                   Metropolitan Pier and  
20                   Exposition Authority Act,  
21                   but not after fiscal year 2060.

22                   Beginning July 20, 1993 and in each month of each fiscal  
23                   year thereafter, one-eighth of the amount requested in the  
24                   certificate of the Chairman of the Metropolitan Pier and  
25                   Exposition Authority for that fiscal year, less the amount  
26                   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, but  
7 not in excess of the amount specified above as "Total Deposit",  
8 has been deposited.

9 Subject to payment of amounts into the Build Illinois Fund  
10 and the McCormick Place Expansion Project Fund pursuant to the  
11 preceding paragraphs or in any amendments thereto hereafter  
12 enacted, beginning July 1, 1993 and ending on September 30,  
13 2013, the Department shall each month pay into the Illinois Tax  
14 Increment Fund 0.27% of 80% of the net revenue realized for the  
15 preceding month from the 6.25% general rate on the selling  
16 price of tangible personal property.

17 Subject to payment of amounts into the Build Illinois Fund  
18 and the McCormick Place Expansion Project Fund pursuant to the  
19 preceding paragraphs or in any amendments thereto hereafter  
20 enacted, beginning with the receipt of the first report of  
21 taxes paid by an eligible business and continuing for a 25-year  
22 period, the Department shall each month pay into the Energy  
23 Infrastructure Fund 80% of the net revenue realized from the  
24 6.25% general rate on the selling price of Illinois-mined coal  
25 that was sold to an eligible business. For purposes of this  
26 paragraph, the term "eligible business" means a new electric

1 generating facility certified pursuant to Section 605-332 of  
2 the Department of Commerce and Economic Opportunity Law of the  
3 Civil Administrative Code of Illinois.

4 Subject to payment of amounts into the Build Illinois Fund,  
5 the McCormick Place Expansion Project Fund, the Illinois Tax  
6 Increment Fund, and the Energy Infrastructure Fund pursuant to  
7 the preceding paragraphs or in any amendments to this Section  
8 hereafter enacted, beginning on the first day of the first  
9 calendar month to occur on or after August 26, 2014 (the  
10 effective date of Public Act 98-1098), each month, from the  
11 collections made under Section 9 of the Use Tax Act, Section 9  
12 of the Service Use Tax Act, Section 9 of the Service Occupation  
13 Tax Act, and Section 3 of the Retailers' Occupation Tax Act,  
14 the Department shall pay into the Tax Compliance and  
15 Administration Fund, to be used, subject to appropriation, to  
16 fund additional auditors and compliance personnel at the  
17 Department of Revenue, an amount equal to 1/12 of 5% of 80% of  
18 the cash receipts collected during the preceding fiscal year by  
19 the Audit Bureau of the Department under the Use Tax Act, the  
20 Service Use Tax Act, the Service Occupation Tax Act, the  
21 Retailers' Occupation Tax Act, and associated local occupation  
22 and use taxes administered by the Department.

23 Of the remainder of the moneys received by the Department  
24 pursuant to this Act, 75% thereof shall be paid into the State  
25 Treasury and 25% shall be reserved in a special account and  
26 used only for the transfer to the Common School Fund as part of

1 the monthly transfer from the General Revenue Fund in  
2 accordance with Section 8a of the State Finance Act.

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

26 If the annual information return required by this Section

1 is not filed when and as required, the taxpayer shall be liable  
2 as follows:

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

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

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

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

25 As soon as possible after the first day of each month, upon  
26 certification of the Department of Revenue, the Comptroller

1 shall order transferred and the Treasurer shall transfer from  
2 the General Revenue Fund to the Motor Fuel Tax Fund an amount  
3 equal to 1.7% of 80% of the net revenue realized under this Act  
4 for the second preceding month. Beginning April 1, 2000, this  
5 transfer is no longer required and shall not be made.

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

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

17 Any person who promotes, organizes, provides retail  
18 selling space for concessionaires or other types of sellers at  
19 the Illinois State Fair, DuQuoin State Fair, county fairs,  
20 local fairs, art shows, flea markets and similar exhibitions or  
21 events, including any transient merchant as defined by Section  
22 2 of the Transient Merchant Act of 1987, is required to file a  
23 report with the Department providing the name of the merchant's  
24 business, the name of the person or persons engaged in  
25 merchant's business, the permanent address and Illinois  
26 Retailers Occupation Tax Registration Number of the merchant,

1 the dates and location of the event and other reasonable  
2 information that the Department may require. The report must be  
3 filed not later than the 20th day of the month next following  
4 the month during which the event with retail sales was held.  
5 Any person who fails to file a report required by this Section  
6 commits a business offense and is subject to a fine not to  
7 exceed \$250.

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

1 their returns as otherwise required in this Section.

2 (Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16;  
3 99-933, eff. 1-27-17; 100-303, eff. 8-24-17.)

4 (Text of Section after amendment by P.A. 100-363)

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

10 1. The name of the seller;

11 2. His residence address and the address of his  
12 principal place of business and the address of the  
13 principal place of business (if that is a different  
14 address) from which he engages in the business of selling  
15 tangible personal property at retail in this State;

16 3. Total amount of receipts received by him during the  
17 preceding calendar month or quarter, as the case may be,  
18 from sales of tangible personal property, and from services  
19 furnished, by him during such preceding calendar month or  
20 quarter;

21 4. Total amount received by him during the preceding  
22 calendar month or quarter on charge and time sales of  
23 tangible personal property, and from services furnished,  
24 by him prior to the month or quarter for which the return  
25 is filed;

- 1           5. Deductions allowed by law;
- 2           6. Gross receipts which were received by him during the
- 3           preceding calendar month or quarter and upon the basis of
- 4           which the tax is imposed;
- 5           7. The amount of credit provided in Section 2d of this
- 6           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          On and after January 1, 2018, except for returns for motor  
12          vehicles, watercraft, aircraft, and trailers that are required  
13          to be registered with an agency of this State, with respect to  
14          retailers whose annual gross receipts average \$20,000 or more,  
15          all returns required to be filed pursuant to this Act shall be  
16          filed electronically. Retailers who demonstrate that they do  
17          not have access to the Internet or demonstrate hardship in  
18          filing electronically may petition the Department to waive the  
19          electronic filing requirement.

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

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



1 Prior to October 1, 2003, and on and after September 1,  
2 2004 a retailer may accept a Manufacturer's Purchase Credit  
3 certification from a purchaser in satisfaction of Use Tax as  
4 provided in Section 3-85 of the Use Tax Act if the purchaser  
5 provides the appropriate documentation as required by Section  
6 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit  
7 certification, accepted by a retailer prior to October 1, 2003  
8 and on and after September 1, 2004 as provided in Section 3-85  
9 of the Use Tax Act, may be used by that retailer to satisfy  
10 Retailers' Occupation Tax liability in the amount claimed in  
11 the certification, not to exceed 6.25% of the receipts subject  
12 to tax from a qualifying purchase. A Manufacturer's Purchase  
13 Credit reported on any original or amended return filed under  
14 this Act after October 20, 2003 for reporting periods prior to  
15 September 1, 2004 shall be disallowed. Manufacturer's  
16 Purchaser Credit reported on annual returns due on or after  
17 January 1, 2005 will be disallowed for periods prior to  
18 September 1, 2004. No Manufacturer's Purchase Credit may be  
19 used after September 30, 2003 through August 31, 2004 to  
20 satisfy any tax liability imposed under this Act, including any  
21 audit liability.

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

1 of the first two months of each calendar quarter, on or before  
2 the twentieth day of the following calendar month, stating:

3 1. The name of the seller;

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

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

12 4. The amount of credit provided in Section 2d of this  
13 Act;

14 5. The amount of tax due; and

15 6. Such other reasonable information as the Department  
16 may require.

17 Beginning on October 1, 2003, any person who is not a  
18 licensed distributor, importing distributor, or manufacturer,  
19 as defined in the Liquor Control Act of 1934, but is engaged in  
20 the business of selling, at retail, alcoholic liquor shall file  
21 a statement with the Department of Revenue, in a format and at  
22 a time prescribed by the Department, showing the total amount  
23 paid for alcoholic liquor purchased during the preceding month  
24 and such other information as is reasonably required by the  
25 Department. The Department may adopt rules to require that this  
26 statement be filed in an electronic or telephonic format. Such

1 rules may provide for exceptions from the filing requirements  
2 of this paragraph. For the purposes of this paragraph, the term  
3 "alcoholic liquor" shall have the meaning prescribed in the  
4 Liquor Control Act of 1934.

5 Beginning on October 1, 2003, every distributor, importing  
6 distributor, and manufacturer of alcoholic liquor as defined in  
7 the Liquor Control Act of 1934, shall file a statement with the  
8 Department of Revenue, no later than the 10th day of the month  
9 for the preceding month during which transactions occurred, by  
10 electronic means, showing the total amount of gross receipts  
11 from the sale of alcoholic liquor sold or distributed during  
12 the preceding month to purchasers; identifying the purchaser to  
13 whom it was sold or distributed; the purchaser's tax  
14 registration number; and such other information reasonably  
15 required by the Department. A distributor, importing  
16 distributor, or manufacturer of alcoholic liquor must  
17 personally deliver, mail, or provide by electronic means to  
18 each retailer listed on the monthly statement a report  
19 containing a cumulative total of that distributor's, importing  
20 distributor's, or manufacturer's total sales of alcoholic  
21 liquor to that retailer no later than the 10th day of the month  
22 for the preceding month during which the transaction occurred.  
23 The distributor, importing distributor, or manufacturer shall  
24 notify the retailer as to the method by which the distributor,  
25 importing distributor, or manufacturer will provide the sales  
26 information. If the retailer is unable to receive the sales

1 information by electronic means, the distributor, importing  
2 distributor, or manufacturer shall furnish the sales  
3 information by personal delivery or by mail. For purposes of  
4 this paragraph, the term "electronic means" includes, but is  
5 not limited to, the use of a secure Internet website, e-mail,  
6 or facsimile.

7 If a total amount of less than \$1 is payable, refundable or  
8 creditable, such amount shall be disregarded if it is less than  
9 50 cents and shall be increased to \$1 if it is 50 cents or more.

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

1 the taxpayer's liabilities under this Act, and under all other  
2 State and local occupation and use tax laws administered by the  
3 Department, for the immediately preceding calendar year  
4 divided by 12. Beginning on October 1, 2002, a taxpayer who has  
5 a tax liability in the amount set forth in subsection (b) of  
6 Section 2505-210 of the Department of Revenue Law shall make  
7 all payments required by rules of the Department by electronic  
8 funds transfer.

9 Before August 1 of each year beginning in 1993, the  
10 Department shall notify all taxpayers required to make payments  
11 by electronic funds transfer. All taxpayers required to make  
12 payments by electronic funds transfer shall make those payments  
13 for a minimum of one year beginning on 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 funds  
18 transfer and any taxpayers authorized to voluntarily make  
19 payments by electronic funds transfer shall make those payments  
20 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 any  
25 return or other document under this Act shall, if such amount  
26 is not a whole-dollar amount, be increased to the nearest

1 whole-dollar amount in any case where the fractional part of a  
2 dollar is 50 cents or more, and decreased to the nearest  
3 whole-dollar amount where the fractional part of a dollar is  
4 less than 50 cents.

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

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

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

25 Notwithstanding any other provision in this Act concerning  
26 the time within which a retailer may file his return, in the

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

6 Where the same person has more than one business registered  
7 with the Department under separate registrations under this  
8 Act, such person may not file each return that is due as a  
9 single return covering all such registered businesses, but  
10 shall file separate returns for each such registered business.

11 In addition, with respect to motor vehicles, watercraft,  
12 aircraft, and trailers that are required to be registered with  
13 an agency of this State, except as otherwise provided in this  
14 Section, every retailer selling this kind of tangible personal  
15 property shall file, with the Department, upon a form to be  
16 prescribed and supplied by the Department, a separate return  
17 for each such item of tangible personal property which the  
18 retailer sells, except that if, in the same transaction, (i) a  
19 retailer of aircraft, watercraft, motor vehicles or trailers  
20 transfers more than one aircraft, watercraft, motor vehicle or  
21 trailer to another aircraft, watercraft, motor vehicle  
22 retailer or trailer retailer for the purpose of resale or (ii)  
23 a retailer of aircraft, watercraft, motor vehicles, or trailers  
24 transfers more than one aircraft, watercraft, motor vehicle, or  
25 trailer to a purchaser for use as a qualifying rolling stock as  
26 provided in Section 2-5 of this Act, then that seller may

1 report the transfer of all aircraft, watercraft, motor vehicles  
2 or trailers involved in that transaction to the Department on  
3 the same uniform invoice-transaction reporting return form.  
4 For purposes of this Section, "watercraft" means a Class 2,  
5 Class 3, or Class 4 watercraft as defined in Section 3-2 of the  
6 Boat Registration and Safety Act, a personal watercraft, or any  
7 boat equipped with an inboard motor.

8 In addition, with respect to motor vehicles, watercraft,  
9 aircraft, and trailers that are required to be registered with  
10 an agency of this State, every person who is engaged in the  
11 business of leasing or renting such items and who, in  
12 connection with such business, sells any such item to a  
13 retailer for the purpose of resale is, notwithstanding any  
14 other provision of this Section to the contrary, authorized to  
15 meet the return-filing requirement of this Act by reporting the  
16 transfer of all the aircraft, watercraft, motor vehicles, or  
17 trailers transferred for resale during a month to the  
18 Department on the same uniform invoice-transaction reporting  
19 return form on or before the 20th of the month following the  
20 month in which the transfer takes place. Notwithstanding any  
21 other provision of this Act to the contrary, all returns filed  
22 under this paragraph must be filed by electronic means in the  
23 manner and form as required by the Department.

24 Any retailer who sells only motor vehicles, watercraft,  
25 aircraft, or trailers that are required to be registered with  
26 an agency of this State, so that all retailers' occupation tax



1 liability is required to be reported, and is reported, on such  
2 transaction reporting returns and who is not otherwise required  
3 to file monthly or quarterly returns, need not file monthly or  
4 quarterly returns. However, those retailers shall be required  
5 to file returns on an annual basis.

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

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

17           Such transaction reporting return shall be filed not later  
18 than 20 days after the day of delivery of the item that is  
19 being sold, but may be filed by the retailer at any time sooner  
20 than that if he chooses to do so. The transaction reporting  
21 return and tax remittance or proof of exemption from the  
22 Illinois use tax may be transmitted to the Department by way of  
23 the State agency with which, or State officer with whom the  
24 tangible personal property must be titled or registered (if  
25 titling or registration is required) if the Department and such  
26 agency or State officer determine that this procedure will

1 expedite the processing of applications for title or  
2 registration.

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

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

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

1 retailer is willing to take these actions and such user has not  
2 paid the tax to the retailer, such user may certify to the fact  
3 of such delay by the retailer and may (upon the Department  
4 being satisfied of the truth of such certification) transmit  
5 the information required by the transaction reporting return  
6 and the remittance for tax or proof of exemption directly to  
7 the Department and obtain his tax receipt or exemption  
8 determination, in which event the transaction reporting return  
9 and tax remittance (if a tax payment was required) shall be  
10 credited by the Department to the proper retailer's account  
11 with the Department, but without the 2.1% or 1.75% discount  
12 provided for in this Section being allowed. When the user pays  
13 the tax directly to the Department, he shall pay the tax in the  
14 same amount and in the same form in which it would be remitted  
15 if the tax 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 property  
18 returned to the seller, shall be allowed as a deduction under  
19 subdivision 5 of his monthly or quarterly return, as the case  
20 may be, in case the seller had theretofore included the  
21 receipts from the sale of such tangible personal property in a  
22 return filed by him and had paid the tax imposed by this Act  
23 with respect to such receipts.

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

1 accredited agent of such corporation.

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

6 Except as provided in this Section, the retailer filing the  
7 return under this Section shall, at the time of filing such  
8 return, pay to the Department the amount of tax imposed by this  
9 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%  
10 on and after January 1, 1990, or \$5 per calendar year,  
11 whichever is greater, which is allowed to reimburse the  
12 retailer for the expenses incurred in keeping records,  
13 preparing and filing returns, remitting the tax and supplying  
14 data to the Department on request. Any prepayment made pursuant  
15 to Section 2d of this Act shall be included in the amount on  
16 which such 2.1% or 1.75% discount is computed. In the case of  
17 retailers who report and pay the tax on a transaction by  
18 transaction basis, as provided in this Section, such discount  
19 shall be taken with each such tax remittance instead of when  
20 such retailer files his periodic return. The discount allowed  
21 under this Section is allowed only for returns that are filed  
22 in the manner required by this Act. The Department may disallow  
23 the discount for retailers whose certificate of registration is  
24 revoked at the time the return is filed, but only if the  
25 Department's decision to revoke the certificate of  
26 registration has become final.

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

1 of the taxpayer to the Department for the preceding 4 complete  
2 calendar quarters (excluding the month of highest liability and  
3 the month of lowest liability in such 4 quarter period). If the  
4 month during which such tax liability is incurred begins on or  
5 after January 1, 1985 and prior to January 1, 1987, each  
6 payment shall be in an amount equal to 22.5% of the taxpayer's  
7 actual liability for the month or 27.5% of the taxpayer's  
8 liability for the same calendar month of the preceding year. If  
9 the month during which such tax liability is incurred begins on  
10 or after January 1, 1987 and prior to January 1, 1988, each  
11 payment shall be in an amount equal to 22.5% of the taxpayer's  
12 actual liability for the month or 26.25% of the taxpayer's  
13 liability for the same calendar month of the preceding year. If  
14 the month during which such tax liability is incurred begins on  
15 or after January 1, 1988, and prior to January 1, 1989, or  
16 begins on or after January 1, 1996, each payment shall be in an  
17 amount equal to 22.5% of the taxpayer's actual liability for  
18 the month or 25% of the taxpayer's liability for the same  
19 calendar month of the preceding year. If the month during which  
20 such tax liability is incurred begins on or after January 1,  
21 1989, and prior to January 1, 1996, each payment shall be in an  
22 amount equal to 22.5% of the taxpayer's actual liability for  
23 the month or 25% of the taxpayer's liability for the same  
24 calendar month of the preceding year or 100% of the taxpayer's  
25 actual liability for the quarter monthly reporting period. The  
26 amount of such quarter monthly payments shall be credited

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



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

24 The provisions of this paragraph apply before October 1,  
25 2001. Without regard to whether a taxpayer is required to make  
26 quarter monthly payments as specified above, any taxpayer who

1 is required by Section 2d of this Act to collect and remit  
2 prepaid taxes and has collected prepaid taxes which average in  
3 excess of \$25,000 per month during the preceding 2 complete  
4 calendar quarters, shall file a return with the Department as  
5 required by Section 2f and shall make payments to the  
6 Department on or before the 7th, 15th, 22nd and last day of the  
7 month during which such liability is incurred. If the month  
8 during which such tax liability is incurred began prior to  
9 September 1, 1985 (the effective date of Public Act 84-221),  
10 each payment shall be in an amount not less than 22.5% of the  
11 taxpayer's actual liability under Section 2d. If the month  
12 during which such tax liability is incurred begins on or after  
13 January 1, 1986, each payment shall be in an amount equal to  
14 22.5% of the taxpayer's actual liability for the month or 27.5%  
15 of the taxpayer's liability for the same calendar month of the  
16 preceding calendar year. If the month during which such tax  
17 liability is incurred begins on or after January 1, 1987, each  
18 payment shall be in an amount equal to 22.5% of the taxpayer's  
19 actual liability for the month or 26.25% of the taxpayer's  
20 liability for the same calendar month of the preceding year.  
21 The amount of such quarter monthly payments shall be credited  
22 against the final tax liability of the taxpayer's return for  
23 that month filed under this Section or Section 2f, as the case  
24 may be. Once applicable, the requirement of the making of  
25 quarter monthly payments to the Department pursuant to this  
26 paragraph shall continue until such taxpayer's average monthly

1 prepaid tax collections during the preceding 2 complete  
2 calendar quarters is \$25,000 or less. If any such quarter  
3 monthly payment is not paid at the time or in the amount  
4 required, the taxpayer shall be liable for penalties and  
5 interest on such difference, except insofar as the taxpayer has  
6 previously made payments for that month in excess of the  
7 minimum payments previously due.

8 The provisions of this paragraph apply on and after October  
9 1, 2001. Without regard to whether a taxpayer is required to  
10 make quarter monthly payments as specified above, any taxpayer  
11 who is required by Section 2d of this Act to collect and remit  
12 prepaid taxes and has collected prepaid taxes that average in  
13 excess of \$20,000 per month during the preceding 4 complete  
14 calendar quarters shall file a return with the Department as  
15 required by Section 2f and shall make payments to the  
16 Department on or before the 7th, 15th, 22nd and last day of the  
17 month during which the liability is incurred. Each payment  
18 shall be in an amount equal to 22.5% of the taxpayer's actual  
19 liability for the month or 25% of the taxpayer's liability for  
20 the same calendar month of the preceding year. The amount of  
21 the quarter monthly payments shall be credited against the  
22 final tax liability of the taxpayer's return for that month  
23 filed under this Section or Section 2f, as the case may be.  
24 Once applicable, the requirement of the making of quarter  
25 monthly payments to the Department pursuant to this paragraph  
26 shall continue until the taxpayer's average monthly prepaid tax

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

12 If any payment provided for in this Section exceeds the  
13 taxpayer's liabilities under this Act, the Use Tax Act, the  
14 Service Occupation Tax Act and the Service Use Tax Act, as  
15 shown on an original monthly return, the Department shall, if  
16 requested by the taxpayer, issue to the taxpayer a credit  
17 memorandum no later than 30 days after the date of payment. The  
18 credit evidenced by such credit memorandum may be assigned by  
19 the taxpayer to a similar taxpayer under this Act, the Use Tax  
20 Act, the Service Occupation Tax Act or the Service Use Tax Act,  
21 in accordance with reasonable rules and regulations to be  
22 prescribed by the Department. If no such request is made, the  
23 taxpayer may credit such excess payment against tax liability  
24 subsequently to be remitted to the Department under this Act,  
25 the Use Tax Act, the Service Occupation Tax Act or the Service  
26 Use Tax Act, in accordance with reasonable rules and

1 regulations prescribed by the Department. If the Department  
2 subsequently determined that all or any part of the credit  
3 taken was not actually due to the taxpayer, the taxpayer's 2.1%  
4 and 1.75% vendor's discount shall be reduced by 2.1% or 1.75%  
5 of the difference between the credit taken and that actually  
6 due, and that taxpayer shall be liable for penalties and  
7 interest on such 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 shall  
14 pay into the Local Government Tax Fund, a special fund in the  
15 State treasury which is hereby created, the net revenue  
16 realized for the preceding month from the 1% tax imposed under  
17 this Act ~~on sales of food for human consumption which is to be~~  
18 ~~consumed off the premises where it is sold (other than~~  
19 ~~alcoholic beverages, soft drinks and food which has been~~  
20 ~~prepared for immediate consumption) and prescription and~~  
21 ~~nonprescription medicines, drugs, medical appliances, products~~  
22 ~~classified as Class III medical devices by the United States~~  
23 ~~Food and Drug Administration that are used for cancer treatment~~  
24 ~~pursuant to a prescription, as well as any accessories and~~  
25 ~~components related to those devices, and insulin, urine testing~~  
26 ~~materials, syringes and needles used by diabetics.~~

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

6           Beginning August 1, 2000, each month the Department shall  
7 pay into the County and Mass Transit District Fund 20% of the  
8 net revenue realized for the preceding month from the 1.25%  
9 rate on the selling price of motor fuel and gasohol. Beginning  
10 September 1, 2010, each month the Department shall pay into the  
11 County and Mass Transit District Fund 20% of the net revenue  
12 realized for the preceding month from the 1.25% rate on the  
13 selling price of sales tax holiday items.

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

18           Beginning August 1, 2000, each month the Department shall  
19 pay into the Local Government Tax Fund 80% of the net revenue  
20 realized for the preceding month from the 1.25% rate on the  
21 selling price of motor fuel and gasohol. Beginning September 1,  
22 2010, each month the Department shall pay into the Local  
23 Government Tax Fund 80% of the net revenue realized for the  
24 preceding month from the 1.25% rate on the selling price of  
25 sales tax holiday items.

26           Beginning October 1, 2009, each month the Department shall

1 pay into the Capital Projects Fund an amount that is equal to  
2 an amount estimated by the Department to represent 80% of the  
3 net revenue realized for the preceding month from the sale of  
4 candy, grooming and hygiene products, and soft drinks that had  
5 been taxed at a rate of 1% prior to September 1, 2009 but that  
6 are now taxed at 6.25%.

7 Beginning July 1, 2011, each month the Department shall pay  
8 into the Clean Air Act Permit Fund 80% of the net revenue  
9 realized for the preceding month from the 6.25% general rate on  
10 the selling price of sorbents used in Illinois in the process  
11 of sorbent injection as used to comply with the Environmental  
12 Protection Act or the federal Clean Air Act, but the total  
13 payment into the Clean Air Act Permit Fund under this Act and  
14 the Use Tax Act shall not exceed \$2,000,000 in any fiscal year.

15 Beginning July 1, 2013, each month the Department shall pay  
16 into the Underground Storage Tank Fund from the proceeds  
17 collected under this Act, the Use Tax Act, the Service Use Tax  
18 Act, and the Service Occupation Tax Act an amount equal to the  
19 average monthly deficit in the Underground Storage Tank Fund  
20 during the prior year, as certified annually by the Illinois  
21 Environmental Protection Agency, but the total payment into the  
22 Underground Storage Tank Fund under this Act, the Use Tax Act,  
23 the Service Use Tax Act, and the Service Occupation Tax Act  
24 shall not exceed \$18,000,000 in any State fiscal year. As used  
25 in this paragraph, the "average monthly deficit" shall be equal  
26 to the difference between the average monthly claims for

1 payment by the fund and the average monthly revenues deposited  
2 into the fund, excluding payments made pursuant to this  
3 paragraph.

4 Beginning July 1, 2015, of the remainder of the moneys  
5 received by the Department under the Use Tax Act, the Service  
6 Use Tax Act, the Service Occupation Tax Act, and this Act, each  
7 month the Department shall deposit \$500,000 into the State  
8 Crime Laboratory Fund.

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



1 "Annual Specified Amount" means the amounts specified below for  
2 fiscal years 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 and  
15 each fiscal year thereafter; and further provided, that if on  
16 the last business day of any month the sum of (1) the Tax Act  
17 Amount required to be deposited into the Build Illinois Bond  
18 Account in the Build Illinois Fund during such month and (2)  
19 the amount transferred to the Build Illinois Fund from the  
20 State and Local Sales Tax Reform Fund shall have been less than  
21 1/12 of the Annual Specified Amount, an amount equal to the  
22 difference shall be immediately paid into the Build Illinois  
23 Fund from other moneys received by the Department pursuant to  
24 the Tax Acts; and, further provided, that in no event shall the  
25 payments required under the preceding proviso result in  
26 aggregate payments into the Build Illinois Fund pursuant to

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

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

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

		Total
	Fiscal Year	Deposit
21		
22	1993	\$0
23	1994	53,000,000
24	1995	58,000,000
25	1996	61,000,000

1	1997	64,000,000
2	1998	68,000,000
3	1999	71,000,000
4	2000	75,000,000
5	2001	80,000,000
6	2002	93,000,000
7	2003	99,000,000
8	2004	103,000,000
9	2005	108,000,000
10	2006	113,000,000
11	2007	119,000,000
12	2008	126,000,000
13	2009	132,000,000
14	2010	139,000,000
15	2011	146,000,000
16	2012	153,000,000
17	2013	161,000,000
18	2014	170,000,000
19	2015	179,000,000
20	2016	189,000,000
21	2017	199,000,000
22	2018	210,000,000
23	2019	221,000,000
24	2020	233,000,000
25	2021	246,000,000
26	2022	260,000,000

1	2023	275,000,000
2	2024	275,000,000
3	2025	275,000,000
4	2026	279,000,000
5	2027	292,000,000
6	2028	307,000,000
7	2029	322,000,000
8	2030	338,000,000
9	2031	350,000,000
10	2032	350,000,000

11                   and  
12                   each fiscal year  
13                   thereafter that bonds  
14                   are outstanding under  
15                   Section 13.2 of the  
16                   Metropolitan Pier and  
17                   Exposition Authority Act,  
18                   but not after fiscal year 2060.

19                   Beginning July 20, 1993 and in each month of each fiscal  
20                   year thereafter, one-eighth of the amount requested in the  
21                   certificate of the Chairman of the Metropolitan Pier and  
22                   Exposition Authority for that fiscal year, less the amount  
23                   deposited into the McCormick Place Expansion Project Fund by  
24                   the State Treasurer in the respective month under subsection  
25                   (g) of Section 13 of the Metropolitan Pier and Exposition  
26                   Authority Act, plus cumulative deficiencies in the deposits

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

6 Subject to payment of amounts into the Build Illinois Fund  
7 and the McCormick Place Expansion Project Fund pursuant to the  
8 preceding paragraphs or in any amendments thereto hereafter  
9 enacted, beginning July 1, 1993 and ending on September 30,  
10 2013, the Department shall each month pay into the Illinois Tax  
11 Increment Fund 0.27% of 80% of the net revenue realized for the  
12 preceding month from the 6.25% general rate on the selling  
13 price of tangible personal property.

14 Subject to payment of amounts into the Build Illinois Fund  
15 and the McCormick Place Expansion Project Fund pursuant to the  
16 preceding paragraphs or in any amendments thereto hereafter  
17 enacted, beginning with the receipt of the first report of  
18 taxes paid by an eligible business and continuing for a 25-year  
19 period, the Department shall each month pay into the Energy  
20 Infrastructure Fund 80% of the net revenue realized from the  
21 6.25% general rate on the selling price of Illinois-mined coal  
22 that was sold to an eligible business. For purposes of this  
23 paragraph, the term "eligible business" means a new electric  
24 generating facility certified pursuant to Section 605-332 of  
25 the Department of Commerce and Economic Opportunity Law of the  
26 Civil Administrative Code of Illinois.

1           Subject to payment of amounts into the Build Illinois Fund,  
2 the McCormick Place Expansion Project Fund, the Illinois Tax  
3 Increment Fund, and the Energy Infrastructure Fund pursuant to  
4 the preceding paragraphs or in any amendments to this Section  
5 hereafter enacted, beginning on the first day of the first  
6 calendar month to occur on or after August 26, 2014 (the  
7 effective date of Public Act 98-1098), each month, from the  
8 collections made under Section 9 of the Use Tax Act, Section 9  
9 of the Service Use Tax Act, Section 9 of the Service Occupation  
10 Tax Act, and Section 3 of the Retailers' Occupation Tax Act,  
11 the Department shall pay into the Tax Compliance and  
12 Administration Fund, to be used, subject to appropriation, to  
13 fund additional auditors and compliance personnel at the  
14 Department of Revenue, an amount equal to 1/12 of 5% of 80% of  
15 the cash receipts collected during the preceding fiscal year by  
16 the Audit Bureau of the Department under the Use Tax Act, the  
17 Service Use Tax Act, the Service Occupation Tax Act, the  
18 Retailers' Occupation Tax Act, and associated local occupation  
19 and use taxes administered by the Department.

20           Subject to payments of amounts into the Build Illinois  
21 Fund, the McCormick Place Expansion Project Fund, the Illinois  
22 Tax Increment Fund, the Energy Infrastructure Fund, and the Tax  
23 Compliance and Administration Fund as provided in this Section,  
24 beginning on July 1, 2018 the Department shall pay each month  
25 into the Downstate Public Transportation Fund the moneys  
26 required to be so paid under Section 2-3 of the Downstate

1 Public Transportation Act.

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

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



1 reasonable information which the Department deems would be  
2 helpful in determining the accuracy of the monthly, quarterly  
3 or annual returns filed by such retailer as provided for in  
4 this Section.

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

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

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

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

26 The provisions of this Section concerning the filing of an

1 annual information return do not apply to a retailer who is not  
2 required to file an income tax return with the United States  
3 Government.

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

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

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

22 Any person who promotes, organizes, provides retail  
23 selling space for concessionaires or other types of sellers at  
24 the Illinois State Fair, DuQuoin State Fair, county fairs,  
25 local fairs, art shows, flea markets and similar exhibitions or  
26 events, including any transient merchant as defined by Section

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

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

1 exhibition or event, or other evidence of a significant risk of  
2 loss of revenue to the State. The Department shall notify  
3 concessionaires and other sellers affected by the imposition of  
4 this requirement. In the absence of notification by the  
5 Department, the concessionaires and other sellers shall file  
6 their returns as otherwise required in this Section.

7 (Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16;  
8 99-933, eff. 1-27-17; 100-303, eff. 8-24-17; 100-363, eff.  
9 7-1-18; revised 10-27-17.)

10 (35 ILCS 120/5j) (from Ch. 120, par. 444j)

11 Sec. 5j. If any taxpayer, outside the usual course of his  
12 business, sells or transfers the major part of any one or more  
13 of (A) the stock of goods which he is engaged in the business  
14 of selling, or (B) the furniture or fixtures, (C) the machinery  
15 and equipment, or (D) the real property, of any business that  
16 is subject to the provisions of this Act, the purchaser or  
17 transferee of such asset shall, no later than 10 business days  
18 prior to ~~after~~ the sale or transfer, file a notice of sale or  
19 transfer of business assets with the ~~Chicago office of the~~  
20 Department disclosing the name and address of the seller or  
21 transferor, the name and address of the purchaser or  
22 transferee, the date of the sale or transfer, a copy of the  
23 sales contract and financing agreements which shall include a  
24 description of the property sold, the amount of the purchase  
25 price or a statement of other consideration for the sale or

1 transfer, the terms for payment of the purchase price, and such  
2 other information as the Department may reasonably require. If  
3 the purchaser or transferee fails to file the above described  
4 notice of sale with the Department within the prescribed time,  
5 the purchaser or transferee shall be personally liable for the  
6 amount owed hereunder by the seller or transferor to the  
7 Department up to the amount of the reasonable value of the  
8 property acquired by the purchaser or transferee. The seller or  
9 transferor shall pay the Department the amount of tax, penalty  
10 and interest (if any) due from him under this Act up to the  
11 date of the payment of tax. The seller or transferor, or the  
12 purchaser or transferee, at least 10 business days before the  
13 date of the sale or transfer, may notify the Department of the  
14 intended sale or transfer and request the Department to audit  
15 the books and records of the seller or transferor, or to do  
16 whatever else may be necessary to determine how much the seller  
17 or transferor owes to the Department hereunder up to the date  
18 of the sale or transfer. The Department shall take such steps  
19 as may be appropriate to comply with such request.

20 Any order issued by the Department pursuant to this Section  
21 to withhold from the purchase price shall be issued within 10  
22 business days after the Department receives notification of a  
23 sale as provided in this Section. The purchaser or transferee  
24 shall withhold such portion of the purchase price as may be  
25 directed by the Department, but not to exceed a minimum amount  
26 varying by type of business, as determined by the Department

1 pursuant to regulations, plus twice the outstanding unpaid  
2 liabilities and twice the average liability of preceding  
3 filings times the number of unfiled returns, to cover the  
4 amount of all tax, penalty and interest due and unpaid by the  
5 seller or transferor under this Act or, if the payment of money  
6 or property is not involved, shall withhold the performance of  
7 the condition that constitutes the consideration for the sale  
8 or transfer. Within 60 business days after issuance of the  
9 initial order to withhold, the Department shall provide written  
10 notice to the purchaser or transferee of the actual amount of  
11 all taxes, penalties and interest then due and whether or not  
12 additional amounts may become due as a result of unfiled  
13 returns, pending assessments and audits not completed. The  
14 purchaser or transferee shall continue to withhold the amount  
15 directed to be withheld by the initial order or such lesser  
16 amount as is specified by the final withholding order or to  
17 withhold the performance of the condition which constitutes the  
18 consideration for the sale or transfer until the purchaser or  
19 transferee receives from the Department a certificate showing  
20 that such tax, penalty and interest have been paid or a  
21 certificate from the Department showing that no tax, penalty or  
22 interest is due from the seller or transferor under this Act.

23 The purchaser or transferee is relieved of any duty to  
24 continue to withhold from the purchase price and of any  
25 liability for tax, penalty or interest due hereunder from the  
26 seller or transferor if the Department fails to notify the

1 purchaser or transferee in the manner provided herein of the  
2 amount to be withheld within 10 business days after the sale or  
3 transfer has been reported to the Department or within 60  
4 business days after issuance of the initial order to withhold,  
5 as the case may be. The Department shall have the right to  
6 determine amounts claimed on an estimated basis to allow for  
7 non-filed periods, pending assessments and audits not  
8 completed, however the purchaser or transferee shall be  
9 personally liable only for the actual amount due when  
10 determined.

11 If the seller or transferor fails to pay the tax, penalty  
12 and interest (if any) due from him hereunder and the Department  
13 makes timely claim therefor against the purchaser or transferee  
14 as hereinabove provided, then the purchaser or transferee shall  
15 pay the amount so withheld from the purchase price to the  
16 Department. If the purchaser or transferee fails to comply with  
17 the requirements of this Section, the purchaser or transferee  
18 shall be personally liable to the Department for the amount  
19 owed hereunder by the seller or transferor to the Department up  
20 to the amount of the reasonable value of the property acquired  
21 by the purchaser or transferee.

22 Any person who shall acquire any property or rights thereto  
23 which, at the time of such acquisition, is subject to a valid  
24 lien in favor of the Department shall be personally liable to  
25 the Department for a sum equal to the amount of taxes secured  
26 by such lien but not to exceed the reasonable value of such

1 property acquired by him.

2 (Source: P.A. 94-776, eff. 5-19-06.)

3 Section 50. The Cigarette Machine Operators' Occupation  
4 Tax Act is amended by changing Section 1-40 as follows:

5 (35 ILCS 128/1-40)

6 Sec. 1-40. Returns.

7 (a) Cigarette machine operators shall file a return and  
8 remit the tax imposed by Section 1-10 by the 15th day of each  
9 month covering the preceding calendar month. Each such return  
10 shall show: the quantity of cigarettes made or fabricated  
11 during the period covered by the return; the beginning and  
12 ending meter reading for each cigarette machine for the period  
13 covered by the return; the quantity of such cigarettes sold or  
14 otherwise disposed of during the period covered by the return;  
15 the brand family and manufacturer and quantity of tobacco  
16 products used to make or fabricate cigarettes by use of a  
17 cigarette machine; the license number of each distributor from  
18 whom tobacco products are purchased; the type and quantity of  
19 cigarette tubes purchased for use in a cigarette machine; the  
20 type and quantity of cigarette tubes used in a cigarette  
21 machine; and such other information as the Department may  
22 require. Such returns shall be filed on forms prescribed and  
23 furnished by the Department. The Department may promulgate  
24 rules to require that the cigarette machine operator's return



1 be accompanied by appropriate computer-generated magnetic  
2 media supporting schedule data in the format required by the  
3 Department, unless, as provided by rule, the Department grants  
4 an exception upon petition of a cigarette machine operator.

5 Cigarette machine operators shall send a copy of those  
6 returns, together with supporting schedule data, to the  
7 Attorney General's Office by the 15th day of each month for the  
8 period covering the preceding calendar month.

9 (b) Cigarette machine operators may take a credit against  
10 any tax due under Section 1-10 of this Act for taxes imposed  
11 and paid under the Tobacco Products Tax Act of 1995 on tobacco  
12 products sold to a customer and used in a rolling machine  
13 located at the cigarette machine operator's place of business.  
14 To be eligible for such credit, the tobacco product must meet  
15 the requirements of subsection (a) of Section 1-25 of this Act.  
16 This subsection (b) is exempt from the provisions of Section  
17 1-155 of this Act.

18 (c) If any payment provided for in this Section exceeds the  
19 cigarette machine operator's liabilities under this Act, as  
20 shown on an original return, the cigarette machine operator may  
21 credit such excess payment against liability subsequently to be  
22 remitted to the Department under this Act, in accordance with  
23 reasonable rules adopted by the Department.

24 (Source: P.A. 97-688, eff. 6-14-12.)

25 Section 55. The Cigarette Tax Act is amended by changing

1 Section 2 as follows:

2 (35 ILCS 130/2) (from Ch. 120, par. 453.2)

3 Sec. 2. Tax imposed; rate; collection, payment, and  
4 distribution; discount.

5 (a) A tax is imposed upon any person engaged in business as  
6 a retailer of cigarettes in this State at the rate of 5 1/2  
7 mills per cigarette sold, or otherwise disposed of in the  
8 course of such business in this State. In addition to any other  
9 tax imposed by this Act, a tax is imposed upon any person  
10 engaged in business as a retailer of cigarettes in this State  
11 at a rate of 1/2 mill per cigarette sold or otherwise disposed  
12 of in the course of such business in this State on and after  
13 January 1, 1947, and shall be paid into the Metropolitan Fair  
14 and Exposition Authority Reconstruction Fund or as otherwise  
15 provided in Section 29. On and after December 1, 1985, in  
16 addition to any other tax imposed by this Act, a tax is imposed  
17 upon any person engaged in business as a retailer of cigarettes  
18 in this State at a rate of 4 mills per cigarette sold or  
19 otherwise disposed of in the course of such business in this  
20 State. Of the additional tax imposed by this amendatory Act of  
21 1985, \$9,000,000 of the moneys received by the Department of  
22 Revenue pursuant to this Act shall be paid each month into the  
23 Common School Fund. On and after the effective date of this  
24 amendatory Act of 1989, in addition to any other tax imposed by  
25 this Act, a tax is imposed upon any person engaged in business

1 as a retailer of cigarettes at the rate of 5 mills per  
2 cigarette sold or otherwise disposed of in the course of such  
3 business in this State. On and after the effective date of this  
4 amendatory Act of 1993, in addition to any other tax imposed by  
5 this Act, a tax is imposed upon any person engaged in business  
6 as a retailer of cigarettes at the rate of 7 mills per  
7 cigarette sold or otherwise disposed of in the course of such  
8 business in this State. On and after December 15, 1997, in  
9 addition to any other tax imposed by this Act, a tax is imposed  
10 upon any person engaged in business as a retailer of cigarettes  
11 at the rate of 7 mills per cigarette sold or otherwise disposed  
12 of in the course of such business of this State. All of the  
13 moneys received by the Department of Revenue pursuant to this  
14 Act and the Cigarette Use Tax Act from the additional taxes  
15 imposed by this amendatory Act of 1997, shall be paid each  
16 month into the Common School Fund. On and after July 1, 2002,  
17 in addition to any other tax imposed by this Act, a tax is  
18 imposed upon any person engaged in business as a retailer of  
19 cigarettes at the rate of 20.0 mills per cigarette sold or  
20 otherwise disposed of in the course of such business in this  
21 State. Beginning on June 24, 2012, in addition to any other tax  
22 imposed by this Act, a tax is imposed upon any person engaged  
23 in business as a retailer of cigarettes at the rate of 50 mills  
24 per cigarette sold or otherwise disposed of in the course of  
25 such business in this State. All moneys received by the  
26 Department of Revenue under this Act and the Cigarette Use Tax

1 Act from the additional taxes imposed by this amendatory Act of  
2 the 97th General Assembly shall be paid each month into the  
3 Healthcare Provider Relief Fund. The payment of such taxes  
4 shall be evidenced by a stamp affixed to each original package  
5 of cigarettes, or an authorized substitute for such stamp  
6 imprinted on each original package of such cigarettes  
7 underneath the sealed transparent outside wrapper of such  
8 original package, as hereinafter provided. However, such taxes  
9 are not imposed upon any activity in such business in  
10 interstate commerce or otherwise, which activity may not under  
11 the Constitution and statutes of the United States be made the  
12 subject of taxation by this State.

13 Beginning on the effective date of this amendatory Act of  
14 the 92nd General Assembly and through June 30, 2006, all of the  
15 moneys received by the Department of Revenue pursuant to this  
16 Act and the Cigarette Use Tax Act, other than the moneys that  
17 are dedicated to the Common School Fund, shall be distributed  
18 each month as follows: first, there shall be paid into the  
19 General Revenue Fund an amount which, when added to the amount  
20 paid into the Common School Fund for that month, equals  
21 \$33,300,000, except that in the month of August of 2004, this  
22 amount shall equal \$83,300,000; then, from the moneys  
23 remaining, if any amounts required to be paid into the General  
24 Revenue Fund in previous months remain unpaid, those amounts  
25 shall be paid into the General Revenue Fund; then, beginning on  
26 April 1, 2003, from the moneys remaining, \$5,000,000 per month

1 shall be paid into the School Infrastructure Fund; then, if any  
2 amounts required to be paid into the School Infrastructure Fund  
3 in previous months remain unpaid, those amounts shall be paid  
4 into the School Infrastructure Fund; then the moneys remaining,  
5 if any, shall be paid into the Long-Term Care Provider Fund. To  
6 the extent that more than \$25,000,000 has been paid into the  
7 General Revenue Fund and Common School Fund per month for the  
8 period of July 1, 1993 through the effective date of this  
9 amendatory Act of 1994 from combined receipts of the Cigarette  
10 Tax Act and the Cigarette Use Tax Act, notwithstanding the  
11 distribution provided in this Section, the Department of  
12 Revenue is hereby directed to adjust the distribution provided  
13 in this Section to increase the next monthly payments to the  
14 Long Term Care Provider Fund by the amount paid to the General  
15 Revenue Fund and Common School Fund in excess of \$25,000,000  
16 per month and to decrease the next monthly payments to the  
17 General Revenue Fund and Common School Fund by that same excess  
18 amount.

19 Beginning on July 1, 2006, all of the moneys received by  
20 the Department of Revenue pursuant to this Act and the  
21 Cigarette Use Tax Act, other than the moneys that are dedicated  
22 to the Common School Fund and, beginning on the effective date  
23 of this amendatory Act of the 97th General Assembly, other than  
24 the moneys from the additional taxes imposed by this amendatory  
25 Act of the 97th General Assembly that must be paid each month  
26 into the Healthcare Provider Relief Fund, shall be distributed

1 each month as follows: first, there shall be paid into the  
2 General Revenue Fund an amount that, when added to the amount  
3 paid into the Common School Fund for that month, equals  
4 \$29,200,000; then, from the moneys remaining, if any amounts  
5 required to be paid into the General Revenue Fund in previous  
6 months remain unpaid, those amounts shall be paid into the  
7 General Revenue Fund; then from the moneys remaining,  
8 \$5,000,000 per month shall be paid into the School  
9 Infrastructure Fund; then, if any amounts required to be paid  
10 into the School Infrastructure Fund in previous months remain  
11 unpaid, those amounts shall be paid into the School  
12 Infrastructure Fund; then the moneys remaining, if any, shall  
13 be paid into the Long-Term Care Provider Fund.

14 Moneys collected from the tax imposed on little cigars  
15 under Section 10-10 of the Tobacco Products Tax Act of 1995  
16 shall be included with the moneys collected under the Cigarette  
17 Tax Act and the Cigarette Use Tax Act when making distributions  
18 to the Common School Fund, the Healthcare Provider Relief Fund,  
19 the General Revenue Fund, the School Infrastructure Fund, and  
20 the Long-Term Care Provider Fund under this Section.

21 When any tax imposed herein terminates or has terminated,  
22 distributors who have bought stamps while such tax was in  
23 effect and who therefore paid such tax, but who can show, to  
24 the Department's satisfaction, that they sold the cigarettes to  
25 which they affixed such stamps after such tax had terminated  
26 and did not recover the tax or its equivalent from purchasers,

1 shall be allowed by the Department to take credit for such  
2 absorbed tax against subsequent tax stamp purchases from the  
3 Department by such distributor.

4 The impact of the tax levied by this Act is imposed upon  
5 the retailer and shall be prepaid or pre-collected by the  
6 distributor for the purpose of convenience and facility only,  
7 and the amount of the tax shall be added to the price of the  
8 cigarettes sold by such distributor. Collection of the tax  
9 shall be evidenced by a stamp or stamps affixed to each  
10 original package of cigarettes, as hereinafter provided. Any  
11 distributor who purchases stamps may credit any excess payments  
12 verified by the Department against amounts subsequently due for  
13 the purchase of additional stamps, until such time as no excess  
14 payment remains.

15 Each distributor shall collect the tax from the retailer at  
16 or before the time of the sale, shall affix the stamps as  
17 hereinafter required, and shall remit the tax collected from  
18 retailers to the Department, as hereinafter provided. Any  
19 distributor who fails to properly collect and pay the tax  
20 imposed by this Act shall be liable for the tax. Any  
21 distributor having cigarettes to which stamps have been affixed  
22 in his possession for sale on the effective date of this  
23 amendatory Act of 1989 shall not be required to pay the  
24 additional tax imposed by this amendatory Act of 1989 on such  
25 stamped cigarettes. Any distributor having cigarettes to which  
26 stamps have been affixed in his or her possession for sale at

1 12:01 a.m. on the effective date of this amendatory Act of  
2 1993, is required to pay the additional tax imposed by this  
3 amendatory Act of 1993 on such stamped cigarettes. This  
4 payment, less the discount provided in subsection (b), shall be  
5 due when the distributor first makes a purchase of cigarette  
6 tax stamps after the effective date of this amendatory Act of  
7 1993, or on the first due date of a return under this Act after  
8 the effective date of this amendatory Act of 1993, whichever  
9 occurs first. Any distributor having cigarettes to which stamps  
10 have been affixed in his possession for sale on December 15,  
11 1997 shall not be required to pay the additional tax imposed by  
12 this amendatory Act of 1997 on such stamped cigarettes.

13 Any distributor having cigarettes to which stamps have been  
14 affixed in his or her possession for sale on July 1, 2002 shall  
15 not be required to pay the additional tax imposed by this  
16 amendatory Act of the 92nd General Assembly on those stamped  
17 cigarettes.

18 Any retailer having cigarettes in his or her possession on  
19 June 24, 2012 to which tax stamps have been affixed is not  
20 required to pay the additional tax that begins on June 24, 2012  
21 imposed by this amendatory Act of the 97th General Assembly on  
22 those stamped cigarettes. Any distributor having cigarettes in  
23 his or her possession on June 24, 2012 to which tax stamps have  
24 been affixed, and any distributor having stamps in his or her  
25 possession on June 24, 2012 that have not been affixed to  
26 packages of cigarettes before June 24, 2012, is required to pay



1 the additional tax that begins on June 24, 2012 imposed by this  
2 amendatory Act of the 97th General Assembly to the extent the  
3 calendar year 2012 average monthly volume of cigarette stamps  
4 in the distributor's possession exceeds the average monthly  
5 volume of cigarette stamps purchased by the distributor in  
6 calendar year 2011. This payment, less the discount provided in  
7 subsection (b), is due when the distributor first makes a  
8 purchase of cigarette stamps on or after June 24, 2012 or on  
9 the first due date of a return under this Act occurring on or  
10 after June 24, 2012, whichever occurs first. Those distributors  
11 may elect to pay the additional tax on packages of cigarettes  
12 to which stamps have been affixed and on any stamps in the  
13 distributor's possession that have not been affixed to packages  
14 of cigarettes over a period not to exceed 12 months from the  
15 due date of the additional tax by notifying the Department in  
16 writing. The first payment for distributors making such  
17 election is due when the distributor first makes a purchase of  
18 cigarette tax stamps on or after June 24, 2012 or on the first  
19 due date of a return under this Act occurring on or after June  
20 24, 2012, whichever occurs first. Distributors making such an  
21 election are not entitled to take the discount provided in  
22 subsection (b) on such payments.

23 Distributors making sales of cigarettes to secondary  
24 distributors shall add the amount of the tax to the price of  
25 the cigarettes sold by the distributors. Secondary  
26 distributors making sales of cigarettes to retailers shall

1 include the amount of the tax in the price of the cigarettes  
2 sold to retailers. The amount of tax shall not be less than the  
3 amount of taxes imposed by the State and all local  
4 jurisdictions. The amount of local taxes shall be calculated  
5 based on the location of the retailer's place of business shown  
6 on the retailer's certificate of registration or  
7 sub-registration issued to the retailer pursuant to Section 2a  
8 of the Retailers' Occupation Tax Act. The original packages of  
9 cigarettes sold to the retailer shall bear all the required  
10 stamps, or other indicia, for the taxes included in the price  
11 of cigarettes.

12 The amount of the Cigarette Tax imposed by this Act shall  
13 be separately stated, apart from the price of the goods, by  
14 distributors, manufacturer representatives, secondary  
15 distributors, and retailers, in all bills and sales invoices.

16 (b) The distributor shall be required to collect the taxes  
17 provided under paragraph (a) hereof, and, to cover the costs of  
18 such collection, shall be allowed a discount during any year  
19 commencing July 1st and ending the following June 30th in  
20 accordance with the schedule set out hereinbelow, which  
21 discount shall be allowed at the time of purchase of the stamps  
22 when purchase is required by this Act, or at the time when the  
23 tax is remitted to the Department without the purchase of  
24 stamps from the Department when that method of paying the tax  
25 is required or authorized by this Act. Prior to December 1,  
26 1985, a discount equal to 1 2/3% of the amount of the tax up to

1 and including the first \$700,000 paid hereunder by such  
2 distributor to the Department during any such year; 1 1/3% of  
3 the next \$700,000 of tax or any part thereof, paid hereunder by  
4 such distributor to the Department during any such year; 1% of  
5 the next \$700,000 of tax, or any part thereof, paid hereunder  
6 by such distributor to the Department during any such year, and  
7 2/3 of 1% of the amount of any additional tax paid hereunder by  
8 such distributor to the Department during any such year shall  
9 apply. On and after December 1, 1985, a discount equal to 1.75%  
10 of the amount of the tax payable under this Act up to and  
11 including the first \$3,000,000 paid hereunder by such  
12 distributor to the Department during any such year and 1.5% of  
13 the amount of any additional tax paid hereunder by such  
14 distributor to the Department during any such year shall apply.

15 Two or more distributors that use a common means of  
16 affixing revenue tax stamps or that are owned or controlled by  
17 the same interests shall be treated as a single distributor for  
18 the purpose of computing the discount.

19 (c) The taxes herein imposed are in addition to all other  
20 occupation or privilege taxes imposed by the State of Illinois,  
21 or by any political subdivision thereof, or by any municipal  
22 corporation.

23 (Source: P.A. 97-587, eff. 8-26-11; 97-688, eff. 6-14-12;  
24 98-273, eff. 8-9-13.)

25 Section 60. The Cigarette Use Tax Act is amended by

1 changing Section 3 as follows:

2 (35 ILCS 135/3) (from Ch. 120, par. 453.33)

3 Sec. 3. Stamp payment. The tax hereby imposed shall be  
4 collected by a distributor maintaining a place of business in  
5 this State or a distributor authorized by the Department  
6 pursuant to Section 7 hereof to collect the tax, and the amount  
7 of the tax shall be added to the price of the cigarettes sold  
8 by such distributor. Collection of the tax shall be evidenced  
9 by a stamp or stamps affixed to each original package of  
10 cigarettes or by an authorized substitute for such stamp  
11 imprinted on each original package of such cigarettes  
12 underneath the sealed transparent outside wrapper of such  
13 original package, except as hereinafter provided. Each  
14 distributor who is required or authorized to collect the tax  
15 herein imposed, before delivering or causing to be delivered  
16 any original packages of cigarettes in this State to any  
17 purchaser, shall firmly affix a proper stamp or stamps to each  
18 such package, or (in the case of manufacturers of cigarettes in  
19 original packages which are contained inside a sealed  
20 transparent wrapper) shall imprint the required language on the  
21 original package of cigarettes beneath such outside wrapper as  
22 hereinafter provided. Such stamp or stamps need not be affixed  
23 to the original package of any cigarettes with respect to which  
24 the distributor is required to affix a like stamp or stamps by  
25 virtue of the Cigarette Tax Act, however, and no tax imprint

1 need be placed underneath the sealed transparent wrapper of an  
2 original package of cigarettes with respect to which the  
3 distributor is required or authorized to employ a like tax  
4 imprint by virtue of the Cigarette Tax Act. Any distributor who  
5 purchases stamps may credit any excess payments verified by the  
6 Department against amounts subsequently due for the purchase of  
7 additional stamps, until such time as no excess payment  
8 remains.

9 No stamp or imprint may be affixed to, or made upon, any  
10 package of cigarettes unless that package complies with all  
11 requirements of the federal Cigarette Labeling and Advertising  
12 Act, 15 U.S.C. 1331 and following, for the placement of labels,  
13 warnings, or any other information upon a package of cigarettes  
14 that is sold within the United States. Under the authority of  
15 Section 6, the Department shall revoke the license of any  
16 distributor that is determined to have violated this paragraph.  
17 A person may not affix a stamp on a package of cigarettes,  
18 cigarette papers, wrappers, or tubes if that individual package  
19 has been marked for export outside the United States with a  
20 label or notice in compliance with Section 290.185 of Title 27  
21 of the Code of Federal Regulations. It is not a defense to a  
22 proceeding for violation of this paragraph that the label or  
23 notice has been removed, mutilated, obliterated, or altered in  
24 any manner.

25 Only distributors licensed under this Act and  
26 transporters, as defined in Section 9c of the Cigarette Tax

1 Act, may possess unstamped original packages of cigarettes.  
2 Prior to shipment to an Illinois retailer or secondary  
3 distributor, a stamp shall be applied to each original package  
4 of cigarettes sold to the retailer or secondary distributor. A  
5 distributor may apply a tax stamp only to an original package  
6 of cigarettes purchased or obtained directly from an in-state  
7 maker, manufacturer, or fabricator licensed as a distributor  
8 under Section 4 of this Act or an out-of-state maker,  
9 manufacturer, or fabricator holding a permit under Section 7 of  
10 this Act. A licensed distributor may ship or otherwise cause to  
11 be delivered unstamped original packages of cigarettes in,  
12 into, or from this State. A licensed distributor may transport  
13 unstamped original packages of cigarettes to a facility,  
14 wherever located, owned or controlled by such distributor;  
15 however, a distributor may not transport unstamped original  
16 packages of cigarettes to a facility where retail sales of  
17 cigarettes take place or to a facility where a secondary  
18 distributor makes sales for resale. Any licensed distributor  
19 that ships or otherwise causes to be delivered unstamped  
20 original packages of cigarettes into, within, or from this  
21 State shall ensure that the invoice or equivalent documentation  
22 and the bill of lading or freight bill for the shipment  
23 identifies the true name and address of the consignor or  
24 seller, the true name and address of the consignee or  
25 purchaser, and the quantity by brand style of the cigarettes so  
26 transported, provided that this Section shall not be construed

1 as to impose any requirement or liability upon any common or  
2 contract carrier.

3 Distributors making sales of cigarettes to secondary  
4 distributors shall add the amount of the tax to the price of  
5 the cigarettes sold by the distributors. Secondary  
6 distributors making sales of cigarettes to retailers shall  
7 include the amount of the tax in the price of the cigarettes  
8 sold to retailers. The amount of tax shall not be less than the  
9 amount of taxes imposed by the State and all local  
10 jurisdictions. The amount of local taxes shall be calculated  
11 based on the location of the retailer's place of business shown  
12 on the retailer's certificate of registration or  
13 sub-registration issued to the retailer pursuant to Section 2a  
14 of the Retailers' Occupation Tax Act. The original packages of  
15 cigarettes sold by the retailer shall bear all the required  
16 stamps, or other indicia, for the taxes included in the price  
17 of cigarettes.

18 Stamps, when required hereunder, shall be purchased from  
19 the Department, or any person authorized by the Department, by  
20 distributors. On and after July 1, 2003, payment for such  
21 stamps must be made by means of electronic funds transfer. The  
22 Department may refuse to sell stamps to any person who does not  
23 comply with the provisions of this Act. Beginning on June 6,  
24 2002 and through June 30, 2002, persons holding valid licenses  
25 as distributors may purchase cigarette tax stamps up to an  
26 amount equal to 115% of the distributor's average monthly

1 cigarette tax stamp purchases over the 12 calendar months prior  
2 to June 6, 2002.

3 Prior to December 1, 1985, the Department shall allow a  
4 distributor 21 days in which to make final payment of the  
5 amount to be paid for such stamps, by allowing the distributor  
6 to make payment for the stamps at the time of purchasing them  
7 with a draft which shall be in such form as the Department  
8 prescribes, and which shall be payable within 21 days  
9 thereafter: Provided that such distributor has filed with the  
10 Department, and has received the Department's approval of, a  
11 bond, which is in addition to the bond required under Section 4  
12 of this Act, payable to the Department in an amount equal to  
13 80% of such distributor's average monthly tax liability to the  
14 Department under this Act during the preceding calendar year or  
15 \$500,000, whichever is less. The bond shall be joint and  
16 several and shall be in the form of a surety company bond in  
17 such form as the Department prescribes, or it may be in the  
18 form of a bank certificate of deposit or bank letter of credit.  
19 The bond shall be conditioned upon the distributor's payment of  
20 the amount of any 21-day draft which the Department accepts  
21 from that distributor for the delivery of stamps to that  
22 distributor under this Act. The distributor's failure to pay  
23 any such draft, when due, shall also make such distributor  
24 automatically liable to the Department for a penalty equal to  
25 25% of the amount of such draft.

26 On and after December 1, 1985 and until July 1, 2003, the



1 Department shall allow a distributor 30 days in which to make  
2 final payment of the amount to be paid for such stamps, by  
3 allowing the distributor to make payment for the stamps at the  
4 time of purchasing them with a draft which shall be in such  
5 form as the Department prescribes, and which shall be payable  
6 within 30 days thereafter, and beginning on January 1, 2003 and  
7 thereafter, the draft shall be payable by means of electronic  
8 funds transfer: Provided that such distributor has filed with  
9 the Department, and has received the Department's approval of,  
10 a bond, which is in addition to the bond required under Section  
11 4 of this Act, payable to the Department in an amount equal to  
12 150% of such distributor's average monthly tax liability to the  
13 Department under this Act during the preceding calendar year or  
14 \$750,000, whichever is less, except that as to bonds filed on  
15 or after January 1, 1987, such additional bond shall be in an  
16 amount equal to 100% of such distributor's average monthly tax  
17 liability under this Act during the preceding calendar year or  
18 \$750,000, whichever is less. The bond shall be joint and  
19 several and shall be in the form of a surety company bond in  
20 such form as the Department prescribes, or it may be in the  
21 form of a bank certificate of deposit or bank letter of credit.  
22 The bond shall be conditioned upon the distributor's payment of  
23 the amount of any 30-day draft which the Department accepts  
24 from that distributor for the delivery of stamps to that  
25 distributor under this Act. The distributor's failure to pay  
26 any such draft, when due, shall also make such distributor

1 automatically liable to the Department for a penalty equal to  
2 25% of the amount of such draft.

3 Every prior continuous compliance taxpayer shall be exempt  
4 from all requirements under this Section concerning the  
5 furnishing of such bond, as defined in this Section, as a  
6 condition precedent to his being authorized to engage in the  
7 business licensed under this Act. This exemption shall continue  
8 for each such taxpayer until such time as he may be determined  
9 by the Department to be delinquent in the filing of any  
10 returns, or is determined by the Department (either through the  
11 Department's issuance of a final assessment which has become  
12 final under the Act, or by the taxpayer's filing of a return  
13 which admits tax to be due that is not paid) to be delinquent  
14 or deficient in the paying of any tax under this Act, at which  
15 time that taxpayer shall become subject to the bond  
16 requirements of this Section and, as a condition of being  
17 allowed to continue to engage in the business licensed under  
18 this Act, shall be required to furnish bond to the Department  
19 in such form as provided in this Section. Such taxpayer shall  
20 furnish such bond for a period of 2 years, after which, if the  
21 taxpayer has not been delinquent in the filing of any returns,  
22 or delinquent or deficient in the paying of any tax under this  
23 Act, the Department may reinstate such person as a prior  
24 continuance compliance taxpayer. Any taxpayer who fails to pay  
25 an admitted or established liability under this Act may also be  
26 required to post bond or other acceptable security with the

1 Department guaranteeing the payment of such admitted or  
2 established liability.

3 Except as otherwise provided in this Section, any person  
4 aggrieved by any decision of the Department under this Section  
5 may, within the time allowed by law, protest and request a  
6 hearing before the Department, whereupon the Department shall  
7 give notice and shall hold a hearing in conformity with the  
8 provisions of this Act and then issue its final administrative  
9 decision in the matter to such person. Effective July 1, 2013,  
10 protests concerning matters that are subject to the  
11 jurisdiction of the Illinois Independent Tax Tribunal shall be  
12 filed in accordance with the Illinois Independent Tax Tribunal  
13 Act of 2012, and hearings concerning those matters shall be  
14 held before the Tribunal in accordance with that Act. With  
15 respect to protests filed with the Department prior to July 1,  
16 2013 that would otherwise be subject to the jurisdiction of the  
17 Illinois Independent Tax Tribunal, the person filing the  
18 protest may elect to be subject to the provisions of the  
19 Illinois Independent Tax Tribunal Act of 2012 at any time on or  
20 after July 1, 2013, but not later than 30 days after the date  
21 on which the protest was filed. If made, the election shall be  
22 irrevocable. In the absence of such a protest filed within the  
23 time allowed by law, the Department's decision shall become  
24 final without any further determination being made or notice  
25 given.

26 The Department shall discharge any surety and shall release

1 and return any bond or security deposited, assigned, pledged,  
2 or otherwise provided to it by a taxpayer under this Section  
3 within 30 days after:

4 (1) such Taxpayer becomes a prior continuous  
5 compliance taxpayer; or

6 (2) such taxpayer has ceased to collect receipts on  
7 which he is required to remit tax to the Department, has  
8 filed a final tax return, and has paid to the Department an  
9 amount sufficient to discharge his remaining tax liability  
10 as determined by the Department under this Act. The  
11 Department shall make a final determination of the  
12 taxpayer's outstanding tax liability as expeditiously as  
13 possible after his final tax return has been filed. If the  
14 Department cannot make such final determination within 45  
15 days after receiving the final tax return, within such  
16 period it shall so notify the taxpayer, stating its reasons  
17 therefor.

18 At the time of purchasing such stamps from the Department  
19 when purchase is required by this Act, or at the time when the  
20 tax which he has collected is remitted by a distributor to the  
21 Department without the purchase of stamps from the Department  
22 when that method of remitting the tax that has been collected  
23 is required or authorized by this Act, the distributor shall be  
24 allowed a discount during any year commencing July 1 and ending  
25 the following June 30 in accordance with the schedule set out  
26 hereinbelow, from the amount to be paid by him to the

1 Department for such stamps, or to be paid by him to the  
2 Department on the basis of monthly remittances (as the case may  
3 be), to cover the cost, to such distributor, of collecting the  
4 tax herein imposed by affixing such stamps to the original  
5 packages of cigarettes sold by such distributor or by placing  
6 tax imprints underneath the sealed transparent wrapper of  
7 original packages of cigarettes sold by such distributor (as  
8 the case may be): (1) Prior to December 1, 1985, a discount  
9 equal to 1-2/3% of the amount of the tax up to and including  
10 the first \$700,000 paid hereunder by such distributor to the  
11 Department during any such year; 1-1/3% of the next \$700,000 of  
12 tax or any part thereof, paid hereunder by such distributor to  
13 the Department during any such year; 1% of the next \$700,000 of  
14 tax, or any part thereof, paid hereunder by such distributor to  
15 the Department during any such year; and 2/3 of 1% of the  
16 amount of any additional tax paid hereunder by such distributor  
17 to the Department during any such year or (2) On and after  
18 December 1, 1985, a discount equal to 1.75% of the amount of  
19 the tax payable under this Act up to and including the first  
20 \$3,000,000 paid hereunder by such distributor to the Department  
21 during any such year and 1.5% of the amount of any additional  
22 tax paid hereunder by such distributor to the Department during  
23 any such year.

24 Two or more distributors that use a common means of  
25 affixing revenue tax stamps or that are owned or controlled by  
26 the same interests shall be treated as a single distributor for

1 the purpose of computing the discount.

2 Cigarette manufacturers who are distributors under Section  
3 7(a) of this Act, and who place their cigarettes in original  
4 packages which are contained inside a sealed transparent  
5 wrapper, shall be required to remit the tax which they are  
6 required to collect under this Act to the Department by  
7 remitting the amount thereof to the Department by the 5th day  
8 of each month, covering cigarettes shipped or otherwise  
9 delivered to points in Illinois to purchasers during the  
10 preceding calendar month, but a distributor need not remit to  
11 the Department the tax so collected by him from purchasers  
12 under this Act to the extent to which such distributor is  
13 required to remit the tax imposed by the Cigarette Tax Act to  
14 the Department with respect to the same cigarettes. All taxes  
15 upon cigarettes under this Act are a direct tax upon the retail  
16 consumer and shall conclusively be presumed to be precollected  
17 for the purpose of convenience and facility only. Cigarette  
18 manufacturers that are distributors licensed under Section  
19 7(a) of this Act and who place their cigarettes in original  
20 packages which are contained inside a sealed transparent  
21 wrapper, before delivering such cigarettes or causing such  
22 cigarettes to be delivered in this State to purchasers, shall  
23 evidence their obligation to collect and remit the tax due with  
24 respect to such cigarettes by imprinting language to be  
25 prescribed by the Department on each original package of such  
26 cigarettes underneath the sealed transparent outside wrapper

1 of such original package, in such place thereon and in such  
2 manner as the Department may prescribe; provided (as stated  
3 hereinbefore) that this requirement does not apply when such  
4 distributor is required or authorized by the Cigarette Tax Act  
5 to place the tax imprint provided for in the last paragraph of  
6 Section 3 of that Act underneath the sealed transparent wrapper  
7 of such original package of cigarettes. Such imprinted language  
8 shall acknowledge the manufacturer's collection and payment of  
9 or liability for the tax imposed by this Act with respect to  
10 such cigarettes.

11 The Department shall adopt the design or designs of the tax  
12 stamps and shall procure the printing of such stamps in such  
13 amounts and denominations as it deems necessary to provide for  
14 the affixation of the proper amount of tax stamps to each  
15 original package of cigarettes.

16 Where tax stamps are required, the Department may authorize  
17 distributors to affix revenue tax stamps by imprinting tax  
18 meter stamps upon original packages of cigarettes. The  
19 Department shall adopt rules and regulations relating to the  
20 imprinting of such tax meter stamps as will result in payment  
21 of the proper taxes as herein imposed. No distributor may affix  
22 revenue tax stamps to original packages of cigarettes by  
23 imprinting meter stamps thereon unless such distributor has  
24 first obtained permission from the Department to employ this  
25 method of affixation. The Department shall regulate the use of  
26 tax meters and may, to assure the proper collection of the

1 taxes imposed by this Act, revoke or suspend the privilege,  
2 theretofore granted by the Department to any distributor, to  
3 imprint tax meter stamps upon original packages of cigarettes.

4 The tax hereby imposed and not paid pursuant to this  
5 Section shall be paid to the Department directly by any person  
6 using such cigarettes within this State, pursuant to Section 12  
7 hereof.

8 A distributor shall not affix, or cause to be affixed, any  
9 stamp or imprint to a package of cigarettes, as provided for in  
10 this Section, if the tobacco product manufacturer, as defined  
11 in Section 10 of the Tobacco Product Manufacturers' Escrow Act,  
12 that made or sold the cigarettes has failed to become a  
13 participating manufacturer, as defined in subdivision (a)(1)  
14 of Section 15 of the Tobacco Product Manufacturers' Escrow Act,  
15 or has failed to create a qualified escrow fund for any  
16 cigarettes manufactured by the tobacco product manufacturer  
17 and sold in this State or otherwise failed to bring itself into  
18 compliance with subdivision (a)(2) of Section 15 of the Tobacco  
19 Product Manufacturers' Escrow Act.

20 (Source: P.A. 96-782, eff. 1-1-10; 96-1027, eff. 7-12-10;  
21 97-1129, eff. 8-28-12.)

22 Section 65. The Tobacco Products Tax Act of 1995 is amended  
23 by changing Section 10-30 as follows:

24 (35 ILCS 143/10-30)



1           Sec. 10-30. Returns.

2           (a) Every distributor shall, on or before the 15th day of  
3 each month, file a return with the Department covering the  
4 preceding calendar month. The return shall disclose the  
5 wholesale price for all tobacco products other than moist snuff  
6 and the quantity in ounces of moist snuff sold or otherwise  
7 disposed of and other information that the Department may  
8 reasonably require. The return shall be filed upon a form  
9 prescribed and furnished by the Department.

10          (b) In addition to the information required under  
11 subsection (a), on or before the 15th day of each month,  
12 covering the preceding calendar month, each stamping  
13 distributor shall, on forms prescribed and furnished by the  
14 Department, report the quantity of little cigars sold or  
15 otherwise disposed of, including the number of packages of  
16 little cigars sold or disposed of during the month containing  
17 20 or 25 little cigars.

18          (c) At the time when any return of any distributor is due  
19 to be filed with the Department, the distributor shall also  
20 remit to the Department the tax liability that the distributor  
21 has incurred for transactions occurring in the preceding  
22 calendar month.

23          (d) The Department may adopt rules to require the  
24 electronic filing of any return or document required to be  
25 filed under this Act. Those rules may provide for exceptions  
26 from the filing requirement set forth in this paragraph for

1 persons who demonstrate that they do not have access to the  
2 Internet and petition the Department to waive the electronic  
3 filing requirement.

4 (e) If any payment provided for in this Section exceeds the  
5 distributor's liabilities under this Act, as shown on an  
6 original return, the distributor may credit such excess payment  
7 against liability subsequently to be remitted to the Department  
8 under this Act, in accordance with reasonable rules adopted by  
9 the Department.

10 (Source: P.A. 97-688, eff. 6-14-12; 98-273, eff. 8-9-13.)

11 Section 70. The Hotel Operators' Occupation Tax Act is  
12 amended by changing Section 6 as follows:

13 (35 ILCS 145/6) (from Ch. 120, par. 481b.36)

14 Sec. 6. Filing of returns and distribution of proceeds.

15 Except as provided hereinafter in this Section, on or  
16 before the last day of each calendar month, every person  
17 engaged in the business of renting, leasing or letting rooms in  
18 a hotel in this State during the preceding calendar month shall  
19 file a return with the Department, stating:

20 1. The name of the operator;

21 2. His residence address and the address of his  
22 principal place of business and the address of the  
23 principal place of business (if that is a different  
24 address) from which he engages in the business of renting,

1 leasing or letting rooms in a hotel in this State;

2 3. Total amount of rental receipts received by him  
3 during the preceding calendar month from renting, leasing  
4 or letting rooms during such preceding calendar month;

5 4. Total amount of rental receipts received by him  
6 during the preceding calendar month from renting, leasing  
7 or letting rooms to permanent residents during such  
8 preceding calendar month;

9 5. Total amount of other exclusions from gross rental  
10 receipts allowed by this Act;

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

14 7. The amount of tax due;

15 8. Such other reasonable information as the Department  
16 may require.

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

1           If the operator's average monthly tax liability to the  
2 Department does not exceed \$50, the Department may authorize  
3 his returns to be filed on an annual basis, with the return for  
4 a given year being due by January 31 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 monthly  
7 returns.

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

15           Where the same person has more than 1 business registered  
16 with the Department under separate registrations under this  
17 Act, such person shall not file each return that is due as a  
18 single return covering all such registered businesses, but  
19 shall file separate returns for each such registered business.

20           In his return, the operator shall determine the value of  
21 any consideration other than money received by him in  
22 connection with the renting, leasing or letting of rooms in the  
23 course of his business and he shall include such value in his  
24 return. Such determination shall be subject to review and  
25 revision by the Department in the manner hereinafter provided  
26 for the correction of returns.

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

5           The person filing the return herein provided for shall, at  
6 the time of filing such return, pay to the Department the  
7 amount of tax herein imposed. The operator filing the return  
8 under this Section shall, at the time of filing such return,  
9 pay to the Department the amount of tax imposed by this Act  
10 less a discount of 2.1% or \$25 per calendar year, whichever is  
11 greater, which is allowed to reimburse the operator for the  
12 expenses incurred in keeping records, preparing and filing  
13 returns, remitting the tax and supplying data to the Department  
14 on request.

15           If any payment provided for in this Section exceeds the  
16 operator's liabilities under this Act, as shown on an original  
17 return, the Department may authorize the operator to credit  
18 such excess payment against liability subsequently to be  
19 remitted to the Department under this Act, in accordance with  
20 reasonable rules adopted by the Department. If the Department  
21 subsequently determines that all or any part of the credit  
22 taken was not actually due to the operator, the operator's  
23 discount shall be reduced by an amount equal to the difference  
24 between the discount as applied to the credit taken and that  
25 actually due, and that operator shall be liable for penalties  
26 and interest on such difference.

1           There shall be deposited in the Build Illinois Fund in the  
2 State Treasury for each State fiscal year 40% of the amount of  
3 total net proceeds from the tax imposed by subsection (a) of  
4 Section 3. Of the remaining 60%, \$5,000,000 shall be deposited  
5 in the Illinois Sports Facilities Fund and credited to the  
6 Subsidy Account each fiscal year by making monthly deposits in  
7 the amount of 1/8 of \$5,000,000 plus cumulative deficiencies in  
8 such deposits for prior months, and an additional \$8,000,000  
9 shall be deposited in the Illinois Sports Facilities Fund and  
10 credited to the Advance Account each fiscal year by making  
11 monthly deposits in the amount of 1/8 of \$8,000,000 plus any  
12 cumulative deficiencies in such deposits for prior months;  
13 provided, that for fiscal years ending after June 30, 2001, the  
14 amount to be so deposited into the Illinois Sports Facilities  
15 Fund and credited to the Advance Account each fiscal year shall  
16 be increased from \$8,000,000 to the then applicable Advance  
17 Amount and the required monthly deposits beginning with July  
18 2001 shall be in the amount of 1/8 of the then applicable  
19 Advance Amount plus any cumulative deficiencies in those  
20 deposits for prior months. (The deposits of the additional  
21 \$8,000,000 or the then applicable Advance Amount, as  
22 applicable, during each fiscal year shall be treated as  
23 advances of funds to the Illinois Sports Facilities Authority  
24 for its corporate purposes to the extent paid to the Authority  
25 or its trustee and shall be repaid into the General Revenue  
26 Fund in the State Treasury by the State Treasurer on behalf of

1 the Authority pursuant to Section 19 of the Illinois Sports  
2 Facilities Authority Act, as amended. If in any fiscal year the  
3 full amount of the then applicable Advance Amount is not repaid  
4 into the General Revenue Fund, then the deficiency shall be  
5 paid from the amount in the Local Government Distributive Fund  
6 that would otherwise be allocated to the City of Chicago under  
7 the State Revenue Sharing Act.)

8 For purposes of the foregoing paragraph, the term "Advance  
9 Amount" means, for fiscal year 2002, \$22,179,000, and for  
10 subsequent fiscal years through fiscal year 2032, 105.615% of  
11 the Advance Amount for the immediately preceding fiscal year,  
12 rounded up to the nearest \$1,000.

13 Of the remaining 60% of the amount of total net proceeds  
14 prior to August 1, 2011 from the tax imposed by subsection (a)  
15 of Section 3 after all required deposits in the Illinois Sports  
16 Facilities Fund, the amount equal to 8% of the net revenue  
17 realized from this Act plus an amount equal to 8% of the net  
18 revenue realized from any tax imposed under Section 4.05 of the  
19 Chicago World's Fair-1992 Authority Act during the preceding  
20 month shall be deposited in the Local Tourism Fund each month  
21 for purposes authorized by Section 605-705 of the Department of  
22 Commerce and Economic Opportunity Law (20 ILCS 605/605-705). Of  
23 the remaining 60% of the amount of total net proceeds beginning  
24 on August 1, 2011 from the tax imposed by subsection (a) of  
25 Section 3 after all required deposits in the Illinois Sports  
26 Facilities Fund, an amount equal to 8% of the net revenue

1 realized from this Act plus an amount equal to 8% of the net  
2 revenue realized from any tax imposed under Section 4.05 of the  
3 Chicago World's Fair-1992 Authority Act during the preceding  
4 month shall be deposited as follows: 18% of such amount shall  
5 be deposited into the Chicago Travel Industry Promotion Fund  
6 for the purposes described in subsection (n) of Section 5 of  
7 the Metropolitan Pier and Exposition Authority Act and the  
8 remaining 82% of such amount shall be deposited into the Local  
9 Tourism Fund each month for purposes authorized by Section  
10 605-705 of the Department of Commerce and Economic Opportunity  
11 Law. Beginning on August 1, 1999 and ending on July 31, 2011,  
12 an amount equal to 4.5% of the net revenue realized from the  
13 Hotel Operators' Occupation Tax Act during the preceding month  
14 shall be deposited into the International Tourism Fund for the  
15 purposes authorized in Section 605-707 of the Department of  
16 Commerce and Economic Opportunity Law. Beginning on August 1,  
17 2011, an amount equal to 4.5% of the net revenue realized from  
18 this Act during the preceding month shall be deposited as  
19 follows: 55% of such amount shall be deposited into the Chicago  
20 Travel Industry Promotion Fund for the purposes described in  
21 subsection (n) of Section 5 of the Metropolitan Pier and  
22 Exposition Authority Act and the remaining 45% of such amount  
23 deposited into the International Tourism Fund for the purposes  
24 authorized in Section 605-707 of the Department of Commerce and  
25 Economic Opportunity Law. "Net revenue realized for a month"  
26 means the revenue collected by the State under that Act during



1 the previous month less the amount paid out during that same  
2 month as refunds to taxpayers for overpayment of liability  
3 under that Act.

4 After making all these deposits, all other proceeds of the  
5 tax imposed under subsection (a) of Section 3 shall be  
6 deposited in the Tourism Promotion Fund in the State Treasury.  
7 All moneys received by the Department from the additional tax  
8 imposed under subsection (b) of Section 3 shall be deposited  
9 into the Build Illinois Fund in the State Treasury.

10 The Department may, upon separate written notice to a  
11 taxpayer, require the taxpayer to prepare and file with the  
12 Department on a form prescribed by the Department within not  
13 less than 60 days after receipt of the notice an annual  
14 information return for the tax year specified in the notice.  
15 Such annual return to the Department shall include a statement  
16 of gross receipts as shown by the operator's last State income  
17 tax return. If the total receipts of the business as reported  
18 in the State income tax return do not agree with the gross  
19 receipts reported to the Department for the same period, the  
20 operator shall attach to his annual information return a  
21 schedule showing a reconciliation of the 2 amounts and the  
22 reasons for the difference. The operator's annual information  
23 return to the Department shall also disclose pay roll  
24 information of the operator's business during the year covered  
25 by such return and any additional reasonable information which  
26 the Department deems would be helpful in determining the

1 accuracy of the monthly, quarterly or annual tax returns by  
2 such operator 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 liable  
5 for a penalty in an amount determined in accordance with  
6 Section 3-4 of the Uniform Penalty and Interest Act until such  
7 return is filed as required, the penalty to be assessed and  
8 collected in the same manner as any other penalty provided for  
9 in this Act.

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

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

22 (Source: P.A. 100-23, eff. 7-6-17.)

23 Section 75. The Live Adult Entertainment Facility  
24 Surcharge Act is amended by changing Section 10 as follows:

1 (35 ILCS 175/10)

2 Sec. 10. Surcharge imposed; returns.

3 (a) An annual surcharge is imposed upon each operator who  
4 operates a live adult entertainment facility in this State. By  
5 January 20, 2014, and by January 20 of each year thereafter,  
6 each operator shall elect to pay the surcharge according to  
7 either item (1) or item (2) of this subsection.

8 (1) An operator who elects to be subject to this item

9 (1) shall pay to the Department a surcharge imposed upon  
10 admissions to a live adult entertainment facility operated  
11 by the operator in this State in an amount equal to \$3 per  
12 person admitted to that live adult entertainment facility.  
13 This item (1) does not require a live entertainment  
14 facility to impose a fee on a customer of the facility. An  
15 operator has the discretion to determine the manner in  
16 which the facility derives the moneys required to pay the  
17 surcharge imposed under this Section. In the event that an  
18 operator has not filed the applicable returns under the  
19 Retailers' Occupation Tax Act for a full calendar year  
20 prior to any January 20, then such operator shall pay the  
21 surcharge under this Act pursuant to this item (1) for  
22 moneys owed to the Department subject to this Act for the  
23 previous calendar year.

24 (2) An operator may, in the alternative, pay to the  
25 Department the surcharge as follows:

26 (A) If the gross receipts received by the live

1 adult entertainment facility during the preceding  
2 calendar year, upon the basis of which a tax is imposed  
3 under Section 2 of the Retailers' Occupation Tax Act,  
4 are equal or greater than \$2,000,000 during the  
5 preceding calendar year, and if the operator elects to  
6 be subject to this item (2), then the operator shall  
7 pay the Department a surcharge of \$25,000.

8 (B) If the gross receipts received by the live  
9 adult entertainment facility during the preceding  
10 calendar year, upon the basis of which a tax is imposed  
11 under Section 2 of the Retailers' Occupation Tax Act,  
12 are equal to or greater than \$500,000 but less than  
13 \$2,000,000 during the preceding calendar year, and if  
14 the operator elects to be subject to this item (2),  
15 then the operator shall pay to the Department a  
16 surcharge of \$15,000.

17 (C) If the gross receipts received by the live  
18 adult entertainment facility during the preceding  
19 calendar year, upon the basis of which a tax is imposed  
20 under Section 2 of the Retailers' Occupation Tax Act,  
21 are less than \$500,000 during the preceding calendar  
22 year, and if the operator elects to be subject to this  
23 item (2), then the operator shall pay the Department a  
24 surcharge of \$5,000.

25 (b) For each live adult entertainment facility paying the  
26 surcharge as set forth in item (1) of subsection (a) of this

1 Section, the operator must file a return electronically as  
2 provided by the Department and remit payment to the Department  
3 on an annual basis no later than January 20 covering the  
4 previous calendar year. Each return made to the Department must  
5 state the following:

6 (1) the name of the operator;

7 (2) the address of the live adult entertainment  
8 facility and the address of the principal place of business  
9 (if that is a different address) of the operator;

10 (3) the total number of admissions to the facility in  
11 the preceding calendar year; and

12 (4) the total amount of surcharge collected in the  
13 preceding calendar year.

14 Notwithstanding any other provision of this subsection  
15 concerning the time within which an operator may file his or  
16 her return, if an operator ceases to operate a live adult  
17 entertainment facility, then he or she must file a final return  
18 under this Act with the Department not more than one calendar  
19 month after discontinuing that business.

20 (c) For each live adult entertainment facility paying the  
21 surcharge as set forth in item (2) of subsection (a) of this  
22 Section, the operator must file a return electronically as  
23 provided by the Department and remit payment to the Department  
24 on an annual basis no later than January 20 covering the  
25 previous calendar year. Each return made to the Department must  
26 state the following:

- 1           (1) the name of the operator;
- 2           (2) the address of the live adult entertainment  
3 facility and the address of the principal place of business  
4 (if that is a different address) of the operator;
- 5           (3) the gross receipts received by the live adult  
6 entertainment facility during the preceding calendar year,  
7 upon the basis of which tax is imposed under Section 2 of  
8 the Retailers' Occupation Tax Act; and
- 9           (4) the applicable surcharge from Section 10(a)(2) of  
10 this Act to be paid by the operator.

11           Notwithstanding any other provision of this subsection  
12 concerning the time within which an operator may file his or  
13 her return, if an operator ceases to operate a live adult  
14 entertainment facility, then he or she must file a final return  
15 under this Act with the Department not more than one calendar  
16 month after discontinuing that business.

17           (d) Beginning January 1, 2014, the Department shall pay all  
18 proceeds collected from the surcharge imposed under this Act  
19 into the Sexual Assault Services and Prevention Fund, less 2%  
20 of those proceeds, which shall be paid into the Tax Compliance  
21 and Administration Fund in the State treasury from which it  
22 shall be appropriated to the Department to cover the costs of  
23 the Department in administering and enforcing the provisions of  
24 this Act.

25           (e) If any payment provided for in this Section exceeds the  
26 operator's liabilities under this Act, as shown on an original

1 return, the operator may credit such excess payment against  
2 liability subsequently to be remitted to the Department under  
3 this Act, in accordance with reasonable rules adopted by the  
4 Department.

5 (Source: P.A. 97-1035, eff. 1-1-13.)

6 Section 80. The Illinois Hydraulic Fracturing Tax Act is  
7 amended by changing Sections 2-45 and 2-50 as follows:

8 (35 ILCS 450/2-45)

9 Sec. 2-45. Purchaser's return and tax remittance. Each  
10 purchaser shall make a return to the Department showing the  
11 quantity of oil or gas purchased during the month for which the  
12 return is filed, the price paid therefor, total value, the name  
13 and address of the operator or other person from whom the same  
14 was purchased, a description of the production unit in the  
15 manner prescribed by the Department from which such oil or gas  
16 was severed and the amount of tax due from each production unit  
17 for each calendar month. All taxes due, or to be remitted, by  
18 the purchaser shall accompany this return. The return shall be  
19 filed on or before the last day of the month after the calendar  
20 month for which the return is required. The Department shall  
21 forward the necessary information to each Chief County  
22 Assessment Officer for the administration and application of ad  
23 valorem real property taxes at the county level. This  
24 information shall be forwarded to the Chief County Assessment

1 Officers in a yearly summary before March 1 of the following  
2 calendar year. The Department may require any additional report  
3 or information it may deem necessary for the proper  
4 administration of this Act.

5 Such returns shall be filed electronically in the manner  
6 prescribed by the Department. Purchasers shall make all  
7 payments of that tax to the Department by electronic funds  
8 transfer unless, as provided by rule, the Department grants an  
9 exception upon petition of a purchaser. Purchasers' returns  
10 must be accompanied by appropriate computer generated magnetic  
11 media supporting schedule data in the format required by the  
12 Department, unless, as provided by rule, the Department grants  
13 an exception upon petition of a purchaser.

14 If any payment provided for in this Section exceeds the  
15 purchaser's liabilities under this Act, as shown on an original  
16 return, the purchaser may credit such excess payment against  
17 liability subsequently to be remitted to the Department under  
18 this Act, in accordance with reasonable rules adopted by the  
19 Department.

20 (Source: P.A. 98-22, eff. 6-17-13; 98-23, eff. 6-17-13; 98-756,  
21 eff. 7-16-14.)

22 (35 ILCS 450/2-50)

23 Sec. 2-50. Operator returns; payment of tax.

24 (a) If, on or after July 1, 2013, oil or gas is transported  
25 off the production unit where severed by the operator, used on



1 the production unit where severed, or if the manufacture and  
2 conversion of oil and gas into refined products occurs on the  
3 production unit where severed, the operator is responsible for  
4 remitting the tax imposed under subsection (a) of Section 2-15,  
5 on or before the last day of the month following the end of the  
6 calendar month in which the oil and gas is removed from the  
7 production unit, and such payment shall be accompanied by a  
8 return to the Department showing the gross quantity of oil or  
9 gas removed during the month for which the return is filed, the  
10 price paid therefor, and if no price is paid therefor, the  
11 value of the oil and gas, a description of the production unit  
12 from which such oil or gas was severed, and the amount of tax.  
13 The Department may require any additional information it may  
14 deem necessary for the proper administration of this Act.

15 (b) Operators shall file all returns electronically in the  
16 manner prescribed by the Department unless, as provided by  
17 rule, the Department grants an exception upon petition of an  
18 operator. Operators shall make all payments of that tax to the  
19 Department by electronic funds transfer unless, as provided by  
20 rule, the Department grants an exception upon petition of an  
21 operator. Operators' returns must be accompanied by  
22 appropriate computer generated magnetic media supporting  
23 schedule data in the format required by the Department, unless,  
24 as provided by rule, the Department grants an exception upon  
25 petition of a purchaser.

26 (c) Any operator who makes a monetary payment to a producer

1 for his or her portion of the value of products from a  
2 production unit shall withhold from such payment the amount of  
3 tax due from the producer. Any operator who pays any tax due  
4 from a producer shall be entitled to reimbursement from the  
5 producer for the tax so paid and may take credit for such  
6 amount from any monetary payment to the producer for the value  
7 of products. To the extent that an operator required to collect  
8 the tax imposed by this Act has actually collected that tax,  
9 such tax is held in trust for the benefit of the State of  
10 Illinois.

11 (d) In the event the operator fails to make payment of the  
12 tax to the State as required herein, the operator shall be  
13 liable for the tax. A producer shall be entitled to bring an  
14 action against such operator to recover the amount of tax so  
15 withheld together with penalties and interest which may have  
16 accrued by failure to make such payment. A producer shall be  
17 entitled to all attorney fees and court costs incurred in such  
18 action. To the extent that a producer liable for the tax  
19 imposed by this Act collects the tax, and any penalties and  
20 interest, from an operator, such tax, penalties, and interest  
21 are held in trust by the producer for the benefit of the State  
22 of Illinois.

23 (e) When the title to any oil or gas severed from the earth  
24 or water is in dispute and the operator of such oil or gas is  
25 withholding payments on account of litigation, or for any other  
26 reason, such operator is hereby authorized, empowered and

1 required to deduct from the gross amount thus held the amount  
2 of the tax imposed and to make remittance thereof to the  
3 Department as provided in this Section.

4 (f) An operator required to file a return and pay the tax  
5 under this Section shall register with the Department.  
6 Application for a certificate of registration shall be made to  
7 the Department upon forms furnished by the Department and shall  
8 contain any reasonable information the Department may require.  
9 Upon receipt of the application for a certificate of  
10 registration in proper form, the Department shall issue to the  
11 applicant a certificate of registration.

12 (g) If oil or gas is transported off the production unit  
13 where severed by the operator and sold to a purchaser or  
14 refiner, the State shall have a lien on all the oil or gas  
15 severed from the production unit in this State in the hands of  
16 the operator, the first or any subsequent purchaser thereof, or  
17 refiner to secure the payment of the tax. If a lien is filed by  
18 the Department, the purchaser or refiner shall withhold from  
19 the operator the amount of tax, penalty and interest identified  
20 in the lien.

21 (h) If any payment provided for in this Section exceeds the  
22 operator's liabilities under this Act, as shown on an original  
23 return, the operator may credit such excess payment against  
24 liability subsequently to be remitted to the Department under  
25 this Act, in accordance with reasonable rules adopted by the  
26 Department.

1 (Source: P.A. 98-22, eff. 6-17-13; 98-756, eff. 7-16-14.)

2 Section 83. The Motor Fuel Tax Law is amended by changing  
3 Sections 2b, 5, 5a, 13, 13a.4, and 13a.5 as follows:

4 (35 ILCS 505/2b) (from Ch. 120, par. 418b)

5 Sec. 2b. Receiver's monthly return. In addition to the tax  
6 collection and reporting responsibilities imposed elsewhere in  
7 this Act, a person who is required to pay the tax imposed by  
8 Section 2a of this Act shall pay the tax to the Department by  
9 return showing all fuel purchased, acquired or received and  
10 sold, distributed or used during the preceding calendar month  
11 including losses of fuel as the result of evaporation or  
12 shrinkage due to temperature variations, and such other  
13 reasonable information as the Department may require. Losses of  
14 fuel as the result of evaporation or shrinkage due to  
15 temperature variations may not exceed 1% of the total gallons  
16 in storage at the beginning of the month, plus the receipts of  
17 gallonage during the month, minus the gallonage remaining in  
18 storage at the end of the month. Any loss reported that is in  
19 excess of this amount shall be subject to the tax imposed by  
20 Section 2a of this Law. On and after July 1, 2001, for each  
21 6-month period January through June, net losses of fuel (for  
22 each category of fuel that is required to be reported on a  
23 return) as the result of evaporation or shrinkage due to  
24 temperature variations may not exceed 1% of the total gallons

1 in storage at the beginning of each January, plus the receipts  
2 of gallonage each January through June, minus the gallonage  
3 remaining in storage at the end of each June. On and after July  
4 1, 2001, for each 6-month period July through December, net  
5 losses of fuel (for each category of fuel that is required to  
6 be reported on a return) as the result of evaporation or  
7 shrinkage due to temperature variations may not exceed 1% of  
8 the total gallons in storage at the beginning of each July,  
9 plus the receipts of gallonage each July through December,  
10 minus the gallonage remaining in storage at the end of each  
11 December. Any net loss reported that is in excess of this  
12 amount shall be subject to the tax imposed by Section 2a of  
13 this Law. For purposes of this Section, "net loss" means the  
14 number of gallons gained through temperature variations minus  
15 the number of gallons lost through temperature variations or  
16 evaporation for each of the respective 6-month periods.

17 The return shall be prescribed by the Department and shall  
18 be filed between the 1st and 20th days of each calendar month.  
19 The Department may, in its discretion, combine the returns  
20 filed under this Section, Section 5, and Section 5a of this  
21 Act. The return must be accompanied by appropriate  
22 computer-generated magnetic media supporting schedule data in  
23 the format required by the Department, unless, as provided by  
24 rule, the Department grants an exception upon petition of a  
25 taxpayer. If the return is filed timely, the seller shall take  
26 a discount of 2% through June 30, 2003 and 1.75% thereafter

1 which is allowed to reimburse the seller for the expenses  
2 incurred in keeping records, preparing and filing returns,  
3 collecting and remitting the tax and supplying data to the  
4 Department on request. The discount, however, shall be  
5 applicable only to the amount of payment which accompanies a  
6 return that is filed timely in accordance with this Section.

7 If any payment provided for in this Section exceeds the  
8 receiver's liabilities under this Act, as shown on an original  
9 return, the Department may authorize the receiver to credit  
10 such excess payment against liability subsequently to be  
11 remitted to the Department under this Act, in accordance with  
12 reasonable rules adopted by the Department. If the Department  
13 subsequently determines that all or any part of the credit  
14 taken was not actually due to the receiver, the receiver's  
15 discount shall be reduced by an amount equal to the difference  
16 between the discount as applied to the credit taken and that  
17 actually due, and that receiver shall be liable for penalties  
18 and interest on such difference.

19 (Source: P.A. 92-30, eff. 7-1-01; 93-32, eff. 6-20-03.)

20 (35 ILCS 505/5) (from Ch. 120, par. 421)

21 Sec. 5. Distributor's monthly return. Except as  
22 hereinafter provided, a person holding a valid unrevoked  
23 license to act as a distributor of motor fuel shall, between  
24 the 1st and 20th days of each calendar month, make return to  
25 the Department, showing an itemized statement of the number of

1 invoiced gallons of motor fuel of the types specified in this  
2 Section which were purchased, acquired, received, or exported  
3 during the preceding calendar month; the amount of such motor  
4 fuel produced, refined, compounded, manufactured, blended,  
5 sold, distributed, exported, and used by the licensed  
6 distributor during the preceding calendar month; the amount of  
7 such motor fuel lost or destroyed during the preceding calendar  
8 month; the amount of such motor fuel on hand at the close of  
9 business for such month; and such other reasonable information  
10 as the Department may require. If a distributor's only  
11 activities with respect to motor fuel are either: (1)  
12 production of alcohol in quantities of less than 10,000 proof  
13 gallons per year or (2) blending alcohol in quantities of less  
14 than 10,000 proof gallons per year which such distributor has  
15 produced, he shall file returns on an annual basis with the  
16 return for a given year being due by January 20 of the  
17 following year. Distributors whose total production of alcohol  
18 (whether blended or not) exceeds 10,000 proof gallons per year,  
19 based on production during the preceding (calendar) year or as  
20 reasonably projected by the Department if one calendar year's  
21 record of production cannot be established, shall file returns  
22 between the 1st and 20th days of each calendar month as  
23 hereinabove provided.

24 The types of motor fuel referred to in the preceding  
25 paragraph are: (A) All products commonly or commercially known  
26 or sold as gasoline (including casing-head and absorption or

1 natural gasoline), gasohol, motor benzol or motor benzene  
2 regardless of their classification or uses; and (B) all  
3 combustible gases, not including liquefied natural gas, which  
4 exist in a gaseous state at 60 degrees Fahrenheit and at 14.7  
5 pounds per square inch absolute including, but not limited to,  
6 liquefied petroleum gases used for highway purposes; and (C)  
7 special fuel. Only those quantities of combustible gases  
8 (example (B) above) which are used or sold by the distributor  
9 to be used to propel motor vehicles on the public highways, or  
10 which are delivered into a storage tank that is located at a  
11 facility that has withdrawal facilities which are readily  
12 accessible to and are capable of dispensing combustible gases  
13 into the fuel supply tanks of motor vehicles, shall be subject  
14 to return. Distributors of liquefied natural gas are not  
15 required to make returns under this Section with respect to  
16 that liquefied natural gas unless (i) the liquefied natural gas  
17 is dispensed into the fuel supply tank of any motor vehicle or  
18 (ii) the liquefied natural gas is delivered into a storage tank  
19 that is located at a facility that has withdrawal facilities  
20 which are readily accessible to and are capable of dispensing  
21 liquefied natural gas into the fuel supply tanks of motor  
22 vehicles. For purposes of this Section, a facility is  
23 considered to have withdrawal facilities that are not "readily  
24 accessible to and capable of dispensing combustible gases into  
25 the fuel supply tanks of motor vehicles" only if the  
26 combustible gases or liquefied natural gas are delivered from:



1 (i) a dispenser hose that is short enough so that it will not  
2 reach the fuel supply tank of a motor vehicle or (ii) a  
3 dispenser that is enclosed by a fence or other physical barrier  
4 so that a vehicle cannot pull alongside the dispenser to permit  
5 fueling. For the purposes of this Act, liquefied petroleum  
6 gases shall mean and include any material having a vapor  
7 pressure not exceeding that allowed for commercial propane  
8 composed predominantly of the following hydrocarbons, either  
9 by themselves or as mixtures: Propane, Propylene, Butane  
10 (normal butane or iso-butane) and Butylene (including  
11 isomers).

12 In case of a sale of special fuel to someone other than a  
13 licensed distributor, or a licensed supplier, for a use other  
14 than in motor vehicles, the distributor shall show in his  
15 return the amount of invoiced gallons sold and the name and  
16 address of the purchaser in addition to any other information  
17 the Department may require.

18 All special fuel sold or used for non-highway purposes must  
19 have a dye added in accordance with Section 4d of this Law.

20 In case of a tax-free sale, as provided in Section 6, of  
21 motor fuel which the distributor is required by this Section to  
22 include in his return to the Department, the distributor in his  
23 return shall show: (1) If the sale is made to another licensed  
24 distributor the amount sold and the name, address and license  
25 number of the purchasing distributor; (2) if the sale is made  
26 to a person where delivery is made outside of this State the

1 name and address of such purchaser and the point of delivery  
2 together with the date and amount delivered; (3) if the sale is  
3 made to the Federal Government or its instrumentalities the  
4 amount sold; (4) if the sale is made to a municipal corporation  
5 owning and operating a local transportation system for public  
6 service in this State the name and address of such purchaser,  
7 and the amount sold, as evidenced by official forms of  
8 exemption certificates properly executed and furnished by such  
9 purchaser; (5) if the sale is made to a privately owned public  
10 utility owning and operating 2-axle vehicles designed and used  
11 for transporting more than 7 passengers, which vehicles are  
12 used as common carriers in general transportation of  
13 passengers, are not devoted to any specialized purpose and are  
14 operated entirely within the territorial limits of a single  
15 municipality or of any group of contiguous municipalities or in  
16 a close radius thereof, and the operations of which are subject  
17 to the regulations of the Illinois Commerce Commission, then  
18 the name and address of such purchaser and the amount sold as  
19 evidenced by official forms of exemption certificates properly  
20 executed and furnished by the purchaser; (6) if the product  
21 sold is special fuel and if the sale is made to a licensed  
22 supplier under conditions which qualify the sale for tax  
23 exemption under Section 6 of this Act, the amount sold and the  
24 name, address and license number of the purchaser; and (7) if a  
25 sale of special fuel is made to someone other than a licensed  
26 distributor, or a licensed supplier, for a use other than in

1 motor vehicles, by making a specific notation thereof on the  
2 invoice or sales slip covering such sales and obtaining such  
3 supporting documentation as may be required by the Department.

4 All special fuel sold or used for non-highway purposes must  
5 have a dye added in accordance with Section 4d of this Law.

6 A person whose license to act as a distributor of motor  
7 fuel has been revoked shall make a return to the Department  
8 covering the period from the date of the last return to the  
9 date of the revocation of the license, which return shall be  
10 delivered to the Department not later than 10 days from the  
11 date of the revocation or termination of the license of such  
12 distributor; the return shall in all other respects be subject  
13 to the same provisions and conditions as returns by  
14 distributors licensed under the provisions of this Act.

15 The records, waybills and supporting documents kept by  
16 railroads and other common carriers in the regular course of  
17 business shall be prima facie evidence of the contents and  
18 receipt of cars or tanks covered by those records, waybills or  
19 supporting documents.

20 If the Department has reason to believe and does believe  
21 that the amount shown on the return as purchased, acquired,  
22 received, exported, sold, used, lost or destroyed is incorrect,  
23 or that an amount of motor fuel of the types required by the  
24 second paragraph of this Section to be reported to the  
25 Department has not been correctly reported the Department shall  
26 fix an amount for such receipt, sales, export, use, loss or

1 destruction according to its best judgment and information,  
2 which amount so fixed by the Department shall be prima facie  
3 correct. All returns shall be made on forms prepared and  
4 furnished by the Department, and shall contain such other  
5 information as the Department may reasonably require. The  
6 return must be accompanied by appropriate computer-generated  
7 magnetic media supporting schedule data in the format required  
8 by the Department, unless, as provided by rule, the Department  
9 grants an exception upon petition of a taxpayer. All licensed  
10 distributors shall report all losses of motor fuel sustained on  
11 account of fire, theft, spillage, spoilage, leakage, or any  
12 other provable cause when filing the return for the period  
13 during which the loss occurred. If the distributor reports  
14 losses due to fire or theft, then the distributor must include  
15 fire department or police department reports and any other  
16 documentation that the Department may require. The mere making  
17 of the report does not assure the allowance of the loss as a  
18 reduction in tax liability. Losses of motor fuel as the result  
19 of evaporation or shrinkage due to temperature variations may  
20 not exceed 1% of the total gallons in storage at the beginning  
21 of the month, plus the receipts of gallonage during the month,  
22 minus the gallonage remaining in storage at the end of the  
23 month. Any loss reported that is in excess of 1% shall be  
24 subject to the tax imposed by Section 2 of this Law. On and  
25 after July 1, 2001, for each 6-month period January through  
26 June, net losses of motor fuel (for each category of motor fuel

1 that is required to be reported on a return) as the result of  
2 evaporation or shrinkage due to temperature variations may not  
3 exceed 1% of the total gallons in storage at the beginning of  
4 each January, plus the receipts of gallonage each January  
5 through June, minus the gallonage remaining in storage at the  
6 end of each June. On and after July 1, 2001, for each 6-month  
7 period July through December, net losses of motor fuel (for  
8 each category of motor fuel that is required to be reported on  
9 a return) as the result of evaporation or shrinkage due to  
10 temperature variations may not exceed 1% of the total gallons  
11 in storage at the beginning of each July, plus the receipts of  
12 gallonage each July through December, minus the gallonage  
13 remaining in storage at the end of each December. Any net loss  
14 reported that is in excess of this amount shall be subject to  
15 the tax imposed by Section 2 of this Law. For purposes of this  
16 Section, "net loss" means the number of gallons gained through  
17 temperature variations minus the number of gallons lost through  
18 temperature variations or evaporation for each of the  
19 respective 6-month periods.

20 If any payment provided for in this Section exceeds the  
21 distributor's liabilities under this Act, as shown on an  
22 original return, the Department may authorize the distributor  
23 to credit such excess payment against liability subsequently to  
24 be remitted to the Department under this Act, in accordance  
25 with reasonable rules adopted by the Department. If the  
26 Department subsequently determines that all or any part of the

1 credit taken was not actually due to the distributor, the  
2 distributor's discount shall be reduced by an amount equal to  
3 the difference between the discount as applied to the credit  
4 taken and that actually due, and that distributor shall be  
5 liable for penalties and interest on such difference.

6 (Source: P.A. 100-9, eff. 7-1-17.)

7 (35 ILCS 505/5a) (from Ch. 120, par. 421a)

8 Sec. 5a. Supplier's monthly return. A person holding a  
9 valid unrevoked license to act as a supplier of special fuel  
10 shall, between the 1st and 20th days of each calendar month,  
11 make return to the Department showing an itemized statement of  
12 the number of invoiced gallons of special fuel acquired,  
13 received, purchased, sold, exported, or used during the  
14 preceding calendar month; the amount of special fuel sold,  
15 distributed, exported, and used by the licensed supplier during  
16 the preceding calendar month; the amount of special fuel lost  
17 or destroyed during the preceding calendar month; the amount of  
18 special fuel on hand at the close of business for the preceding  
19 calendar month; and such other reasonable information as the  
20 Department may require.

21 A person whose license to act as a supplier of special fuel  
22 has been revoked shall make a return to the Department covering  
23 the period from the date of the last return to the date of the  
24 revocation of the license, which return shall be delivered to  
25 the Department not later than 10 days from the date of the

1 revocation or termination of the license of such supplier. The  
2 return shall in all other respects be subject to the same  
3 provisions and conditions as returns by suppliers licensed  
4 under this Act.

5 The records, waybills and supporting documents kept by  
6 railroads and other common carriers in the regular course of  
7 business shall be prima facie evidence of the contents and  
8 receipt of cars or tanks covered by those records, waybills or  
9 supporting documents.

10 If the Department has reason to believe and does believe  
11 that the amount shown on the return as purchased, acquired,  
12 received, sold, exported, used, or lost is incorrect, or that  
13 an amount of special fuel of the type required by the 1st  
14 paragraph of this Section to be reported to the Department by  
15 suppliers has not been correctly reported as a purchase,  
16 receipt, sale, use, export, or loss the Department shall fix an  
17 amount for such purchase, receipt, sale, use, export, or loss  
18 according to its best judgment and information, which amount so  
19 fixed by the Department shall be prima facie correct. All  
20 licensed suppliers shall report all losses of special fuel  
21 sustained on account of fire, theft, spillage, spoilage,  
22 leakage, or any other provable cause when filing the return for  
23 the period during which the loss occurred. If the supplier  
24 reports losses due to fire or theft, then the supplier must  
25 include fire department or police department reports and any  
26 other documentation that the Department may require. The mere

1 making of the report does not assure the allowance of the loss  
2 as a reduction in tax liability. Losses of special fuel as the  
3 result of evaporation or shrinkage due to temperature  
4 variations may not exceed 1% of the total gallons in storage at  
5 the beginning of the month, plus the receipts of gallonage  
6 during the month, minus the gallonage remaining in storage at  
7 the end of the month.

8 Any loss reported that is in excess of 1% shall be subject  
9 to the tax imposed by Section 2 of this Law. On and after July  
10 1, 2001, for each 6-month period January through June, net  
11 losses of special fuel (for each category of special fuel that  
12 is required to be reported on a return) as the result of  
13 evaporation or shrinkage due to temperature variations may not  
14 exceed 1% of the total gallons in storage at the beginning of  
15 each January, plus the receipts of gallonage each January  
16 through June, minus the gallonage remaining in storage at the  
17 end of each June. On and after July 1, 2001, for each 6-month  
18 period July through December, net losses of special fuel (for  
19 each category of special fuel that is required to be reported  
20 on a return) as the result of evaporation or shrinkage due to  
21 temperature variations may not exceed 1% of the total gallons  
22 in storage at the beginning of each July, plus the receipts of  
23 gallonage each July through December, minus the gallonage  
24 remaining in storage at the end of each December. Any net loss  
25 reported that is in excess of this amount shall be subject to  
26 the tax imposed by Section 2 of this Law. For purposes of this



1 Section, "net loss" means the number of gallons gained through  
2 temperature variations minus the number of gallons lost through  
3 temperature variations or evaporation for each of the  
4 respective 6-month periods.

5 In case of a sale of special fuel to someone other than a  
6 licensed distributor or licensed supplier for a use other than  
7 in motor vehicles, the supplier shall show in his return the  
8 amount of invoiced gallons sold and the name and address of the  
9 purchaser in addition to any other information the Department  
10 may require.

11 All special fuel sold or used for non-highway purposes must  
12 have a dye added in accordance with Section 4d of this Law.

13 All returns shall be made on forms prepared and furnished  
14 by the Department and shall contain such other information as  
15 the Department may reasonably require. The return must be  
16 accompanied by appropriate computer-generated magnetic media  
17 supporting schedule data in the format required by the  
18 Department, unless, as provided by rule, the Department grants  
19 an exception upon petition of a taxpayer.

20 In case of a tax-free sale, as provided in Section 6a, of  
21 special fuel which the supplier is required by this Section to  
22 include in his return to the Department, the supplier in his  
23 return shall show: (1) If the sale of special fuel is made to  
24 the Federal Government or its instrumentalities; (2) if the  
25 sale of special fuel is made to a municipal corporation owning  
26 and operating a local transportation system for public service

1 in this State, the name and address of such purchaser and the  
2 amount sold, as evidenced by official forms of exemption  
3 certificates properly executed and furnished by such  
4 purchaser; (3) if the sale of special fuel is made to a  
5 privately owned public utility owning and operating 2-axle  
6 vehicles designed and used for transporting more than 7  
7 passengers, which vehicles are used as common carriers in  
8 general transportation of passengers, are not devoted to any  
9 specialized purpose and are operated entirely within the  
10 territorial limits of a single municipality or of any group of  
11 contiguous municipalities or in a close radius thereof, and the  
12 operations of which are subject to the regulations of the  
13 Illinois Commerce Commission, then the name and address of such  
14 purchaser and the amount sold, as evidenced by official forms  
15 of exemption certificates properly executed and furnished by  
16 such purchaser; (4) if the product sold is special fuel and if  
17 the sale is made to a licensed supplier or to a licensed  
18 distributor under conditions which qualify the sale for tax  
19 exemption under Section 6a of this Act, the amount sold and the  
20 name, address and license number of such purchaser; (5) if a  
21 sale of special fuel is made to a person where delivery is made  
22 outside of this State, the name and address of such purchaser  
23 and the point of delivery together with the date and amount of  
24 invoiced gallons delivered; and (6) if a sale of special fuel  
25 is made to someone other than a licensed distributor or a  
26 licensed supplier, for a use other than in motor vehicles, by

1 making a specific notation thereof on the invoice or sales slip  
2 covering that sale and obtaining such supporting documentation  
3 as may be required by the Department.

4 All special fuel sold or used for non-highway purposes must  
5 have a dye added in accordance with Section 4d of this Law.

6 If any payment provided for in this Section exceeds the  
7 supplier's liabilities under this Act, as shown on an original  
8 return, the Department may authorize the supplier to credit  
9 such excess payment against liability subsequently to be  
10 remitted to the Department under this Act, in accordance with  
11 reasonable rules adopted by the Department. If the Department  
12 subsequently determines that all or any part of the credit  
13 taken was not actually due to the supplier, the supplier's  
14 discount shall be reduced by an amount equal to the difference  
15 between the discount as applied to the credit taken and that  
16 actually due, and that supplier shall be liable for penalties  
17 and interest on such difference.

18 (Source: P.A. 96-1384, eff. 7-29-10.)

19 (35 ILCS 505/13) (from Ch. 120, par. 429)

20 Sec. 13. Refund of tax paid. Any person other than a  
21 distributor or supplier, who loses motor fuel through any cause  
22 or uses motor fuel (upon which he has paid the amount required  
23 to be collected under Section 2 of this Act) for any purpose  
24 other than operating a motor vehicle upon the public highways  
25 or waters, shall be reimbursed and repaid the amount so paid.

1 Any person who purchases motor fuel in Illinois and uses  
2 that motor fuel in another state and that other state imposes a  
3 tax on the use of such motor fuel shall be reimbursed and  
4 repaid the amount of Illinois tax paid under Section 2 of this  
5 Act on the motor fuel used in such other state. Reimbursement  
6 and repayment shall be made by the Department upon receipt of  
7 adequate proof of taxes directly paid to another state and the  
8 amount of motor fuel used in that state.

9 Claims based in whole or in part on taxes paid to another  
10 state shall include (i) a certified copy of the tax return  
11 filed with such other state by the claimant; (ii) a copy of  
12 either the cancelled check paying the tax due on such return,  
13 or a receipt acknowledging payment of the tax due on such tax  
14 return; and (iii) such other information as the Department may  
15 reasonably require. This paragraph shall not apply to taxes  
16 paid on returns filed under Section 13a.3 of this Act.

17 Any person who purchases motor fuel use tax decals as  
18 required by Section 13a.4 and pays an amount of fees for such  
19 decals that exceeds the amount due shall be reimbursed and  
20 repaid the amount of the decal fees that are deemed by the  
21 department to be in excess of the amount due. Alternatively,  
22 any person who purchases motor fuel use tax decals as required  
23 by Section 13a.4 may credit any excess decal payment verified  
24 by the Department against amounts subsequently due for the  
25 purchase of additional decals, until such time as no excess  
26 payment remains.

1           Claims for such reimbursement must be made to the  
2 Department of Revenue, duly verified by the claimant (or by the  
3 claimant's legal representative if the claimant has died or  
4 become a person under legal disability), upon forms prescribed  
5 by the Department. The claim must state such facts relating to  
6 the purchase, importation, manufacture or production of the  
7 motor fuel by the claimant as the Department may deem  
8 necessary, and the time when, and the circumstances of its loss  
9 or the specific purpose for which it was used (as the case may  
10 be), together with such other information as the Department may  
11 reasonably require. No claim based upon idle time shall be  
12 allowed. Claims for reimbursement for overpayment of decal fees  
13 shall be made to the Department of Revenue, duly verified by  
14 the claimant (or by the claimant's legal representative if the  
15 claimant has died or become a person under legal disability),  
16 upon forms prescribed by the Department. The claim shall state  
17 facts relating to the overpayment of decal fees, together with  
18 such other information as the Department may reasonably  
19 require. Claims for reimbursement of overpayment of decal fees  
20 paid on or after January 1, 2011 must be filed not later than  
21 one year after the date on which the fees were paid by the  
22 claimant. If it is determined that the Department should  
23 reimburse a claimant for overpayment of decal fees, the  
24 Department shall first apply the amount of such refund against  
25 any tax or penalty or interest due by the claimant under  
26 Section 13a of this Act.

1           Claims for full reimbursement for taxes paid on or before  
2 December 31, 1999 must be filed not later than one year after  
3 the date on which the tax was paid by the claimant. If,  
4 however, a claim for such reimbursement otherwise meeting the  
5 requirements of this Section is filed more than one year but  
6 less than 2 years after that date, the claimant shall be  
7 reimbursed at the rate of 80% of the amount to which he would  
8 have been entitled if his claim had been timely filed.

9           Claims for full reimbursement for taxes paid on or after  
10 January 1, 2000 must be filed not later than 2 years after the  
11 date on which the tax was paid by the claimant.

12           The Department may make such investigation of the  
13 correctness of the facts stated in such claims as it deems  
14 necessary. When the Department has approved any such claim, it  
15 shall pay to the claimant (or to the claimant's legal  
16 representative, as such if the claimant has died or become a  
17 person under legal disability) the reimbursement provided in  
18 this Section, out of any moneys appropriated to it for that  
19 purpose.

20           Any distributor or supplier who has paid the tax imposed by  
21 Section 2 of this Act upon motor fuel lost or used by such  
22 distributor or supplier for any purpose other than operating a  
23 motor vehicle upon the public highways or waters may file a  
24 claim for credit or refund to recover the amount so paid. Such  
25 claims shall be filed on forms prescribed by the Department.  
26 Such claims shall be made to the Department, duly verified by

1 the claimant (or by the claimant's legal representative if the  
2 claimant has died or become a person under legal disability),  
3 upon forms prescribed by the Department. The claim shall state  
4 such facts relating to the purchase, importation, manufacture  
5 or production of the motor fuel by the claimant as the  
6 Department may deem necessary and the time when the loss or  
7 nontaxable use occurred, and the circumstances of its loss or  
8 the specific purpose for which it was used (as the case may  
9 be), together with such other information as the Department may  
10 reasonably require. Claims must be filed not later than one  
11 year after the date on which the tax was paid by the claimant.

12 The Department may make such investigation of the  
13 correctness of the facts stated in such claims as it deems  
14 necessary. When the Department approves a claim, the Department  
15 shall issue a refund or credit memorandum as requested by the  
16 taxpayer, to the distributor or supplier who made the payment  
17 for which the refund or credit is being given or, if the  
18 distributor or supplier has died or become incompetent, to such  
19 distributor's or supplier's legal representative, as such. The  
20 amount of such credit memorandum shall be credited against any  
21 tax due or to become due under this Act from the distributor or  
22 supplier who made the payment for which credit has been given.

23 Any credit or refund that is allowed under this Section  
24 shall bear interest at the rate and in the manner specified in  
25 the Uniform Penalty and Interest Act.

26 In case the distributor or supplier requests and the

1 Department determines that the claimant is entitled to a  
2 refund, such refund shall be made only from such appropriation  
3 as may be available for that purpose. If it appears unlikely  
4 that the amount appropriated would permit everyone having a  
5 claim allowed during the period covered by such appropriation  
6 to elect to receive a cash refund, the Department, by rule or  
7 regulation, shall provide for the payment of refunds in  
8 hardship cases and shall define what types of cases qualify as  
9 hardship cases.

10 In any case in which there has been an erroneous refund of  
11 tax or fees payable under this Section, a notice of tax  
12 liability may be issued at any time within 3 years from the  
13 making of that refund, or within 5 years from the making of  
14 that refund if it appears that any part of the refund was  
15 induced by fraud or the misrepresentation of material fact. The  
16 amount of any proposed assessment set forth by the Department  
17 shall be limited to the amount of the erroneous refund.

18 If no tax is due and no proceeding is pending to determine  
19 whether such distributor or supplier is indebted to the  
20 Department for tax, the credit memorandum so issued may be  
21 assigned and set over by the lawful holder thereof, subject to  
22 reasonable rules of the Department, to any other licensed  
23 distributor or supplier who is subject to this Act, and the  
24 amount thereof applied by the Department against any tax due or  
25 to become due under this Act from such assignee.

26 If the payment for which the distributor's or supplier's



1 claim is filed is held in the protest fund of the State  
2 Treasury during the pendency of the claim for credit  
3 proceedings pursuant to the order of the court in accordance  
4 with Section 2a of the State Officers and Employees Money  
5 Disposition Act and if it is determined by the Department or by  
6 the final order of a reviewing court under the Administrative  
7 Review Law that the claimant is entitled to all or a part of  
8 the credit claimed, the claimant, instead of receiving a credit  
9 memorandum from the Department, shall receive a cash refund  
10 from the protest fund as provided for in Section 2a of the  
11 State Officers and Employees Money Disposition Act.

12 If any person ceases to be licensed as a distributor or  
13 supplier while still holding an unused credit memorandum issued  
14 under this Act, such person may, at his election (instead of  
15 assigning the credit memorandum to a licensed distributor or  
16 licensed supplier under this Act), surrender such unused credit  
17 memorandum to the Department and receive a refund of the amount  
18 to which such person is entitled.

19 For claims based upon taxes paid on or before December 31,  
20 2000, a claim based upon the use of undyed diesel fuel shall  
21 not be allowed except (i) if allowed under the following  
22 paragraph or (ii) for undyed diesel fuel used by a commercial  
23 vehicle, as that term is defined in Section 1-111.8 of the  
24 Illinois Vehicle Code, for any purpose other than operating the  
25 commercial vehicle upon the public highways and unlicensed  
26 commercial vehicles operating on private property. Claims

1 shall be limited to commercial vehicles that are operated for  
2 both highway purposes and any purposes other than operating  
3 such vehicles upon the public highways.

4 For claims based upon taxes paid on or after January 1,  
5 2000, a claim based upon the use of undyed diesel fuel shall  
6 not be allowed except (i) if allowed under the preceding  
7 paragraph or (ii) for claims for the following:

8 (1) Undyed diesel fuel used (i) in a manufacturing  
9 process, as defined in Section 2-45 of the Retailers'  
10 Occupation Tax Act, wherein the undyed diesel fuel becomes  
11 a component part of a product or by-product, other than  
12 fuel or motor fuel, when the use of dyed diesel fuel in  
13 that manufacturing process results in a product that is  
14 unsuitable for its intended use or (ii) for testing  
15 machinery and equipment in a manufacturing process, as  
16 defined in Section 2-45 of the Retailers' Occupation Tax  
17 Act, wherein the testing takes place on private property.

18 (2) Undyed diesel fuel used by a manufacturer on  
19 private property in the research and development, as  
20 defined in Section 1.29, of machinery or equipment intended  
21 for manufacture.

22 (3) Undyed diesel fuel used by a single unit  
23 self-propelled agricultural fertilizer implement, designed  
24 for on and off road use, equipped with flotation tires and  
25 specially adapted for the application of plant food  
26 materials or agricultural chemicals.

1           (4) Undyed diesel fuel used by a commercial motor  
2 vehicle for any purpose other than operating the commercial  
3 motor vehicle upon the public highways. Claims shall be  
4 limited to commercial motor vehicles that are operated for  
5 both highway purposes and any purposes other than operating  
6 such vehicles upon the public highways.

7           (5) Undyed diesel fuel used by a unit of local  
8 government in its operation of an airport if the undyed  
9 diesel fuel is used directly in airport operations on  
10 airport property.

11           (6) Undyed diesel fuel used by refrigeration units that  
12 are permanently mounted to a semitrailer, as defined in  
13 Section 1.28 of this Law, wherein the refrigeration units  
14 have a fuel supply system dedicated solely for the  
15 operation of the refrigeration units.

16           (7) Undyed diesel fuel used by power take-off equipment  
17 as defined in Section 1.27 of this Law.

18           (8) Beginning on the effective date of this amendatory  
19 Act of the 94th General Assembly, undyed diesel fuel used  
20 by tugs and spotter equipment to shift vehicles or parcels  
21 on both private and airport property. Any claim under this  
22 item (8) may be made only by a claimant that owns tugs and  
23 spotter equipment and operates that equipment on both  
24 private and airport property. The aggregate of all credits  
25 or refunds resulting from claims filed under this item (8)  
26 by a claimant in any calendar year may not exceed \$100,000.

1 A claim may not be made under this item (8) by the same  
2 claimant more often than once each quarter. For the  
3 purposes of this item (8), "tug" means a vehicle designed  
4 for use on airport property that shifts custom-designed  
5 containers of parcels from loading docks to aircraft, and  
6 "spotter equipment" means a vehicle designed for use on  
7 both private and airport property that shifts trailers  
8 containing parcels between staging areas and loading  
9 docks.

10 Any person who has paid the tax imposed by Section 2 of  
11 this Law upon undyed diesel fuel that is unintentionally mixed  
12 with dyed diesel fuel and who owns or controls the mixture of  
13 undyed diesel fuel and dyed diesel fuel may file a claim for  
14 refund to recover the amount paid. The amount of undyed diesel  
15 fuel unintentionally mixed must equal 500 gallons or more. Any  
16 claim for refund of unintentionally mixed undyed diesel fuel  
17 and dyed diesel fuel shall be supported by documentation  
18 showing the date and location of the unintentional mixing, the  
19 number of gallons involved, the disposition of the mixed diesel  
20 fuel, and any other information that the Department may  
21 reasonably require. Any unintentional mixture of undyed diesel  
22 fuel and dyed diesel fuel shall be sold or used only for  
23 non-highway purposes.

24 The Department shall promulgate regulations establishing  
25 specific limits on the amount of undyed diesel fuel that may be  
26 claimed for refund.

1 For purposes of claims for refund, "loss" means the  
2 reduction of motor fuel resulting from fire, theft, spillage,  
3 spoilage, leakage, or any other provable cause, but does not  
4 include a reduction resulting from evaporation, or shrinkage  
5 due to temperature variations. In the case of losses due to  
6 fire or theft, the claimant must include fire department or  
7 police department reports and any other documentation that the  
8 Department may require.

9 (Source: P.A. 96-1384, eff. 7-29-10.)

10 (35 ILCS 505/13a.4) (from Ch. 120, par. 429a4)

11 Sec. 13a.4. Except as provided in Section 13a.5 of this  
12 Act, no motor carrier shall operate in Illinois without first  
13 securing a motor fuel use tax license and decals from the  
14 Department or a motor fuel use tax license and decals issued  
15 under the International Fuel Tax Agreement by any member  
16 jurisdiction. Notwithstanding any other provision of this  
17 Section to the contrary, however, the Director of Revenue or  
18 his designee may, upon determining that a disaster exists in  
19 Illinois or in any other jurisdiction ~~state~~, temporarily waive  
20 the licensing requirements of this Section for commercial motor  
21 vehicles that travel through Illinois, or return to Illinois  
22 from a point outside Illinois, for the purpose of assisting in  
23 disaster relief efforts. Temporary waiver of the licensing  
24 requirements of this Section shall not exceed a period of 30  
25 days from the date the Director temporarily waives the

1 licensing requirements of this Section. For purposes of this  
2 Section, a disaster includes flood, tornado, hurricane, fire,  
3 earthquake, or any other disaster that causes or threatens loss  
4 of life or destruction or damage to property of such a  
5 magnitude as to endanger the public health, safety, and  
6 welfare. The licensing requirements of this Section shall be  
7 temporarily waived only if the operator of the commercial motor  
8 vehicle can provide proof by manifest that the commercial motor  
9 vehicle is traveling through Illinois or returning to Illinois  
10 from a point outside Illinois for purposes of assisting in  
11 disaster relief efforts. Application for such license and  
12 decals shall be made annually to the Department on forms  
13 prescribed by the Department. The application shall be under  
14 oath, and shall contain such information as the Department  
15 deems necessary. The Department, for cause, may require an  
16 applicant to post a bond on a form to be approved by and with a  
17 surety or sureties satisfactory to the Department conditioned  
18 upon such applicant paying to the State of Illinois all monies  
19 becoming due by reason of the sale or use of motor fuel by the  
20 applicant, together with all penalties and interest thereon. If  
21 a bond is required, it shall be equal to at least twice the  
22 estimated average tax liability of a quarterly return. The  
23 Department shall fix the penalty of such bond in each case  
24 taking into consideration the amount of motor fuel expected to  
25 be used by such applicant and the penalty fixed by the  
26 Department shall be such as, in its opinion, will protect the

1 State of Illinois against failure to pay the amount hereinafter  
2 provided on motor fuel used. No person who is in default to the  
3 State for monies due under this Act for the sale, distribution  
4 or use of motor fuel shall receive such a license or decal.

5       Upon receipt of the application for license in proper form,  
6 and upon payment of any required \$100 reinstatement fee, and  
7 upon approval by the Department of the bond furnished by the  
8 applicant, the Department may issue to such applicant a license  
9 which allows the operation of commercial motor vehicles in  
10 Illinois, and decals for each commercial motor vehicle  
11 operating in Illinois. Prior to January 1, 1985, motor fuel use  
12 tax licenses shall be conspicuously displayed in the cab of  
13 each commercial motor vehicle operating in Illinois. After  
14 January 1, 1986, motor fuel use tax licenses shall be carried  
15 in the cab of each commercial motor vehicle operating in  
16 Illinois.

17       The Department shall, by regulation, provide for the use of  
18 reproductions of original motor fuel use tax licenses in lieu  
19 of issuing multiple original motor fuel use tax licenses to  
20 licensees.

21       On and after January 1, 1985, external motor fuel tax  
22 decals shall be conspicuously displayed on the passenger side  
23 of each commercial motor vehicle propelled by motor fuel  
24 operating in Illinois, except buses, which may display such  
25 devices on the driver's side of the vehicle. Beginning with the  
26 effective date of this amendatory Act of 1993 or the membership

1 of the State of Illinois in the International Fuel Tax  
2 Agreement, whichever is later, the decals issued to the  
3 licensee shall be placed on both exterior sides of the cab. In  
4 the case of transporters, manufacturers, dealers, or driveway  
5 operations, the decals need not be permanently affixed but may  
6 be temporarily displayed in a visible manner on the exterior  
7 sides of the cab. Failure to display the decals in the required  
8 locations may subject the vehicle operator to the purchase of a  
9 trip permit and a citation. Such motor fuel tax decals shall be  
10 issued by the Department and remain valid for a period of 2  
11 calendar years, beginning January 1, 1985. The decals shall  
12 expire at the end of the regular 2 year issuance period, with  
13 new decals required to be displayed at that time. Beginning  
14 January 1, 1993, the motor fuel decals shall be issued by the  
15 Department and remain valid for a period of one calendar year.  
16 The decals shall expire at the end of the regular one year  
17 issuance period, with new decals required to be displayed at  
18 that time. Decals shall be no larger than 3 inches by 3 inches.  
19 Prior to January 1, 1993, a fee of \$7.50 shall be charged by  
20 the Department for each decal issued prior to and during the 2  
21 calendar years such decal is valid. Beginning January 1, 1993,  
22 a fee of \$3.75 shall be charged by the Department for each  
23 decal issued prior to and during the calendar year such decal  
24 is valid. Beginning January 1, 1994, \$3.75 shall be charged for  
25 a set of 2 decals. The Department may also prescribe procedures  
26 for the issuance of replacement decals, with a maximum fee of



1 \$2 for each set of replacement decals issued. The transfer of  
2 decals from one vehicle to another vehicle or from one motor  
3 carrier to another motor carrier is prohibited. The fees paid  
4 for the decals issued under this Section shall be deposited in  
5 the Motor Fuel Tax Fund, and may be appropriated to the  
6 Department for administration of this Section and enforcement  
7 of the tax imposed by Section 13a of this Act.

8 To avoid duplicate reporting of mileage and payment of any  
9 tax arising therefrom under Section 13a.3 of this Act, the  
10 Department shall, by regulation, provide for the allocation  
11 between lessors and lessees of the same commercial motor  
12 vehicle or vehicles of the responsibility as a motor carrier  
13 for the reporting of mileage and the liability for tax arising  
14 under Section 13a.3 of this Act, and for registration,  
15 furnishing of bond, carrying of motor fuel use tax licenses,  
16 and display of decals under this Section, and for all other  
17 duties imposed upon motor carriers by this Act.

18 (Source: P.A. 96-1384, eff. 7-29-10.)

19 (35 ILCS 505/13a.5) (from Ch. 120, par. 429a5)

20 Sec. 13a.5. As to a commercial motor vehicle operated in  
21 Illinois in the course of interstate traffic by a motor carrier  
22 not holding a motor fuel use tax license issued under this Act,  
23 a single trip permit authorizing operation of such commercial  
24 motor vehicle for a single trip into the State of Illinois,  
25 through the State of Illinois, or from a point on the border of

1 this State to a point within and return to the border may be  
2 issued by the Department or its agents after proper  
3 application. The fee for each single trip permit shall be \$40  
4 and such single trip permit shall be valid for a period of 96  
5 hours. This fee shall be in lieu of the tax required by Section  
6 13a of this Act, all reports required by Section 13a.3 of this  
7 Act, and the registration, decal display and furnishing of bond  
8 required by Section 13a.4 of this Act. Notwithstanding any  
9 other provision of this Section to the contrary, however, the  
10 Director of Revenue or his designee may, upon determining that  
11 a disaster exists in Illinois or in any other jurisdiction  
12 ~~state~~, temporarily waive the permit provisions of this Section  
13 for commercial motor vehicles that travel into the State of  
14 Illinois, through Illinois, or return to Illinois from a point  
15 outside Illinois, for the purpose of assisting in disaster  
16 relief efforts. Temporary waiver of the permit provisions of  
17 this Section shall not exceed a period of 30 days from the date  
18 the Director waives the permit provisions of this Section. For  
19 purposes of this Section, a disaster includes flood, tornado,  
20 hurricane, fire, earthquake, or any other disaster that causes  
21 or threatens loss of life or destruction or damage to property  
22 of such a magnitude as to endanger the public health, safety,  
23 and welfare. The permit provisions of this Section shall be  
24 temporarily waived only if the operator of the commercial motor  
25 vehicle can provide proof by manifest that the commercial motor  
26 vehicle is traveling through Illinois or returning to Illinois

1 from a point outside Illinois for purposes of assisting in  
2 disaster relief efforts. Rules or regulations promulgated by  
3 the Department under this Section shall provide for reasonable  
4 and proper limitations and restrictions governing application  
5 for and issuance and use of, single trip permits, so as to  
6 preclude evasion of the license requirement in Section 13a.4.

7 (Source: P.A. 96-1384, eff. 7-29-10.)

8 Section 85. The Gas Revenue Tax Act is amended by changing  
9 Sections 2a.2 and 3 as follows:

10 (35 ILCS 615/2a.2) (from Ch. 120, par. 467.17a.2)

11 Sec. 2a.2. Annual return, collection and payment. - A  
12 return with respect to the tax imposed by Section 2a.1 shall be  
13 made by every person for any taxable period for which such  
14 person is liable for such tax. Such return shall be made on  
15 such forms as the Department shall prescribe and shall contain  
16 the following information:

17 1. Taxpayer's name;

18 2. Address of taxpayer's principal place of business,  
19 and address of the principal place of business (if that is  
20 a different address) from which the taxpayer engages in the  
21 business of distributing, supplying, furnishing or selling  
22 gas in this State;

23 3. The total proprietary capital and total long-term  
24 debt as of the beginning and end of the taxable period as

1 set forth on the balance sheets included in the taxpayer's  
2 annual report to the Illinois Commerce Commission for the  
3 taxable period;

4 4. The taxpayer's base income allocable to Illinois  
5 under Sections 301 and 304(a) of the "Illinois Income Tax  
6 Act", for the period covered by the return;

7 5. The amount of tax due for the taxable period  
8 (computed on the basis of the amounts set forth in Items 3  
9 and 4); and

10 6. Such other reasonable information as may be required  
11 by forms or regulations prescribed by the Department.

12 The returns prescribed by this Section shall be due and  
13 shall be filed with the Department not later than the 15th day  
14 of the third month following the close of the taxable period.  
15 The taxpayer making the return herein provided for shall, at  
16 the time of making such return, pay to the Department the  
17 remaining amount of tax herein imposed and due for the taxable  
18 period. Each taxpayer shall make estimated quarterly payments  
19 on the 15th day of the third, sixth, ninth and twelfth months  
20 of each taxable period. Such estimated payments shall be 25% of  
21 the tax liability for the immediately preceding taxable period  
22 or the tax liability that would have been imposed in the  
23 immediately preceding taxable period if this amendatory Act of  
24 1979 had been in effect. All moneys received by the Department  
25 under Sections 2a.1 and 2a.2 shall be paid into the Personal  
26 Property Tax Replacement Fund in the State Treasury.

1       If any payment provided for in this Section exceeds the  
2       taxpayer's liabilities under this Act, as shown on an original  
3       return, the Department may authorize the taxpayer to credit  
4       such excess payment against liability subsequently to be  
5       remitted to the Department under this Act, in accordance with  
6       reasonable rules adopted by the Department.

7       (Source: P.A. 87-205.)

8               (35 ILCS 615/3) (from Ch. 120, par. 467.18)

9       Sec. 3. Return of taxpayer; payment of tax. Except as  
10       provided in this Section, on or before the 15th day of each  
11       month, each taxpayer shall make a return to the Department for  
12       the preceding calendar month, stating:

13               1. His name;

14               2. The address of his principal place of business, and  
15       the address of the principal place of business (if that is  
16       a different address) from which he engages in the business  
17       of distributing, supplying, furnishing or selling gas in  
18       this State;

19               3. The total number of therms for which payment was  
20       received by him from customers during the preceding  
21       calendar month and upon the basis of which the tax is  
22       imposed;

23               4. Gross receipts which were received by him from  
24       customers during the preceding calendar month from such  
25       business, including budget plan and other customer-owned

1 amounts applied during such month in payment of charges  
2 includible in gross receipts, and upon the basis of which  
3 the tax is imposed;

4 5. Amount of tax (computed upon Items 3 and 4);

5 6. Such other reasonable information as the Department  
6 may require.

7 In making such return the taxpayer may use any reasonable  
8 method to derive reportable "therms" and "gross receipts" from  
9 his billing and payment records.

10 Any taxpayer required to make payments under this Section  
11 may make the payments by electronic funds transfer. The  
12 Department shall adopt rules necessary to effectuate a program  
13 of electronic funds transfer.

14 If the taxpayer's average monthly tax liability to the  
15 Department does not exceed \$100.00, the Department may  
16 authorize his returns to be filed on a quarter annual basis,  
17 with the return for January, February and March of a given year  
18 being due by April 30 of such year; with the return for April,  
19 May and June of a given year being due by July 31 of such year;  
20 with the return for July, August and September of a given year  
21 being due by October 31 of such year, and with the return for  
22 October, November and December of a given year being due by  
23 January 31 of the following year.

24 If the taxpayer's average monthly tax liability to the  
25 Department does not exceed \$20.00, the Department may authorize  
26 his returns to be filed on an annual basis, with the return for

1 a given year being due by January 31 of the following year.

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

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

12 In making such return the taxpayer shall determine the  
13 value of any reportable consideration other than money received  
14 by him and shall include such value in his return. Such  
15 determination shall be subject to review and revision by the  
16 Department in the same manner as is provided in this Act for  
17 the correction of returns.

18 Each taxpayer whose average monthly liability to the  
19 Department under this Act was \$10,000 or more during the  
20 preceding calendar year, excluding the month of highest  
21 liability and the month of lowest liability in such calendar  
22 year, and who is not operated by a unit of local government,  
23 shall make estimated payments to the Department on or before  
24 the 7th, 15th, 22nd and last day of the month during which tax  
25 liability to the Department is incurred in an amount not less  
26 than the lower of either 22.5% of the taxpayer's actual tax

1 liability for the month or 25% of the taxpayer's actual tax  
2 liability for the same calendar month of the preceding year.  
3 The amount of such quarter monthly payments shall be credited  
4 against the final tax liability of the taxpayer's return for  
5 that month. Any outstanding credit, approved by the Department,  
6 arising from the taxpayer's overpayment of its final tax  
7 liability for any month may be applied to reduce the amount of  
8 any subsequent quarter monthly payment or credited against the  
9 final tax liability of the taxpayer's return for any subsequent  
10 month. If any quarter monthly payment is not paid at the time  
11 or in the amount required by this Section, the taxpayer shall  
12 be liable for penalty and interest on the difference between  
13 the minimum amount due as a payment and the amount of such  
14 payment actually and timely paid, except insofar as the  
15 taxpayer has previously made payments for that month to the  
16 Department in excess of the minimum payments previously due.

17 If the Director finds that the information required for the  
18 making of an accurate return cannot reasonably be compiled by a  
19 taxpayer within 15 days after the close of the calendar month  
20 for which a return is to be made, he may grant an extension of  
21 time for the filing of such return for a period of not to  
22 exceed 31 calendar days. The granting of such an extension may  
23 be conditioned upon the deposit by the taxpayer with the  
24 Department of an amount of money not exceeding the amount  
25 estimated by the Director to be due with the return so  
26 extended. All such deposits, including any made before the



1 effective date of this amendatory Act of 1975 with the  
2 Department, shall be credited against the taxpayer's  
3 liabilities under this Act. If any such deposit exceeds the  
4 taxpayer's present and probable future liabilities under this  
5 Act, the Department shall issue to the taxpayer a credit  
6 memorandum, which may be assigned by the taxpayer to a similar  
7 taxpayer under this Act, in accordance with reasonable rules  
8 and regulations to be prescribed by the Department.

9 The taxpayer making the return provided for in this Section  
10 shall, at the time of making such return, pay to the Department  
11 the amount of tax imposed by this Act. All moneys received by  
12 the Department under this Act shall be paid into the General  
13 Revenue Fund in the State Treasury, except as otherwise  
14 provided.

15 If any payment provided for in this Section exceeds the  
16 taxpayer's liabilities under this Act, as shown on an original  
17 return, the Department may authorize the taxpayer to credit  
18 such excess payment against liability subsequently to be  
19 remitted to the Department under this Act, in accordance with  
20 reasonable rules adopted by the Department.

21 (Source: P.A. 90-16, eff. 6-16-97.)

22 Section 90. The Public Utilities Revenue Act is amended by  
23 changing Section 2a.2 as follows:

24 (35 ILCS 620/2a.2) (from Ch. 120, par. 469a.2)

1           Sec. 2a.2. Annual return, collection and payment. A return  
2 with respect to the tax imposed by Section 2a.1 shall be made  
3 by every person for any taxable period for which such person is  
4 liable for such tax. Such return shall be made on such forms as  
5 the Department shall prescribe and shall contain the following  
6 information:

7           1. Taxpayer's name;

8           2. Address of taxpayer's principal place of business,  
9 and address of the principal place of business (if that is  
10 a different address) from which the taxpayer engages in the  
11 business of distributing electricity in this State;

12           3. The total equity, in the case of electric  
13 cooperatives, in the annual reports filed with the Rural  
14 Utilities Service for the taxable period;

15           3a. The total kilowatt-hours of electricity  
16 distributed by a taxpayer, other than an electric  
17 cooperative, in this State for the taxable period covered  
18 by the return;

19           4. The amount of tax due for the taxable period  
20 (computed on the basis of the amounts set forth in Items 3  
21 and 3a); and

22           5. Such other reasonable information as may be required  
23 by forms or regulations prescribed by the Department.

24           The returns prescribed by this Section shall be due and  
25 shall be filed with the Department not later than the 15th day  
26 of the third month following the close of the taxable period.

1 The taxpayer making the return herein provided for shall, at  
2 the time of making such return, pay to the Department the  
3 remaining amount of tax herein imposed and due for the taxable  
4 period. Each taxpayer shall make estimated quarterly payments  
5 on the 15th day of the third, sixth, ninth and twelfth months  
6 of each taxable period. Such estimated payments shall be 25% of  
7 the tax liability for the immediately preceding taxable period  
8 or the tax liability that would have been imposed in the  
9 immediately preceding taxable period if this amendatory Act of  
10 1979 had been in effect. All moneys received by the Department  
11 under Sections 2a.1 and 2a.2 shall be paid into the Personal  
12 Property Tax Replacement Fund in the State Treasury.

13 If any payment provided for in this Section exceeds the  
14 taxpayer's liabilities under this Act, as shown on an original  
15 return, the taxpayer may credit such excess payment against  
16 liability subsequently to be remitted to the Department under  
17 this Act, in accordance with reasonable rules adopted by the  
18 Department.

19 (Source: P.A. 90-561, eff. 1-1-98.)

20 Section 95. The Telecommunications Excise Tax Act is  
21 amended by changing Section 6 as follows:

22 (35 ILCS 630/6) (from Ch. 120, par. 2006)

23 Sec. 6. Returns; payments. Except as provided hereinafter  
24 in this Section, on or before the last day of each month, each

1 retailer maintaining a place of business in this State shall  
2 make a return to the Department for the preceding calendar  
3 month, stating:

4 1. His name;

5 2. The address of his principal place of business, or  
6 the address of the principal place of business (if that is  
7 a different address) from which he engages in the business  
8 of transmitting telecommunications;

9 3. Total amount of gross charges billed by him during  
10 the preceding calendar month for providing  
11 telecommunications during such calendar month;

12 4. Total amount received by him during the preceding  
13 calendar month on credit extended;

14 5. Deductions allowed by law;

15 6. Gross charges which were billed by him during the  
16 preceding calendar month and upon the basis of which the  
17 tax is imposed;

18 7. Amount of tax (computed upon Item 6);

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

21 Any taxpayer required to make payments under this Section  
22 may make the payments by electronic funds transfer. The  
23 Department shall adopt rules necessary to effectuate a program  
24 of electronic funds transfer. Any taxpayer who has average  
25 monthly tax billings due to the Department under this Act and  
26 the Simplified Municipal Telecommunications Tax Act that

1 exceed \$1,000 shall make all payments by electronic funds  
2 transfer as required by rules of the Department and shall file  
3 the return required by this Section by electronic means as  
4 required by rules of the Department.

5 If the retailer's average monthly tax billings due to the  
6 Department under this Act and the Simplified Municipal  
7 Telecommunications Tax Act do not exceed \$1,000, the Department  
8 may authorize his returns to be filed on a quarter annual  
9 basis, with the return for January, February and March of a  
10 given year being due by April 30 of such year; with the return  
11 for April, May and June of a given year being due by July 31st  
12 of such year; with the return for July, August and September of  
13 a given year being due by October 31st of such year; and with  
14 the return of October, November and December of a given year  
15 being due by January 31st of the following year.

16 If the retailer is otherwise required to file a monthly or  
17 quarterly return and if the retailer's average monthly tax  
18 billings due to the Department under this Act and the  
19 Simplified Municipal Telecommunications Tax Act do not exceed  
20 \$400, the Department may authorize his or her return to be  
21 filed on an annual basis, with the return for a given year  
22 being due by January 31st of the following year.

23 Notwithstanding any other provision of this Article  
24 containing the time within which a retailer may file his  
25 return, in the case of any retailer who ceases to engage in a  
26 kind of business which makes him responsible for filing returns

1 under this Article, such retailer shall file a final return  
2 under this Article with the Department not more than one month  
3 after discontinuing such business.

4 In making such return, the retailer shall determine the  
5 value of any consideration other than money received by him and  
6 he shall include such value in his return. Such determination  
7 shall be subject to review and revision by the Department in  
8 the manner hereinafter provided for the correction of returns.

9 Each retailer whose average monthly liability to the  
10 Department under this Article and the Simplified Municipal  
11 Telecommunications Tax Act was \$25,000 or more during the  
12 preceding calendar year, excluding the month of highest  
13 liability and the month of lowest liability in such calendar  
14 year, and who is not operated by a unit of local government,  
15 shall make estimated payments to the Department on or before  
16 the 7th, 15th, 22nd and last day of the month during which tax  
17 collection liability to the Department is incurred in an amount  
18 not less than the lower of either 22.5% of the retailer's  
19 actual tax collections for the month or 25% of the retailer's  
20 actual tax collections for the same calendar month of the  
21 preceding year. The amount of such quarter monthly payments  
22 shall be credited against the final liability of the retailer's  
23 return for that month. Any outstanding credit, approved by the  
24 Department, arising from the retailer's overpayment of its  
25 final liability for any month may be applied to reduce the  
26 amount of any subsequent quarter monthly payment or credited

1 against the final liability of the retailer's return for any  
2 subsequent month. If any quarter monthly payment is not paid at  
3 the time or in the amount required by this Section, the  
4 retailer shall be liable for penalty and interest on the  
5 difference between the minimum amount due as a payment and the  
6 amount of such payment actually and timely paid, except insofar  
7 as the retailer has previously made payments for that month to  
8 the Department in excess of the minimum payments previously  
9 due.

10 The retailer making the return herein provided for shall,  
11 at the time of making such return, pay to the Department the  
12 amount of tax herein imposed, less a discount of 1% which is  
13 allowed to reimburse the retailer for the expenses incurred in  
14 keeping records, billing the customer, preparing and filing  
15 returns, remitting the tax, and supplying data to the  
16 Department upon request. No discount may be claimed by a  
17 retailer on returns not timely filed and for taxes not timely  
18 remitted.

19 If any payment provided for in this Section exceeds the  
20 retailer's liabilities under this Act, as shown on an original  
21 return, the Department may authorize the retailer to credit  
22 such excess payment against liability subsequently to be  
23 remitted to the Department under this Act, in accordance with  
24 reasonable rules adopted by the Department. If the Department  
25 subsequently determines that all or any part of the credit  
26 taken was not actually due to the retailer, the retailer's

1 discount shall be reduced by an amount equal to the difference  
2 between the discount as applied to the credit taken and that  
3 actually due, and that retailer shall be liable for penalties  
4 and interest on such difference.

5 On and after the effective date of this Article of 1985, of  
6 the moneys received by the Department of Revenue pursuant to  
7 this Article, other than moneys received pursuant to the  
8 additional taxes imposed by Public Act 90-548:

9 (1) \$1,000,000 shall be paid each month into the Common  
10 School Fund;

11 (2) beginning on the first day of the first calendar  
12 month to occur on or after the effective date of this  
13 amendatory Act of the 98th General Assembly, an amount  
14 equal to 1/12 of 5% of the cash receipts collected during  
15 the preceding fiscal year by the Audit Bureau of the  
16 Department from the tax under this Act and the Simplified  
17 Municipal Telecommunications Tax Act shall be paid each  
18 month into the Tax Compliance and Administration Fund;  
19 those moneys shall be used, subject to appropriation, to  
20 fund additional auditors and compliance personnel at the  
21 Department of Revenue; and

22 (3) the remainder shall be deposited into the General  
23 Revenue Fund.

24 On and after February 1, 1998, however, of the moneys  
25 received by the Department of Revenue pursuant to the  
26 additional taxes imposed by Public Act 90-548, one-half shall



1 be deposited into the School Infrastructure Fund and one-half  
2 shall be deposited into the Common School Fund. On and after  
3 the effective date of this amendatory Act of the 91st General  
4 Assembly, if in any fiscal year the total of the moneys  
5 deposited into the School Infrastructure Fund under this Act is  
6 less than the total of the moneys deposited into that Fund from  
7 the additional taxes imposed by Public Act 90-548 during fiscal  
8 year 1999, then, as soon as possible after the close of the  
9 fiscal year, the Comptroller shall order transferred and the  
10 Treasurer shall transfer from the General Revenue Fund to the  
11 School Infrastructure Fund an amount equal to the difference  
12 between the fiscal year total deposits and the total amount  
13 deposited into the Fund in fiscal year 1999.

14 (Source: P.A. 98-1098, eff. 8-26-14.)

15 Section 100. The Electricity Excise Tax Law is amended by  
16 changing Sections 2-9 and 2-11 as follows:

17 (35 ILCS 640/2-9)

18 Sec. 2-9. Return and payment of tax by delivering supplier.  
19 Each delivering supplier who is required or authorized to  
20 collect the tax imposed by this Law shall make a return to the  
21 Department on or before the 15th day of each month for the  
22 preceding calendar month stating the following:

23 (1) The delivering supplier's name.

24 (2) The address of the delivering supplier's principal

1 place of business and the address of the principal place of  
2 business (if that is a different address) from which the  
3 delivering supplier engaged in the business of delivering  
4 electricity in this State.

5 (3) The total number of kilowatt-hours which the  
6 supplier delivered to or for purchasers during the  
7 preceding calendar month and upon the basis of which the  
8 tax is imposed.

9 (4) Amount of tax, computed upon Item (3) at the rates  
10 stated in Section 2-4.

11 (5) An adjustment for uncollectible amounts of tax in  
12 respect of prior period kilowatt-hour deliveries,  
13 determined in accordance with rules and regulations  
14 promulgated by the Department.

15 (5.5) The amount of credits to which the taxpayer is  
16 entitled on account of purchases made under Section 8-403.1  
17 of the Public Utilities Act.

18 (6) Such other information as the Department  
19 reasonably may require.

20 In making such return the delivering supplier may use any  
21 reasonable method to derive reportable "kilowatt-hours" from  
22 the delivering supplier's records.

23 If the average monthly tax liability to the Department of  
24 the delivering supplier does not exceed \$2,500, the Department  
25 may authorize the delivering supplier's returns to be filed on  
26 a quarter-annual basis, with the return for January, February

1 and March of a given year being due by April 30 of such year;  
2 with the return for April, May and June of a given year being  
3 due by July 31 of such year; with the return for July, August  
4 and September of a given year being due by October 31 of such  
5 year; and with the return for October, November and December of  
6 a given year being due by January 31 of the following year.

7 If the average monthly tax liability to the Department of  
8 the delivering supplier does not exceed \$1,000, the Department  
9 may authorize the delivering supplier's returns to be filed on  
10 an annual basis, with the return for a given year being due by  
11 January 31 of the following year.

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

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

22 Each delivering supplier whose average monthly liability  
23 to the Department under this Law was \$10,000 or more during the  
24 preceding calendar year, excluding the month of highest  
25 liability and the month of lowest liability in such calendar  
26 year, and who is not operated by a unit of local government,

1 shall make estimated payments to the Department on or before  
2 the 7th, 15th, 22nd and last day of the month during which tax  
3 liability to the Department is incurred in an amount not less  
4 than the lower of either 22.5% of such delivering supplier's  
5 actual tax liability for the month or 25% of such delivering  
6 supplier's actual tax liability for the same calendar month of  
7 the preceding year. The amount of such quarter-monthly payments  
8 shall be credited against the final tax liability of such  
9 delivering supplier's return for that month. An outstanding  
10 credit approved by the Department or a credit memorandum issued  
11 by the Department arising from such delivering supplier's  
12 overpayment of his or her final tax liability for any month may  
13 be applied to reduce the amount of any subsequent  
14 quarter-monthly payment or credited against the final tax  
15 liability of such delivering supplier's return for any  
16 subsequent month. If any quarter-monthly payment is not paid at  
17 the time or in the amount required by this Section, such  
18 delivering supplier shall be liable for penalty and interest on  
19 the difference between the minimum amount due as a payment and  
20 the amount of such payment actually and timely paid, except  
21 insofar as such delivering supplier has previously made  
22 payments for that month to the Department in excess of the  
23 minimum payments previously due.

24 If the Director finds that the information required for the  
25 making of an accurate return cannot reasonably be compiled by  
26 such delivering supplier within 15 days after the close of the

1 calendar month for which a return is to be made, the Director  
2 may grant an extension of time for the filing of such return  
3 for a period not to exceed 31 calendar days. The granting of  
4 such an extension may be conditioned upon the deposit by such  
5 delivering supplier with the Department of an amount of money  
6 not exceeding the amount estimated by the Director to be due  
7 with the return so extended. All such deposits shall be  
8 credited against such delivering supplier's liabilities under  
9 this Law. If the deposit exceeds such delivering supplier's  
10 present and probable future liabilities under this Law, the  
11 Department shall issue to such delivering supplier a credit  
12 memorandum, which may be assigned by such delivering supplier  
13 to a similar person under this Law, in accordance with  
14 reasonable rules and regulations to be prescribed by the  
15 Department.

16 The delivering supplier making the return provided for in  
17 this Section shall, at the time of making such return, pay to  
18 the Department the amount of tax imposed by this Law.

19 Until October 1, 2002, a delivering supplier who has an  
20 average monthly tax liability of \$10,000 or more shall make all  
21 payments required by rules of the Department by electronic  
22 funds transfer. The term "average monthly tax liability" shall  
23 be the sum of the delivering supplier's liabilities under this  
24 Law for the immediately preceding calendar year divided by 12.  
25 Beginning on October 1, 2002, a taxpayer who has a tax  
26 liability in the amount set forth in subsection (b) of Section

1 2505-210 of the Department of Revenue Law shall make all  
2 payments required by rules of the Department by electronic  
3 funds transfer. Any delivering supplier not required to make  
4 payments by electronic funds transfer may make payments by  
5 electronic funds transfer with the permission of the  
6 Department. All delivering suppliers required to make payments  
7 by electronic funds transfer and any delivering suppliers  
8 authorized to voluntarily make payments by electronic funds  
9 transfer shall make those payments in the manner authorized by  
10 the Department.

11 If any payment provided for in this Section exceeds the  
12 delivering supplier's liabilities under this Act, as shown on  
13 an original return, the Department may authorize the delivering  
14 supplier to credit such excess payment against liability  
15 subsequently to be remitted to the Department under this Act,  
16 in accordance with reasonable rules adopted by the Department.

17 Through June 30, 2004, each month the Department shall pay  
18 into the Public Utility Fund in the State treasury an amount  
19 determined by the Director to be equal to 3.0% of the funds  
20 received by the Department pursuant to this Section. Through  
21 June 30, 2004, the remainder of all moneys received by the  
22 Department under this Section shall be paid into the General  
23 Revenue Fund in the State treasury. Beginning on July 1, 2004,  
24 of the 3% of the funds received pursuant to this Section, each  
25 month the Department shall pay \$416,667 into the General  
26 Revenue Fund and the balance shall be paid into the Public

1 Utility Fund in the State treasury.

2 (Source: P.A. 92-492, eff. 1-1-02; 93-839, eff. 7-30-04.)

3 (35 ILCS 640/2-11)

4 Sec. 2-11. Direct return and payment by self-assessing  
5 purchaser. When electricity is used or consumed by a  
6 self-assessing purchaser subject to the tax imposed by this Law  
7 who did not pay the tax to a delivering supplier maintaining a  
8 place of business within this State and required or authorized  
9 to collect the tax, that self-assessing purchaser shall, on or  
10 before the 15th day of each month, make a return to the  
11 Department for the preceding calendar month, stating all of the  
12 following:

13 (1) The self-assessing purchaser's name and principal  
14 address.

15 (2) The aggregate purchase price paid by the  
16 self-assessing purchaser for the distribution, supply,  
17 furnishing, sale, transmission and delivery of such  
18 electricity to or for the purchaser during the preceding  
19 calendar month, including budget plan and other  
20 purchaser-owned amounts applied during such month in  
21 payment of charges includible in the purchase price, and  
22 upon the basis of which the tax is imposed.

23 (3) Amount of tax, computed upon item (2) at the rate  
24 stated in Section 2-4.

25 (4) Such other information as the Department

1 reasonably may require.

2 In making such return the self-assessing purchaser may use  
3 any reasonable method to derive reportable "purchase price"  
4 from the self-assessing purchaser's records.

5 If the average monthly tax liability of the self-assessing  
6 purchaser to the Department does not exceed \$2,500, the  
7 Department may authorize the self-assessing purchaser's  
8 returns to be filed on a quarter-annual basis, with the return  
9 for January, February and March of a given year being due by  
10 April 30 of such year; with the return for April, May and June  
11 of a given year being due by July 31 of such year; with the  
12 return for July, August, and September of a given year being  
13 due by October 31 of such year; and with the return for  
14 October, November and December of a given year being due by  
15 January 31 of the following year.

16 If the average monthly tax liability of the self-assessing  
17 purchaser to the Department does not exceed \$1,000, the  
18 Department may authorize the self-assessing purchaser's  
19 returns to be filed on an annual basis, with the return for a  
20 given year being due by January 31 of the following year.

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

24 Notwithstanding any other provision in this Law concerning  
25 the time within which a self-assessing purchaser may file a  
26 return, any such self-assessing purchaser who ceases to be



1 responsible for filing returns under this Law shall file a  
2 final return under this Law with the Department not more than  
3 one month thereafter.

4 Each self-assessing purchaser whose average monthly  
5 liability to the Department pursuant to this Section was  
6 \$10,000 or more during the preceding calendar year, excluding  
7 the month of highest liability and the month of lowest  
8 liability during such calendar year, and which is not operated  
9 by a unit of local government, shall make estimated payments to  
10 the Department on or before the 7th, 15th, 22nd and last day of  
11 the month during which tax liability to the Department is  
12 incurred in an amount not less than the lower of either 22.5%  
13 of such self-assessing purchaser's actual tax liability for the  
14 month or 25% of such self-assessing purchaser's actual tax  
15 liability for the same calendar month of the preceding year.  
16 The amount of such quarter-monthly payments shall be credited  
17 against the final tax liability of the self-assessing  
18 purchaser's return for that month. An outstanding credit  
19 approved by the Department or a credit memorandum issued by the  
20 Department arising from the self-assessing purchaser's  
21 overpayment of the self-assessing purchaser's final tax  
22 liability for any month may be applied to reduce the amount of  
23 any subsequent quarter-monthly payment or credited against the  
24 final tax liability of such self-assessing purchaser's return  
25 for any subsequent month. If any quarter-monthly payment is not  
26 paid at the time or in the amount required by this Section,

1 such person shall be liable for penalty and interest on the  
2 difference between the minimum amount due as a payment and the  
3 amount of such payment actually and timely paid, except insofar  
4 as such person has previously made payments for that month to  
5 the Department in excess of the minimum payments previously  
6 due.

7 If the Director finds that the information required for the  
8 making of an accurate return cannot reasonably be compiled by a  
9 self-assessing purchaser within 15 days after the close of the  
10 calendar month for which a return is to be made, the Director  
11 may grant an extension of time for the filing of such return  
12 for a period of not to exceed 31 calendar days. The granting of  
13 such an extension may be conditioned upon the deposit by such  
14 self-assessing purchaser with the Department of an amount of  
15 money not exceeding the amount estimated by the Director to be  
16 due with the return so extended. All such deposits shall be  
17 credited against such self-assessing purchaser's liabilities  
18 under this Law. If the deposit exceeds such self-assessing  
19 purchaser's present and probable future liabilities under this  
20 Law, the Department shall issue to such self-assessing  
21 purchaser a credit memorandum, which may be assigned by such  
22 self-assessing purchaser to a similar person under this Law, in  
23 accordance with reasonable rules and regulations to be  
24 prescribed by the Department.

25 The self-assessing purchaser making the return provided  
26 for in this Section shall, at the time of making such return,

1 pay to the Department the amount of tax imposed by this Law.

2       Until October 1, 2002, a self-assessing purchaser who has  
3 an average monthly tax liability of \$10,000 or more shall make  
4 all payments required by rules of the Department by electronic  
5 funds transfer. The term "average monthly tax liability" shall  
6 be the sum of the self-assessing purchaser's liabilities under  
7 this Law for the immediately preceding calendar year divided by  
8 12. Beginning on October 1, 2002, a taxpayer who has a tax  
9 liability in the amount set forth in subsection (b) of Section  
10 2505-210 of the Department of Revenue Law shall make all  
11 payments required by rules of the Department by electronic  
12 funds transfer. Any self-assessing purchaser not required to  
13 make payments by electronic funds transfer may make payments by  
14 electronic funds transfer with the permission of the  
15 Department. All self-assessing purchasers required to make  
16 payments by electronic funds transfer and any self-assessing  
17 purchasers authorized to voluntarily make payments by  
18 electronic funds transfer shall make those payments in the  
19 manner authorized by the Department.

20       If any payment provided for in this Section exceeds the  
21 self-assessing purchaser's liabilities under this Act, as  
22 shown on an original return, the Department may authorize the  
23 self-assessing purchaser to credit such excess payment against  
24 liability subsequently to be remitted to the Department under  
25 this Act, in accordance with reasonable rules adopted by the  
26 Department.

1 Through June 30, 2004, each month the Department shall pay  
2 into the Public Utility Fund in the State treasury an amount  
3 determined by the Director to be equal to 3.0% of the funds  
4 received by the Department pursuant to this Section. Through  
5 June 30, 2004, the remainder of all moneys received by the  
6 Department under this Section shall be paid into the General  
7 Revenue Fund in the State treasury. Beginning on July 1, 2004,  
8 of the 3% of the funds received pursuant to this Section, each  
9 month the Department shall pay \$416,667 into the General  
10 Revenue Fund and the balance shall be paid into the Public  
11 Utility Fund in the State treasury.

12 (Source: P.A. 92-492, eff. 1-1-02; 93-839, eff. 7-30-04.)

13 Section 103. The Innovation Development and Economy Act is  
14 amended by changing Section 31 as follows:

15 (50 ILCS 470/31)

16 Sec. 31. STAR bond occupation taxes.

17 (a) If the corporate authorities of a political subdivision  
18 have established a STAR bond district and have elected to  
19 impose a tax by ordinance pursuant to subsection (b) or (c) of  
20 this Section, each year after the date of the adoption of the  
21 ordinance and until all STAR bond project costs and all  
22 political subdivision obligations financing the STAR bond  
23 project costs, if any, have been paid in accordance with the  
24 STAR bond project plans, but in no event longer than the

1 maximum maturity date of the last of the STAR bonds issued for  
2 projects in the STAR bond district, all amounts generated by  
3 the retailers' occupation tax and service occupation tax shall  
4 be collected and the tax shall be enforced by the Department of  
5 Revenue in the same manner as all retailers' occupation taxes  
6 and service occupation taxes imposed in the political  
7 subdivision imposing the tax. The corporate authorities of the  
8 political subdivision shall deposit the proceeds of the taxes  
9 imposed under subsections (b) and (c) into either (i) a special  
10 fund held by the corporate authorities of the political  
11 subdivision called the STAR Bonds Tax Allocation Fund for the  
12 purpose of paying STAR bond project costs and obligations  
13 incurred in the payment of those costs if such taxes are  
14 designated as pledged STAR revenues by resolution or ordinance  
15 of the political subdivision or (ii) the political  
16 subdivision's general corporate fund if such taxes are not  
17 designated as pledged STAR revenues by resolution or ordinance.

18 The tax imposed under this Section by a municipality may be  
19 imposed only on the portion of a STAR bond district that is  
20 within the boundaries of the municipality. For any part of a  
21 STAR bond district that lies outside of the boundaries of that  
22 municipality, the municipality in which the other part of the  
23 STAR bond district lies (or the county, in cases where a  
24 portion of the STAR bond district lies in the unincorporated  
25 area of a county) is authorized to impose the tax under this  
26 Section on that part of the STAR bond district.

1 (b) The corporate authorities of a political subdivision  
2 that has established a STAR bond district under this Act may,  
3 by ordinance or resolution, impose a STAR Bond Retailers'  
4 Occupation Tax upon all persons engaged in the business of  
5 selling tangible personal property, other than an item of  
6 tangible personal property titled or registered with an agency  
7 of this State's government, at retail in the STAR bond district  
8 at a rate not to exceed 1% of the gross receipts from the sales  
9 made in the course of that business, to be imposed only in  
10 0.25% increments. The tax may not be imposed on tangible  
11 personal property taxed at the 1% rate under the Retailers'  
12 Occupation Tax Act ~~food for human consumption that is to be~~  
13 ~~consumed off the premises where it is sold (other than~~  
14 ~~alcoholic beverages, soft drinks, and food that has been~~  
15 ~~prepared for immediate consumption), prescription and~~  
16 ~~nonprescription medicines, drugs, medical appliances,~~  
17 ~~modifications to a motor vehicle for the purpose of rendering~~  
18 ~~it usable by a person with a disability, and insulin, urine~~  
19 ~~testing materials, syringes, and needles used by diabetics, for~~  
20 ~~human use.~~

21 The tax imposed under this subsection and all civil  
22 penalties that may be assessed as an incident thereof shall be  
23 collected and enforced by the Department of Revenue. The  
24 certificate of registration that is issued by the Department to  
25 a retailer under the Retailers' Occupation Tax Act shall permit  
26 the retailer to engage in a business that is taxable under any

1 ordinance or resolution enacted pursuant to this subsection  
2 without registering separately with the Department under such  
3 ordinance or resolution or under this subsection. The  
4 Department of Revenue shall have full power to administer and  
5 enforce this subsection, to collect all taxes and penalties due  
6 under this subsection in the manner hereinafter provided, and  
7 to determine all rights to credit memoranda arising on account  
8 of the erroneous payment of tax or penalty under this  
9 subsection. In the administration of, and compliance with, this  
10 subsection, the Department and persons who are subject to this  
11 subsection shall have the same rights, remedies, privileges,  
12 immunities, powers, and duties, and be subject to the same  
13 conditions, restrictions, limitations, penalties, exclusions,  
14 exemptions, and definitions of terms and employ the same modes  
15 of procedure, as are prescribed in Sections 1, 1a through 1o, 2  
16 through 2-65 (in respect to all provisions therein other than  
17 the State rate of tax), 2c through 2h, 3 (except as to the  
18 disposition of taxes and penalties collected), 4, 5, 5a, 5b,  
19 5c, 5d, 5e, 5f, 5g, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10,  
20 11, 12, 13, and 14 of the Retailers' Occupation Tax Act and all  
21 provisions of the Uniform Penalty and Interest Act, as fully as  
22 if those provisions were set forth herein.

23 If a tax is imposed under this subsection (b), a tax shall  
24 also be imposed under subsection (c) of this Section.

25 (c) If a tax has been imposed under subsection (b), a STAR  
26 Bond Service Occupation Tax shall also be imposed upon all

1 persons engaged, in the STAR bond district, in the business of  
2 making sales of service, who, as an incident to making those  
3 sales of service, transfer tangible personal property within  
4 the STAR bond district, either in the form of tangible personal  
5 property or in the form of real estate as an incident to a sale  
6 of service. The tax shall be imposed at the same rate as the  
7 tax imposed in subsection (b) and shall not exceed 1% of the  
8 selling price of tangible personal property so transferred  
9 within the STAR bond district, to be imposed only in 0.25%  
10 increments. The tax may not be imposed on tangible personal  
11 property taxed at the 1% rate under the Service Occupation Tax  
12 Act ~~food for human consumption that is to be consumed off the~~  
13 ~~premises where it is sold (other than alcoholic beverages, soft~~  
14 ~~drinks, and food that has been prepared for immediate~~  
15 ~~consumption), prescription and nonprescription medicines,~~  
16 ~~drugs, medical appliances, modifications to a motor vehicle for~~  
17 ~~the purpose of rendering it usable by a person with a~~  
18 ~~disability, and insulin, urine testing materials, syringes,~~  
19 ~~and needles used by diabetics, for human use.~~

20 The tax imposed under this subsection and all civil  
21 penalties that may be assessed as an incident thereof shall be  
22 collected and enforced by the Department of Revenue. The  
23 certificate of registration that is issued by the Department to  
24 a retailer under the Retailers' Occupation Tax Act or under the  
25 Service Occupation Tax Act shall permit the registrant to  
26 engage in a business that is taxable under any ordinance or



1 resolution enacted pursuant to this subsection without  
2 registering separately with the Department under that  
3 ordinance or resolution or under this subsection. The  
4 Department of Revenue shall have full power to administer and  
5 enforce this subsection, to collect all taxes and penalties due  
6 under this subsection, to dispose of taxes and penalties so  
7 collected in the manner hereinafter provided, and to determine  
8 all rights to credit memoranda arising on account of the  
9 erroneous payment of tax or penalty under this subsection. In  
10 the administration of, and compliance with this subsection, the  
11 Department and persons who are subject to this subsection shall  
12 have the same rights, remedies, privileges, immunities,  
13 powers, and duties, and be subject to the same conditions,  
14 restrictions, limitations, penalties, exclusions, exemptions,  
15 and definitions of terms and employ the same modes of procedure  
16 as are prescribed in Sections 2, 2a through 2d, 3 through 3-50  
17 (in respect to all provisions therein other than the State rate  
18 of tax), 4 (except that the reference to the State shall be to  
19 the STAR bond district), 5, 7, 8 (except that the jurisdiction  
20 to which the tax shall be a debt to the extent indicated in  
21 that Section 8 shall be the political subdivision), 9 (except  
22 as to the disposition of taxes and penalties collected, and  
23 except that the returned merchandise credit for this tax may  
24 not be taken against any State tax), 10, 11, 12 (except the  
25 reference therein to Section 2b of the Retailers' Occupation  
26 Tax Act), 13 (except that any reference to the State shall mean

1 the political subdivision), the first paragraph of Section 15,  
2 and Sections 16, 17, 18, 19 and 20 of the Service Occupation  
3 Tax Act and all provisions of the Uniform Penalty and Interest  
4 Act, as fully as if those provisions were set forth herein.

5 If a tax is imposed under this subsection (c), a tax shall  
6 also be imposed under subsection (b) of this Section.

7 (d) Persons subject to any tax imposed under this Section  
8 may reimburse themselves for their seller's tax liability under  
9 this Section by separately stating the tax as an additional  
10 charge, which charge may be stated in combination, in a single  
11 amount, with State taxes that sellers are required to collect  
12 under the Use Tax Act, in accordance with such bracket  
13 schedules as the Department may prescribe.

14 Whenever the Department determines that a refund should be  
15 made under this Section to a claimant instead of issuing a  
16 credit memorandum, the Department shall notify the State  
17 Comptroller, who shall cause the order to be drawn for the  
18 amount specified and to the person named in the notification  
19 from the Department. The refund shall be paid by the State  
20 Treasurer out of the STAR Bond Retailers' Occupation Tax Fund.

21 The Department shall immediately pay over to the State  
22 Treasurer, ex officio, as trustee, all taxes, penalties, and  
23 interest collected under this Section for deposit into the STAR  
24 Bond Retailers' Occupation Tax Fund. On or before the 25th day  
25 of each calendar month, the Department shall prepare and  
26 certify to the Comptroller the disbursement of stated sums of

1 money to named political subdivisions from the STAR Bond  
2 Retailers' Occupation Tax Fund, the political subdivisions to  
3 be those from which retailers have paid taxes or penalties  
4 under this Section to the Department during the second  
5 preceding calendar month. The amount to be paid to each  
6 political subdivision shall be the amount (not including credit  
7 memoranda) collected under this Section during the second  
8 preceding calendar month by the Department plus an amount the  
9 Department determines is necessary to offset any amounts that  
10 were erroneously paid to a different taxing body, and not  
11 including an amount equal to the amount of refunds made during  
12 the second preceding calendar month by the Department, less 3%  
13 of that amount, which shall be deposited into the Tax  
14 Compliance and Administration Fund and shall be used by the  
15 Department, subject to appropriation, to cover the costs of the  
16 Department in administering and enforcing the provisions of  
17 this Section, on behalf of such political subdivision, and not  
18 including any amount that the Department determines is  
19 necessary to offset any amounts that were payable to a  
20 different taxing body but were erroneously paid to the  
21 political subdivision. Within 10 days after receipt by the  
22 Comptroller of the disbursement certification to the political  
23 subdivisions provided for in this Section to be given to the  
24 Comptroller by the Department, the Comptroller shall cause the  
25 orders to be drawn for the respective amounts in accordance  
26 with the directions contained in the certification. The

1 proceeds of the tax paid to political subdivisions under this  
2 Section shall be deposited into either (i) the STAR Bonds Tax  
3 Allocation Fund by the political subdivision if the political  
4 subdivision has designated them as pledged STAR revenues by  
5 resolution or ordinance or (ii) the political subdivision's  
6 general corporate fund if the political subdivision has not  
7 designated them as pledged STAR revenues.

8 An ordinance or resolution imposing or discontinuing the  
9 tax under this Section or effecting a change in the rate  
10 thereof shall either (i) be adopted and a certified copy  
11 thereof filed with the Department on or before the first day of  
12 April, whereupon the Department, if all other requirements of  
13 this Section are met, shall proceed to administer and enforce  
14 this Section as of the first day of July next following the  
15 adoption and filing; or (ii) be adopted and a certified copy  
16 thereof filed with the Department on or before the first day of  
17 October, whereupon, if all other requirements of this Section  
18 are met, the Department shall proceed to administer and enforce  
19 this Section as of the first day of January next following the  
20 adoption and filing.

21 The Department of Revenue shall not administer or enforce  
22 an ordinance imposing, discontinuing, or changing the rate of  
23 the tax under this Section until the political subdivision also  
24 provides, in the manner prescribed by the Department, the  
25 boundaries of the STAR bond district and each address in the  
26 STAR bond district in such a way that the Department can

1 determine by its address whether a business is located in the  
2 STAR bond district. The political subdivision must provide this  
3 boundary and address information to the Department on or before  
4 April 1 for administration and enforcement of the tax under  
5 this Section by the Department beginning on the following July  
6 1 and on or before October 1 for administration and enforcement  
7 of the tax under this Section by the Department beginning on  
8 the following January 1. The Department of Revenue shall not  
9 administer or enforce any change made to the boundaries of a  
10 STAR bond district or any address change, addition, or deletion  
11 until the political subdivision reports the boundary change or  
12 address change, addition, or deletion to the Department in the  
13 manner prescribed by the Department. The political subdivision  
14 must provide this boundary change or address change, addition,  
15 or deletion information to the Department on or before April 1  
16 for administration and enforcement by the Department of the  
17 change, addition, or deletion beginning on the following July 1  
18 and on or before October 1 for administration and enforcement  
19 by the Department of the change, addition, or deletion  
20 beginning on the following January 1. The retailers in the STAR  
21 bond district shall be responsible for charging the tax imposed  
22 under this Section. If a retailer is incorrectly included or  
23 excluded from the list of those required to collect the tax  
24 under this Section, both the Department of Revenue and the  
25 retailer shall be held harmless if they reasonably relied on  
26 information provided by the political subdivision.

1           A political subdivision that imposes the tax under this  
2 Section must submit to the Department of Revenue any other  
3 information as the Department may require that is necessary for  
4 the administration and enforcement of the tax.

5           When certifying the amount of a monthly disbursement to a  
6 political subdivision under this Section, the Department shall  
7 increase or decrease the amount by an amount necessary to  
8 offset any misallocation of previous disbursements. The offset  
9 amount shall be the amount erroneously disbursed within the  
10 previous 6 months from the time a misallocation is discovered.

11           Nothing in this Section shall be construed to authorize the  
12 political subdivision to impose a tax upon the privilege of  
13 engaging in any business which under the Constitution of the  
14 United States may not be made the subject of taxation by this  
15 State.

16           (e) When STAR bond project costs, including, without  
17 limitation, all political subdivision obligations financing  
18 STAR bond project costs, have been paid, any surplus funds then  
19 remaining in the STAR Bonds Tax Allocation Fund shall be  
20 distributed to the treasurer of the political subdivision for  
21 deposit into the political subdivision's general corporate  
22 fund. Upon payment of all STAR bond project costs and  
23 retirement of obligations, but in no event later than the  
24 maximum maturity date of the last of the STAR bonds issued in  
25 the STAR bond district, the political subdivision shall adopt  
26 an ordinance immediately rescinding the taxes imposed pursuant

1 to this Section and file a certified copy of the ordinance with  
2 the Department in the form and manner as described in this  
3 Section.

4 (Source: P.A. 99-143, eff. 7-27-15.)

5 Section 105. The Counties Code is amended by changing  
6 Sections 5-1006, 5-1006.5, 5-1006.7, 5-1007, and 5-1008.5 as  
7 follows:

8 (55 ILCS 5/5-1006) (from Ch. 34, par. 5-1006)

9 Sec. 5-1006. Home Rule County Retailers' Occupation Tax  
10 Law. Any county that is a home rule unit may impose a tax upon  
11 all persons engaged in the business of selling tangible  
12 personal property, other than an item of tangible personal  
13 property titled or registered with an agency of this State's  
14 government, at retail in the county on the gross receipts from  
15 such sales made in the course of their business. If imposed,  
16 this tax shall only be imposed in 1/4% increments. On and after  
17 September 1, 1991, this additional tax may not be imposed on  
18 tangible personal property taxed at the 1% rate under the  
19 Retailers' Occupation Tax Act ~~the sales of food for human~~  
20 ~~consumption which is to be consumed off the premises where it~~  
21 ~~is sold (other than alcoholic beverages, soft drinks and food~~  
22 ~~which has been prepared for immediate consumption) and~~  
23 ~~prescription and nonprescription medicines, drugs, medical~~  
24 ~~appliances and insulin, urine testing materials, syringes and~~

1 ~~needles used by diabetics.~~ The tax imposed by a home rule  
2 county pursuant to this Section and all civil penalties that  
3 may be assessed as an incident thereof shall be collected and  
4 enforced by the State Department of Revenue. The certificate of  
5 registration that is issued by the Department to a retailer  
6 under the Retailers' Occupation Tax Act shall permit the  
7 retailer to engage in a business that is taxable under any  
8 ordinance or resolution enacted pursuant to this Section  
9 without registering separately with the Department under such  
10 ordinance or resolution or under this Section. The Department  
11 shall have full power to administer and enforce this Section;  
12 to collect all taxes and penalties due hereunder; to dispose of  
13 taxes and penalties so collected in the manner hereinafter  
14 provided; and to determine all rights to credit memoranda  
15 arising on account of the erroneous payment of tax or penalty  
16 hereunder. In the administration of, and compliance with, this  
17 Section, the Department and persons who are subject to this  
18 Section shall have the same rights, remedies, privileges,  
19 immunities, powers and duties, and be subject to the same  
20 conditions, restrictions, limitations, penalties and  
21 definitions of terms, and employ the same modes of procedure,  
22 as are prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j,  
23 1k, 1m, 1n, 2 through 2-65 (in respect to all provisions  
24 therein other than the State rate of tax), 4, 5, 5a, 5b, 5c,  
25 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9,  
26 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and



1 Section 3-7 of the Uniform Penalty and Interest Act, as fully  
2 as if those provisions were set forth herein.

3 No tax may be imposed by a home rule county pursuant to  
4 this Section unless the county also imposes a tax at the same  
5 rate pursuant to Section 5-1007.

6 Persons subject to any tax imposed pursuant to the  
7 authority granted in this Section may reimburse themselves for  
8 their seller's tax liability hereunder by separately stating  
9 such tax as an additional charge, which charge may be stated in  
10 combination, in a single amount, with State tax which sellers  
11 are required to collect under the Use Tax Act, pursuant to such  
12 bracket schedules as the Department may prescribe.

13 Whenever the Department determines that a refund should be  
14 made under this Section to a claimant instead of issuing a  
15 credit memorandum, the Department shall notify the State  
16 Comptroller, who shall cause the order to be drawn for the  
17 amount specified and to the person named in the notification  
18 from the Department. The refund shall be paid by the State  
19 Treasurer out of the home rule county retailers' occupation tax  
20 fund.

21 The Department shall forthwith pay over to the State  
22 Treasurer, ex officio, as trustee, all taxes and penalties  
23 collected hereunder.

24 As soon as possible after the first day of each month,  
25 beginning January 1, 2011, upon certification of the Department  
26 of Revenue, the Comptroller shall order transferred, and the

1 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
2 local sales tax increment, as defined in the Innovation  
3 Development and Economy Act, collected under this Section  
4 during the second preceding calendar month for sales within a  
5 STAR bond district.

6 After the monthly transfer to the STAR Bonds Revenue Fund,  
7 on or before the 25th day of each calendar month, the  
8 Department shall prepare and certify to the Comptroller the  
9 disbursement of stated sums of money to named counties, the  
10 counties to be those from which retailers have paid taxes or  
11 penalties hereunder to the Department during the second  
12 preceding calendar month. The amount to be paid to each county  
13 shall be the amount (not including credit memoranda) collected  
14 hereunder during the second preceding calendar month by the  
15 Department plus an amount the Department determines is  
16 necessary to offset any amounts that were erroneously paid to a  
17 different taxing body, and not including an amount equal to the  
18 amount of refunds made during the second preceding calendar  
19 month by the Department on behalf of such county, and not  
20 including any amount which the Department determines is  
21 necessary to offset any amounts which were payable to a  
22 different taxing body but were erroneously paid to the county,  
23 and not including any amounts that are transferred to the STAR  
24 Bonds Revenue Fund, less 2% of the remainder, which the  
25 Department shall transfer into the Tax Compliance and  
26 Administration Fund. The Department, at the time of each

1 monthly disbursement to the counties, shall prepare and certify  
2 to the State Comptroller the amount to be transferred into the  
3 Tax Compliance and Administration Fund under this Section.  
4 Within 10 days after receipt, by the Comptroller, of the  
5 disbursement certification to the counties and the Tax  
6 Compliance and Administration Fund provided for in this Section  
7 to be given to the Comptroller by the Department, the  
8 Comptroller shall cause the orders to be drawn for the  
9 respective amounts in accordance with the directions contained  
10 in the certification.

11 In addition to the disbursement required by the preceding  
12 paragraph, an allocation shall be made in March of each year to  
13 each county that received more than \$500,000 in disbursements  
14 under the preceding paragraph in the preceding calendar year.  
15 The allocation shall be in an amount equal to the average  
16 monthly distribution made to each such county under the  
17 preceding paragraph during the preceding calendar year  
18 (excluding the 2 months of highest receipts). The distribution  
19 made in March of each year subsequent to the year in which an  
20 allocation was made pursuant to this paragraph and the  
21 preceding paragraph shall be reduced by the amount allocated  
22 and disbursed under this paragraph in the preceding calendar  
23 year. The Department shall prepare and certify to the  
24 Comptroller for disbursement the allocations made in  
25 accordance with this paragraph.

26 For the purpose of determining the local governmental unit

1 whose tax is applicable, a retail sale by a producer of coal or  
2 other mineral mined in Illinois is a sale at retail at the  
3 place where the coal or other mineral mined in Illinois is  
4 extracted from the earth. This paragraph does not apply to coal  
5 or other mineral when it is delivered or shipped by the seller  
6 to the purchaser at a point outside Illinois so that the sale  
7 is exempt under the United States Constitution as a sale in  
8 interstate or foreign commerce.

9 Nothing in this Section shall be construed to authorize a  
10 county to impose a tax upon the privilege of engaging in any  
11 business which under the Constitution of the United States may  
12 not be made the subject of taxation by this State.

13 An ordinance or resolution imposing or discontinuing a tax  
14 hereunder or effecting a change in the rate thereof shall be  
15 adopted and a certified copy thereof filed with the Department  
16 on or before the first day of June, whereupon the Department  
17 shall proceed to administer and enforce this Section as of the  
18 first day of September next following such adoption and filing.  
19 Beginning January 1, 1992, an ordinance or resolution imposing  
20 or discontinuing the tax hereunder or effecting a change in the  
21 rate thereof shall be adopted and a certified copy thereof  
22 filed with the Department on or before the first day of July,  
23 whereupon the Department shall proceed to administer and  
24 enforce this Section as of the first day of October next  
25 following such adoption and filing. Beginning January 1, 1993,  
26 an ordinance or resolution imposing or discontinuing the tax

1 hereunder or effecting a change in the rate thereof shall be  
2 adopted and a certified copy thereof filed with the Department  
3 on or before the first day of October, whereupon the Department  
4 shall proceed to administer and enforce this Section as of the  
5 first day of January next following such adoption and filing.  
6 Beginning April 1, 1998, an ordinance or resolution imposing or  
7 discontinuing the tax hereunder or effecting a change in the  
8 rate thereof shall either (i) be adopted and a certified copy  
9 thereof filed with the Department on or before the first day of  
10 April, whereupon the Department shall proceed to administer and  
11 enforce this Section as of the first day of July next following  
12 the adoption and filing; or (ii) be adopted and a certified  
13 copy thereof filed with the Department on or before the first  
14 day of October, whereupon the Department shall proceed to  
15 administer and enforce this Section as of the first day of  
16 January next following the adoption and filing.

17 When certifying the amount of a monthly disbursement to a  
18 county under this Section, the Department shall increase or  
19 decrease such amount by an amount necessary to offset any  
20 misallocation of previous disbursements. The offset amount  
21 shall be the amount erroneously disbursed within the previous 6  
22 months from the time a misallocation is discovered.

23 This Section shall be known and may be cited as the Home  
24 Rule County Retailers' Occupation Tax Law.

25 (Source: P.A. 99-217, eff. 7-31-15; 100-23, eff. 7-6-17.)

1 (55 ILCS 5/5-1006.5)

2 Sec. 5-1006.5. Special County Retailers' Occupation Tax  
3 For Public Safety, Public Facilities, or Transportation.

4 (a) The county board of any county may impose a tax upon  
5 all persons engaged in the business of selling tangible  
6 personal property, other than personal property titled or  
7 registered with an agency of this State's government, at retail  
8 in the county on the gross receipts from the sales made in the  
9 course of business to provide revenue to be used exclusively  
10 for public safety, public facility, or transportation purposes  
11 in that county, if a proposition for the tax has been submitted  
12 to the electors of that county and approved by a majority of  
13 those voting on the question. If imposed, this tax shall be  
14 imposed only in one-quarter percent increments. By resolution,  
15 the county board may order the proposition to be submitted at  
16 any election. If the tax is imposed for transportation purposes  
17 for expenditures for public highways or as authorized under the  
18 Illinois Highway Code, the county board must publish notice of  
19 the existence of its long-range highway transportation plan as  
20 required or described in Section 5-301 of the Illinois Highway  
21 Code and must make the plan publicly available prior to  
22 approval of the ordinance or resolution imposing the tax. If  
23 the tax is imposed for transportation purposes for expenditures  
24 for passenger rail transportation, the county board must  
25 publish notice of the existence of its long-range passenger  
26 rail transportation plan and must make the plan publicly

1 available prior to approval of the ordinance or resolution  
2 imposing the tax.

3 If a tax is imposed for public facilities purposes, then  
4 the name of the project may be included in the proposition at  
5 the discretion of the county board as determined in the  
6 enabling resolution. For example, the "XXX Nursing Home" or the  
7 "YYY Museum".

8 The county clerk shall certify the question to the proper  
9 election authority, who shall submit the proposition at an  
10 election in accordance with the general election law.

11 (1) The proposition for public safety purposes shall be  
12 in substantially the following form:

13 "To pay for public safety purposes, shall (name of  
14 county) be authorized to impose an increase on its share of  
15 local sales taxes by (insert rate)?"

16 As additional information on the ballot below the  
17 question shall appear the following:

18 "This would mean that a consumer would pay an  
19 additional (insert amount) in sales tax for every \$100 of  
20 tangible personal property bought at retail."

21 The county board may also opt to establish a sunset  
22 provision at which time the additional sales tax would  
23 cease being collected, if not terminated earlier by a vote  
24 of the county board. If the county board votes to include a  
25 sunset provision, the proposition for public safety  
26 purposes shall be in substantially the following form:

1            "To pay for public safety purposes, shall (name of  
2 county) be authorized to impose an increase on its share of  
3 local sales taxes by (insert rate) for a period not to  
4 exceed (insert number of years)?"

5            As additional information on the ballot below the  
6 question shall appear the following:

7            "This would mean that a consumer would pay an  
8 additional (insert amount) in sales tax for every \$100 of  
9 tangible personal property bought at retail. If imposed,  
10 the additional tax would cease being collected at the end  
11 of (insert number of years), if not terminated earlier by a  
12 vote of the county board."

13            For the purposes of the paragraph, "public safety  
14 purposes" means crime prevention, detention, fire  
15 fighting, police, medical, ambulance, or other emergency  
16 services.

17            Votes shall be recorded as "Yes" or "No".

18            Beginning on the January 1 or July 1, whichever is  
19 first, that occurs not less than 30 days after May 31, 2015  
20 (the effective date of Public Act 99-4), Adams County may  
21 impose a public safety retailers' occupation tax and  
22 service occupation tax at the rate of 0.25%, as provided in  
23 the referendum approved by the voters on April 7, 2015,  
24 notwithstanding the omission of the additional information  
25 that is otherwise required to be printed on the ballot  
26 below the question pursuant to this item (1).



1           (2) The proposition for transportation purposes shall  
2 be in substantially the following form:

3           "To pay for improvements to roads and other  
4 transportation purposes, shall (name of county) be  
5 authorized to impose an increase on its share of local  
6 sales taxes by (insert rate)?"

7           As additional information on the ballot below the  
8 question shall appear the following:

9           "This would mean that a consumer would pay an  
10 additional (insert amount) in sales tax for every \$100 of  
11 tangible personal property bought at retail."

12           The county board may also opt to establish a sunset  
13 provision at which time the additional sales tax would  
14 cease being collected, if not terminated earlier by a vote  
15 of the county board. If the county board votes to include a  
16 sunset provision, the proposition for transportation  
17 purposes shall be in substantially the following form:

18           "To pay for road improvements and other transportation  
19 purposes, shall (name of county) be authorized to impose an  
20 increase on its share of local sales taxes by (insert rate)  
21 for a period not to exceed (insert number of years)?"

22           As additional information on the ballot below the  
23 question shall appear the following:

24           "This would mean that a consumer would pay an  
25 additional (insert amount) in sales tax for every \$100 of  
26 tangible personal property bought at retail. If imposed,

1 the additional tax would cease being collected at the end  
2 of (insert number of years), if not terminated earlier by a  
3 vote of the county board."

4 For the purposes of this paragraph, transportation  
5 purposes means construction, maintenance, operation, and  
6 improvement of public highways, any other purpose for which  
7 a county may expend funds under the Illinois Highway Code,  
8 and passenger rail transportation.

9 The votes shall be recorded as "Yes" or "No".

10 (3) The proposition for public facilities purposes  
11 shall be in substantially the following form:

12 "To pay for public facilities purposes, shall (name of  
13 county) be authorized to impose an increase on its share of  
14 local sales taxes by (insert rate)?"

15 As additional information on the ballot below the  
16 question shall appear the following:

17 "This would mean that a consumer would pay an  
18 additional (insert amount) in sales tax for every \$100 of  
19 tangible personal property bought at retail."

20 The county board may also opt to establish a sunset  
21 provision at which time the additional sales tax would  
22 cease being collected, if not terminated earlier by a vote  
23 of the county board. If the county board votes to include a  
24 sunset provision, the proposition for public facilities  
25 purposes shall be in substantially the following form:

26 "To pay for public facilities purposes, shall (name of

1 county) be authorized to impose an increase on its share of  
2 local sales taxes by (insert rate) for a period not to  
3 exceed (insert number of years)?"

4 As additional information on the ballot below the  
5 question shall appear the following:

6 "This would mean that a consumer would pay an  
7 additional (insert amount) in sales tax for every \$100 of  
8 tangible personal property bought at retail. If imposed,  
9 the additional tax would cease being collected at the end  
10 of (insert number of years), if not terminated earlier by a  
11 vote of the county board."

12 For purposes of this Section, "public facilities  
13 purposes" means the acquisition, development,  
14 construction, reconstruction, rehabilitation, improvement,  
15 financing, architectural planning, and installation of  
16 capital facilities consisting of buildings, structures,  
17 and durable equipment and for the acquisition and  
18 improvement of real property and interest in real property  
19 required, or expected to be required, in connection with  
20 the public facilities, for use by the county for the  
21 furnishing of governmental services to its citizens,  
22 including but not limited to museums and nursing homes.

23 The votes shall be recorded as "Yes" or "No".

24 If a majority of the electors voting on the proposition  
25 vote in favor of it, the county may impose the tax. A county  
26 may not submit more than one proposition authorized by this

1 Section to the electors at any one time.

2 This additional tax may not be imposed on tangible personal  
3 property taxed at the 1% rate under the Retailers' Occupation  
4 Tax Act ~~the sales of food for human consumption that is to be~~  
5 ~~consumed off the premises where it is sold (other than~~  
6 ~~alcoholic beverages, soft drinks, and food which has been~~  
7 ~~prepared for immediate consumption) and prescription and~~  
8 ~~non-prescription medicines, drugs, medical appliances and~~  
9 ~~insulin, urine testing materials, syringes, and needles used by~~  
10 ~~diabetics~~. The tax imposed by a county under this Section and  
11 all civil penalties that may be assessed as an incident of the  
12 tax shall be collected and enforced by the Illinois Department  
13 of Revenue and deposited into a special fund created for that  
14 purpose. The certificate of registration that is issued by the  
15 Department to a retailer under the Retailers' Occupation Tax  
16 Act shall permit the retailer to engage in a business that is  
17 taxable without registering separately with the Department  
18 under an ordinance or resolution under this Section. The  
19 Department has full power to administer and enforce this  
20 Section, to collect all taxes and penalties due under this  
21 Section, to dispose of taxes and penalties so collected in the  
22 manner provided in this Section, and to determine all rights to  
23 credit memoranda arising on account of the erroneous payment of  
24 a tax or penalty under this Section. In the administration of  
25 and compliance with this Section, the Department and persons  
26 who are subject to this Section shall (i) have the same rights,

1 remedies, privileges, immunities, powers, and duties, (ii) be  
2 subject to the same conditions, restrictions, limitations,  
3 penalties, and definitions of terms, and (iii) employ the same  
4 modes of procedure as are prescribed in Sections 1, 1a, 1a-1,  
5 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2 through 2-70 (in respect to  
6 all provisions contained in those Sections other than the State  
7 rate of tax), 2a, 2b, 2c, 3 (except provisions relating to  
8 transaction returns and quarter monthly payments), 4, 5, 5a,  
9 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d,  
10 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation  
11 Tax Act and Section 3-7 of the Uniform Penalty and Interest Act  
12 as if those provisions were set forth in this Section.

13 Persons subject to any tax imposed under the authority  
14 granted in this Section may reimburse themselves for their  
15 sellers' tax liability by separately stating the tax as an  
16 additional charge, which charge may be stated in combination,  
17 in a single amount, with State tax which sellers are required  
18 to collect under the Use Tax Act, pursuant to such bracketed  
19 schedules as the Department may prescribe.

20 Whenever the Department determines that a refund should be  
21 made under this Section to a claimant instead of issuing a  
22 credit memorandum, the Department shall notify the State  
23 Comptroller, who shall cause the order to be drawn for the  
24 amount specified and to the person named in the notification  
25 from the Department. The refund shall be paid by the State  
26 Treasurer out of the County Public Safety or Transportation

1 Retailers' Occupation Tax Fund.

2 (b) If a tax has been imposed under subsection (a), a  
3 service occupation tax shall also be imposed at the same rate  
4 upon all persons engaged, in the county, in the business of  
5 making sales of service, who, as an incident to making those  
6 sales of service, transfer tangible personal property within  
7 the county as an incident to a sale of service. This tax may  
8 not be imposed on tangible personal property taxed at the 1%  
9 rate under the Service Occupation Tax Act ~~sales of food for~~  
10 ~~human consumption that is to be consumed off the premises where~~  
11 ~~it is sold (other than alcoholic beverages, soft drinks, and~~  
12 ~~food prepared for immediate consumption) and prescription and~~  
13 ~~non-prescription medicines, drugs, medical appliances and~~  
14 ~~insulin, urine testing materials, syringes, and needles used by~~  
15 ~~diabetics~~. The tax imposed under this subsection and all civil  
16 penalties that may be assessed as an incident thereof shall be  
17 collected and enforced by the Department of Revenue. The  
18 Department has full power to administer and enforce this  
19 subsection; to collect all taxes and penalties due hereunder;  
20 to dispose of taxes and penalties so collected in the manner  
21 hereinafter provided; and to determine all rights to credit  
22 memoranda arising on account of the erroneous payment of tax or  
23 penalty hereunder. In the administration of, and compliance  
24 with this subsection, the Department and persons who are  
25 subject to this paragraph shall (i) have the same rights,  
26 remedies, privileges, immunities, powers, and duties, (ii) be

1 subject to the same conditions, restrictions, limitations,  
2 penalties, exclusions, exemptions, and definitions of terms,  
3 and (iii) employ the same modes of procedure as are prescribed  
4 in Sections 2 (except that the reference to State in the  
5 definition of supplier maintaining a place of business in this  
6 State shall mean the county), 2a, 2b, 2c, 3 through 3-50 (in  
7 respect to all provisions therein other than the State rate of  
8 tax), 4 (except that the reference to the State shall be to the  
9 county), 5, 7, 8 (except that the jurisdiction to which the tax  
10 shall be a debt to the extent indicated in that Section 8 shall  
11 be the county), 9 (except as to the disposition of taxes and  
12 penalties collected), 10, 11, 12 (except the reference therein  
13 to Section 2b of the Retailers' Occupation Tax Act), 13 (except  
14 that any reference to the State shall mean the county), Section  
15 15, 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and  
16 Section 3-7 of the Uniform Penalty and Interest Act, as fully  
17 as if those provisions were set forth herein.

18 Persons subject to any tax imposed under the authority  
19 granted in this subsection may reimburse themselves for their  
20 serviceman's tax liability by separately stating the tax as an  
21 additional charge, which charge may be stated in combination,  
22 in a single amount, with State tax that servicemen are  
23 authorized to collect under the Service Use Tax Act, in  
24 accordance with such bracket schedules as the Department may  
25 prescribe.

26 Whenever the Department determines that a refund should be

1 made under this subsection to a claimant instead of issuing a  
2 credit memorandum, the Department shall notify the State  
3 Comptroller, who shall cause the warrant to be drawn for the  
4 amount specified, and to the person named, in the notification  
5 from the Department. The refund shall be paid by the State  
6 Treasurer out of the County Public Safety or Transportation  
7 Retailers' Occupation Fund.

8 Nothing in this subsection shall be construed to authorize  
9 the county to impose a tax upon the privilege of engaging in  
10 any business which under the Constitution of the United States  
11 may not be made the subject of taxation by the State.

12 (c) The Department shall immediately pay over to the State  
13 Treasurer, ex officio, as trustee, all taxes and penalties  
14 collected under this Section to be deposited into the County  
15 Public Safety or Transportation Retailers' Occupation Tax  
16 Fund, which shall be an unappropriated trust fund held outside  
17 of the State treasury.

18 As soon as possible after the first day of each month,  
19 beginning January 1, 2011, upon certification of the Department  
20 of Revenue, the Comptroller shall order transferred, and the  
21 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
22 local sales tax increment, as defined in the Innovation  
23 Development and Economy Act, collected under this Section  
24 during the second preceding calendar month for sales within a  
25 STAR bond district.

26 After the monthly transfer to the STAR Bonds Revenue Fund,



1 on or before the 25th day of each calendar month, the  
2 Department shall prepare and certify to the Comptroller the  
3 disbursement of stated sums of money to the counties from which  
4 retailers have paid taxes or penalties to the Department during  
5 the second preceding calendar month. The amount to be paid to  
6 each county, and deposited by the county into its special fund  
7 created for the purposes of this Section, shall be the amount  
8 (not including credit memoranda) collected under this Section  
9 during the second preceding calendar month by the Department  
10 plus an amount the Department determines is necessary to offset  
11 any amounts that were erroneously paid to a different taxing  
12 body, and not including (i) an amount equal to the amount of  
13 refunds made during the second preceding calendar month by the  
14 Department on behalf of the county, (ii) any amount that the  
15 Department determines is necessary to offset any amounts that  
16 were payable to a different taxing body but were erroneously  
17 paid to the county, (iii) any amounts that are transferred to  
18 the STAR Bonds Revenue Fund, and (iv) 2% of the remainder,  
19 which shall be transferred into the Tax Compliance and  
20 Administration Fund. The Department, at the time of each  
21 monthly disbursement to the counties, shall prepare and certify  
22 to the State Comptroller the amount to be transferred into the  
23 Tax Compliance and Administration Fund under this subsection.  
24 Within 10 days after receipt by the Comptroller of the  
25 disbursement certification to the counties and the Tax  
26 Compliance and Administration Fund provided for in this Section

1 to be given to the Comptroller by the Department, the  
2 Comptroller shall cause the orders to be drawn for the  
3 respective amounts in accordance with directions contained in  
4 the certification.

5 In addition to the disbursement required by the preceding  
6 paragraph, an allocation shall be made in March of each year to  
7 each county that received more than \$500,000 in disbursements  
8 under the preceding paragraph in the preceding calendar year.  
9 The allocation shall be in an amount equal to the average  
10 monthly distribution made to each such county under the  
11 preceding paragraph during the preceding calendar year  
12 (excluding the 2 months of highest receipts). The distribution  
13 made in March of each year subsequent to the year in which an  
14 allocation was made pursuant to this paragraph and the  
15 preceding paragraph shall be reduced by the amount allocated  
16 and disbursed under this paragraph in the preceding calendar  
17 year. The Department shall prepare and certify to the  
18 Comptroller for disbursement the allocations made in  
19 accordance with this paragraph.

20 A county may direct, by ordinance, that all or a portion of  
21 the taxes and penalties collected under the Special County  
22 Retailers' Occupation Tax For Public Safety or Transportation  
23 be deposited into the Transportation Development Partnership  
24 Trust Fund.

25 (d) For the purpose of determining the local governmental  
26 unit whose tax is applicable, a retail sale by a producer of

1 coal or another mineral mined in Illinois is a sale at retail  
2 at the place where the coal or other mineral mined in Illinois  
3 is extracted from the earth. This paragraph does not apply to  
4 coal or another mineral when it is delivered or shipped by the  
5 seller to the purchaser at a point outside Illinois so that the  
6 sale is exempt under the United States Constitution as a sale  
7 in interstate or foreign commerce.

8 (e) Nothing in this Section shall be construed to authorize  
9 a county to impose a tax upon the privilege of engaging in any  
10 business that under the Constitution of the United States may  
11 not be made the subject of taxation by this State.

12 (e-5) If a county imposes a tax under this Section, the  
13 county board may, by ordinance, discontinue or lower the rate  
14 of the tax. If the county board lowers the tax rate or  
15 discontinues the tax, a referendum must be held in accordance  
16 with subsection (a) of this Section in order to increase the  
17 rate of the tax or to reimpose the discontinued tax.

18 (f) Beginning April 1, 1998 and through December 31, 2013,  
19 the results of any election authorizing a proposition to impose  
20 a tax under this Section or effecting a change in the rate of  
21 tax, or any ordinance lowering the rate or discontinuing the  
22 tax, shall be certified by the county clerk and filed with the  
23 Illinois Department of Revenue either (i) on or before the  
24 first day of April, whereupon the Department shall proceed to  
25 administer and enforce the tax as of the first day of July next  
26 following the filing; or (ii) on or before the first day of

1     October, whereupon the Department shall proceed to administer  
2     and enforce the tax as of the first day of January next  
3     following the filing.

4             Beginning January 1, 2014, the results of any election  
5     authorizing a proposition to impose a tax under this Section or  
6     effecting an increase in the rate of tax, along with the  
7     ordinance adopted to impose the tax or increase the rate of the  
8     tax, or any ordinance adopted to lower the rate or discontinue  
9     the tax, shall be certified by the county clerk and filed with  
10    the Illinois Department of Revenue either (i) on or before the  
11    first day of May, whereupon the Department shall proceed to  
12    administer and enforce the tax as of the first day of July next  
13    following the adoption and filing; or (ii) on or before the  
14    first day of October, whereupon the Department shall proceed to  
15    administer and enforce the tax as of the first day of January  
16    next following the adoption and filing.

17            (g) When certifying the amount of a monthly disbursement to  
18    a county under this Section, the Department shall increase or  
19    decrease the amounts by an amount necessary to offset any  
20    miscalculation of previous disbursements. The offset amount  
21    shall be the amount erroneously disbursed within the previous 6  
22    months from the time a miscalculation is discovered.

23            (h) This Section may be cited as the "Special County  
24    Occupation Tax For Public Safety, Public Facilities, or  
25    Transportation Law".

26            (i) For purposes of this Section, "public safety" includes,

1 but is not limited to, crime prevention, detention, fire  
2 fighting, police, medical, ambulance, or other emergency  
3 services. The county may share tax proceeds received under this  
4 Section for public safety purposes, including proceeds  
5 received before August 4, 2009 (the effective date of Public  
6 Act 96-124), with any fire protection district located in the  
7 county. For the purposes of this Section, "transportation"  
8 includes, but is not limited to, the construction, maintenance,  
9 operation, and improvement of public highways, any other  
10 purpose for which a county may expend funds under the Illinois  
11 Highway Code, and passenger rail transportation. For the  
12 purposes of this Section, "public facilities purposes"  
13 includes, but is not limited to, the acquisition, development,  
14 construction, reconstruction, rehabilitation, improvement,  
15 financing, architectural planning, and installation of capital  
16 facilities consisting of buildings, structures, and durable  
17 equipment and for the acquisition and improvement of real  
18 property and interest in real property required, or expected to  
19 be required, in connection with the public facilities, for use  
20 by the county for the furnishing of governmental services to  
21 its citizens, including but not limited to museums and nursing  
22 homes.

23 (j) The Department may promulgate rules to implement Public  
24 Act 95-1002 only to the extent necessary to apply the existing  
25 rules for the Special County Retailers' Occupation Tax for  
26 Public Safety to this new purpose for public facilities.

1 (Source: P.A. 99-4, eff. 5-31-15; 99-217, eff. 7-31-15; 99-642,  
2 eff. 7-28-16; 100-23, eff. 7-6-17.)

3 (55 ILCS 5/5-1006.7)

4 Sec. 5-1006.7. School facility occupation taxes.

5 (a) In any county, a tax shall be imposed upon all persons  
6 engaged in the business of selling tangible personal property,  
7 other than personal property titled or registered with an  
8 agency of this State's government, at retail in the county on  
9 the gross receipts from the sales made in the course of  
10 business to provide revenue to be used exclusively for school  
11 facility purposes if a proposition for the tax has been  
12 submitted to the electors of that county and approved by a  
13 majority of those voting on the question as provided in  
14 subsection (c). The tax under this Section shall be imposed  
15 only in one-quarter percent increments and may not exceed 1%.

16 This additional tax may not be imposed on tangible personal  
17 property taxed at the 1% rate under the Retailers' Occupation  
18 Tax Act ~~the sale of 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 ~~non-prescription medicines, drugs, medical appliances and~~  
23 ~~insulin, urine testing materials, syringes and needles used by~~  
24 ~~diabetics~~. The Department of Revenue has full power to  
25 administer and enforce this subsection, to collect all taxes

1 and penalties due under this subsection, to dispose of taxes  
2 and penalties so collected in the manner provided in this  
3 subsection, and to determine all rights to credit memoranda  
4 arising on account of the erroneous payment of a tax or penalty  
5 under this subsection. The Department shall deposit all taxes  
6 and penalties collected under this subsection into a special  
7 fund created for that purpose.

8 In the administration of and compliance with this  
9 subsection, the Department and persons who are subject to this  
10 subsection (i) have the same rights, remedies, privileges,  
11 immunities, powers, and duties, (ii) are subject to the same  
12 conditions, restrictions, limitations, penalties, and  
13 definitions of terms, and (iii) shall employ the same modes of  
14 procedure as are set forth in Sections 1 through 1o, 2 through  
15 2-70 (in respect to all provisions contained in those Sections  
16 other than the State rate of tax), 2a through 2h, 3 (except as  
17 to the disposition of taxes and penalties collected), 4, 5, 5a,  
18 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d,  
19 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation  
20 Tax Act and all provisions of the Uniform Penalty and Interest  
21 Act as if those provisions were set forth in this subsection.

22 The certificate of registration that is issued by the  
23 Department to a retailer under the Retailers' Occupation Tax  
24 Act permits the retailer to engage in a business that is  
25 taxable without registering separately with the Department  
26 under an ordinance or resolution under this subsection.

1           Persons subject to any tax imposed under the authority  
2 granted in this subsection may reimburse themselves for their  
3 seller's tax liability by separately stating that tax as an  
4 additional charge, which may be stated in combination, in a  
5 single amount, with State tax that sellers are required to  
6 collect under the Use Tax Act, pursuant to any bracketed  
7 schedules set forth by the Department.

8           (b) If a tax has been imposed under subsection (a), then a  
9 service occupation tax must also be imposed at the same rate  
10 upon all persons engaged, in the county, in the business of  
11 making sales of service, who, as an incident to making those  
12 sales of service, transfer tangible personal property within  
13 the county as an incident to a sale of service.

14           This tax may not be imposed on tangible personal property  
15 taxed at the 1% rate under the Service Occupation Tax Act ~~sales~~  
16 ~~of food for human consumption that is to be consumed off the~~  
17 ~~premises where it is sold (other than alcoholic beverages, soft~~  
18 ~~drinks, and food prepared for immediate consumption) and~~  
19 ~~prescription and non-prescription medicines, drugs, medical~~  
20 ~~appliances and insulin, urine testing materials, syringes, and~~  
21 ~~needles used by diabetics.~~

22           The tax imposed under this subsection and all civil  
23 penalties that may be assessed as an incident thereof shall be  
24 collected and enforced by the Department and deposited into a  
25 special fund created for that purpose. The Department has full  
26 power to administer and enforce this subsection, to collect all



1 taxes and penalties due under this subsection, to dispose of  
2 taxes and penalties so collected in the manner provided in this  
3 subsection, and to determine all rights to credit memoranda  
4 arising on account of the erroneous payment of a tax or penalty  
5 under this subsection.

6 In the administration of and compliance with this  
7 subsection, the Department and persons who are subject to this  
8 subsection shall (i) have the same rights, remedies,  
9 privileges, immunities, powers and duties, (ii) be subject to  
10 the same conditions, restrictions, limitations, penalties and  
11 definition of terms, and (iii) employ the same modes of  
12 procedure as are set forth in Sections 2 (except that that  
13 reference to State in the definition of supplier maintaining a  
14 place of business in this State means the county), 2a through  
15 2d, 3 through 3-50 (in respect to all provisions contained in  
16 those Sections other than the State rate of tax), 4 (except  
17 that the reference to the State shall be to the county), 5, 7,  
18 8 (except that the jurisdiction to which the tax is a debt to  
19 the extent indicated in that Section 8 is the county), 9  
20 (except as to the disposition of taxes and penalties  
21 collected), 10, 11, 12 (except the reference therein to Section  
22 2b of the Retailers' Occupation Tax Act), 13 (except that any  
23 reference to the State means the county), Section 15, 16, 17,  
24 18, 19, and 20 of the Service Occupation Tax Act and all  
25 provisions of the Uniform Penalty and Interest Act, as fully as  
26 if those provisions were set forth herein.

1           Persons subject to any tax imposed under the authority  
2 granted in this subsection may reimburse themselves for their  
3 serviceman's tax liability by separately stating the tax as an  
4 additional charge, which may be stated in combination, in a  
5 single amount, with State tax that servicemen are authorized to  
6 collect under the Service Use Tax Act, pursuant to any  
7 bracketed schedules set forth by the Department.

8           (c) The tax under this Section may not be imposed until the  
9 question of imposing the tax has been submitted to the electors  
10 of the county at a regular election and approved by a majority  
11 of the electors voting on the question. For all regular  
12 elections held prior to August 23, 2011 (the effective date of  
13 Public Act 97-542), upon a resolution by the county board or a  
14 resolution by school district boards that represent at least  
15 51% of the student enrollment within the county, the county  
16 board must certify the question to the proper election  
17 authority in accordance with the Election Code.

18           For all regular elections held prior to August 23, 2011  
19 (the effective date of Public Act 97-542), the election  
20 authority must submit the question in substantially the  
21 following form:

22           Shall (name of county) be authorized to impose a  
23 retailers' occupation tax and a service occupation tax  
24 (commonly referred to as a "sales tax") at a rate of  
25 (insert rate) to be used exclusively for school facility  
26 purposes?

1 The election authority must record the votes as "Yes" or "No".

2 If a majority of the electors voting on the question vote  
3 in the affirmative, then the county may, thereafter, impose the  
4 tax.

5 For all regular elections held on or after August 23, 2011  
6 (the effective date of Public Act 97-542), the regional  
7 superintendent of schools for the county must, upon receipt of  
8 a resolution or resolutions of school district boards that  
9 represent more than 50% of the student enrollment within the  
10 county, certify the question to the proper election authority  
11 for submission to the electors of the county at the next  
12 regular election at which the question lawfully may be  
13 submitted to the electors, all in accordance with the Election  
14 Code.

15 For all regular elections held on or after August 23, 2011  
16 (the effective date of Public Act 97-542), the election  
17 authority must submit the question in substantially the  
18 following form:

19 Shall a retailers' occupation tax and a service  
20 occupation tax (commonly referred to as a "sales tax") be  
21 imposed in (name of county) at a rate of (insert rate) to  
22 be used exclusively for school facility purposes?

23 The election authority must record the votes as "Yes" or "No".

24 If a majority of the electors voting on the question vote  
25 in the affirmative, then the tax shall be imposed at the rate  
26 set forth in the question.

1           For the purposes of this subsection (c), "enrollment" means  
2 the head count of the students residing in the county on the  
3 last school day of September of each year, which must be  
4 reported on the Illinois State Board of Education Public School  
5 Fall Enrollment/Housing Report.

6           (d) The Department shall immediately pay over to the State  
7 Treasurer, ex officio, as trustee, all taxes and penalties  
8 collected under this Section to be deposited into the School  
9 Facility Occupation Tax Fund, which shall be an unappropriated  
10 trust fund held outside the State treasury.

11           On or before the 25th day of each calendar month, the  
12 Department shall prepare and certify to the Comptroller the  
13 disbursement of stated sums of money to the regional  
14 superintendents of schools in counties from which retailers or  
15 servicemen have paid taxes or penalties to the Department  
16 during the second preceding calendar month. The amount to be  
17 paid to each regional superintendent of schools and disbursed  
18 to him or her in accordance with Section 3-14.31 of the School  
19 Code, is equal to the amount (not including credit memoranda)  
20 collected from the county under this Section during the second  
21 preceding calendar month by the Department, (i) less 2% of that  
22 amount, which shall be deposited into the Tax Compliance and  
23 Administration Fund and shall be used by the Department,  
24 subject to appropriation, to cover the costs of the Department  
25 in administering and enforcing the provisions of this Section,  
26 on behalf of the county, (ii) plus an amount that the

1 Department determines is necessary to offset any amounts that  
2 were erroneously paid to a different taxing body; (iii) less an  
3 amount equal to the amount of refunds made during the second  
4 preceding calendar month by the Department on behalf of the  
5 county; and (iv) less any amount that the Department determines  
6 is necessary to offset any amounts that were payable to a  
7 different taxing body but were erroneously paid to the county.  
8 When certifying the amount of a monthly disbursement to a  
9 regional superintendent of schools under this Section, the  
10 Department shall increase or decrease the amounts by an amount  
11 necessary to offset any miscalculation of previous  
12 disbursements within the previous 6 months from the time a  
13 miscalculation is discovered.

14 Within 10 days after receipt by the Comptroller from the  
15 Department of the disbursement certification to the regional  
16 superintendents of the schools provided for in this Section,  
17 the Comptroller shall cause the orders to be drawn for the  
18 respective amounts in accordance with directions contained in  
19 the certification.

20 If the Department determines that a refund should be made  
21 under this Section to a claimant instead of issuing a credit  
22 memorandum, then the Department shall notify the Comptroller,  
23 who shall cause the order to be drawn for the amount specified  
24 and to the person named in the notification from the  
25 Department. The refund shall be paid by the Treasurer out of  
26 the School Facility Occupation Tax Fund.

1           (e) For the purposes of determining the local governmental  
2 unit whose tax is applicable, a retail sale by a producer of  
3 coal or another mineral mined in Illinois is a sale at retail  
4 at the place where the coal or other mineral mined in Illinois  
5 is extracted from the earth. This subsection does not apply to  
6 coal or another mineral when it is delivered or shipped by the  
7 seller to the purchaser at a point outside Illinois so that the  
8 sale is exempt under the United States Constitution as a sale  
9 in interstate or foreign commerce.

10           (f) Nothing in this Section may be construed to authorize a  
11 tax to be imposed upon the privilege of engaging in any  
12 business that under the Constitution of the United States may  
13 not be made the subject of taxation by this State.

14           (g) If a county board imposes a tax under this Section  
15 pursuant to a referendum held before August 23, 2011 (the  
16 effective date of Public Act 97-542) at a rate below the rate  
17 set forth in the question approved by a majority of electors of  
18 that county voting on the question as provided in subsection  
19 (c), then the county board may, by ordinance, increase the rate  
20 of the tax up to the rate set forth in the question approved by  
21 a majority of electors of that county voting on the question as  
22 provided in subsection (c). If a county board imposes a tax  
23 under this Section pursuant to a referendum held before August  
24 23, 2011 (the effective date of Public Act 97-542), then the  
25 board may, by ordinance, discontinue or reduce the rate of the  
26 tax. If a tax is imposed under this Section pursuant to a

1 referendum held on or after August 23, 2011 (the effective date  
2 of Public Act 97-542), then the county board may reduce or  
3 discontinue the tax, but only in accordance with subsection  
4 (h-5) of this Section. If, however, a school board issues bonds  
5 that are secured by the proceeds of the tax under this Section,  
6 then the county board may not reduce the tax rate or  
7 discontinue the tax if that rate reduction or discontinuance  
8 would adversely affect the school board's ability to pay the  
9 principal and interest on those bonds as they become due or  
10 necessitate the extension of additional property taxes to pay  
11 the principal and interest on those bonds. If the county board  
12 reduces the tax rate or discontinues the tax, then a referendum  
13 must be held in accordance with subsection (c) of this Section  
14 in order to increase the rate of the tax or to reimpose the  
15 discontinued tax.

16       Until January 1, 2014, the results of any election that  
17 imposes, reduces, or discontinues a tax under this Section must  
18 be certified by the election authority, and any ordinance that  
19 increases or lowers the rate or discontinues the tax must be  
20 certified by the county clerk and, in each case, filed with the  
21 Illinois Department of Revenue either (i) on or before the  
22 first day of April, whereupon the Department shall proceed to  
23 administer and enforce the tax or change in the rate as of the  
24 first day of July next following the filing; or (ii) on or  
25 before the first day of October, whereupon the Department shall  
26 proceed to administer and enforce the tax or change in the rate

1 as of the first day of January next following the filing.

2 Beginning January 1, 2014, the results of any election that  
3 imposes, reduces, or discontinues a tax under this Section must  
4 be certified by the election authority, and any ordinance that  
5 increases or lowers the rate or discontinues the tax must be  
6 certified by the county clerk and, in each case, filed with the  
7 Illinois Department of Revenue either (i) on or before the  
8 first day of May, whereupon the Department shall proceed to  
9 administer and enforce the tax or change in the rate as of the  
10 first day of July next following the filing; or (ii) on or  
11 before the first day of October, whereupon the Department shall  
12 proceed to administer and enforce the tax or change in the rate  
13 as of the first day of January next following the filing.

14 (h) For purposes of this Section, "school facility  
15 purposes" means (i) the acquisition, development,  
16 construction, reconstruction, rehabilitation, improvement,  
17 financing, architectural planning, and installation of capital  
18 facilities consisting of buildings, structures, and durable  
19 equipment and for the acquisition and improvement of real  
20 property and interest in real property required, or expected to  
21 be required, in connection with the capital facilities and (ii)  
22 the payment of bonds or other obligations heretofore or  
23 hereafter issued, including bonds or other obligations  
24 heretofore or hereafter issued to refund or to continue to  
25 refund bonds or other obligations issued, for school facility  
26 purposes, provided that the taxes levied to pay those bonds are



1 abated by the amount of the taxes imposed under this Section  
2 that are used to pay those bonds. "School-facility purposes"  
3 also includes fire prevention, safety, energy conservation,  
4 accessibility, school security, and specified repair purposes  
5 set forth under Section 17-2.11 of the School Code.

6 (h-5) A county board in a county where a tax has been  
7 imposed under this Section pursuant to a referendum held on or  
8 after August 23, 2011 (the effective date of Public Act 97-542)  
9 may, by ordinance or resolution, submit to the voters of the  
10 county the question of reducing or discontinuing the tax. In  
11 the ordinance or resolution, the county board shall certify the  
12 question to the proper election authority in accordance with  
13 the Election Code. The election authority must submit the  
14 question in substantially the following form:

15 Shall the school facility retailers' occupation tax  
16 and service occupation tax (commonly referred to as the  
17 "school facility sales tax") currently imposed in (name of  
18 county) at a rate of (insert rate) be (reduced to (insert  
19 rate)) (discontinued)?

20 If a majority of the electors voting on the question vote in  
21 the affirmative, then, subject to the provisions of subsection  
22 (g) of this Section, the tax shall be reduced or discontinued  
23 as set forth in the question.

24 (i) This Section does not apply to Cook County.

25 (j) This Section may be cited as the County School Facility  
26 Occupation Tax Law.

1 (Source: P.A. 98-584, eff. 8-27-13; 99-143, eff. 7-27-15;  
2 99-217, eff. 7-31-15; 99-642, eff. 7-28-16.)

3 (55 ILCS 5/5-1007) (from Ch. 34, par. 5-1007)

4 Sec. 5-1007. Home Rule County Service Occupation Tax Law.

5 The corporate authorities of a home rule county may impose a  
6 tax upon all persons engaged, in such county, in the business  
7 of making sales of service at the same rate of tax imposed  
8 pursuant to Section 5-1006 of the selling price of all tangible  
9 personal property transferred by such servicemen either in the  
10 form of tangible personal property or in the form of real  
11 estate as an incident to a sale of service. If imposed, such  
12 tax shall only be imposed in 1/4% increments. On and after  
13 September 1, 1991, this additional tax may not be imposed on  
14 tangible personal property taxed at the 1% rate under the  
15 Service Occupation Tax Act ~~the sales of food for human~~  
16 ~~consumption which is to be consumed off the premises where it~~  
17 ~~is sold (other than alcoholic beverages, soft drinks and food~~  
18 ~~which has been prepared for immediate consumption) and~~  
19 ~~prescription and nonprescription medicines, drugs, medical~~  
20 ~~appliances and insulin, urine testing materials, syringes and~~  
21 ~~needles used by diabetics.~~ The tax imposed by a home rule  
22 county pursuant to this Section and all civil penalties that  
23 may be assessed as an incident thereof shall be collected and  
24 enforced by the State Department of Revenue. The certificate of  
25 registration which is issued by the Department to a retailer

1 under the Retailers' Occupation Tax Act or under the Service  
2 Occupation Tax Act shall permit such registrant to engage in a  
3 business which is taxable under any ordinance or resolution  
4 enacted pursuant to this Section without registering  
5 separately with the Department under such ordinance or  
6 resolution or under this Section. The Department shall have  
7 full power to administer and enforce this Section; to collect  
8 all taxes and penalties due hereunder; to dispose of taxes and  
9 penalties so collected in the manner hereinafter provided; and  
10 to determine all rights to credit memoranda arising on account  
11 of the erroneous payment of tax or penalty hereunder. In the  
12 administration of, and compliance with, this Section the  
13 Department and persons who are subject to this Section shall  
14 have the same rights, remedies, privileges, immunities, powers  
15 and duties, and be subject to the same conditions,  
16 restrictions, limitations, penalties and definitions of terms,  
17 and employ the same modes of procedure, as are prescribed in  
18 Sections 1a-1, 2, 2a, 3 through 3-50 (in respect to all  
19 provisions therein other than the State rate of tax), 4 (except  
20 that the reference to the State shall be to the taxing county),  
21 5, 7, 8 (except that the jurisdiction to which the tax shall be  
22 a debt to the extent indicated in that Section 8 shall be the  
23 taxing county), 9 (except as to the disposition of taxes and  
24 penalties collected, and except that the returned merchandise  
25 credit for this county tax may not be taken against any State  
26 tax), 10, 11, 12 (except the reference therein to Section 2b of

1 the Retailers' Occupation Tax Act), 13 (except that any  
2 reference to the State shall mean the taxing county), the first  
3 paragraph of Section 15, 16, 17, 18, 19 and 20 of the Service  
4 Occupation Tax Act and Section 3-7 of the Uniform Penalty and  
5 Interest Act, as fully as if those provisions were set forth  
6 herein.

7 No tax may be imposed by a home rule county pursuant to  
8 this Section unless such county also imposes a tax at the same  
9 rate pursuant to Section 5-1006.

10 Persons subject to any tax imposed pursuant to the  
11 authority granted in this Section may reimburse themselves for  
12 their serviceman's tax liability hereunder by separately  
13 stating such tax as an additional charge, which charge may be  
14 stated in combination, in a single amount, with State tax which  
15 servicemen are authorized to collect under the Service Use Tax  
16 Act, pursuant to such bracket schedules as the Department may  
17 prescribe.

18 Whenever the Department determines that a refund should be  
19 made under this Section to a claimant instead of issuing credit  
20 memorandum, the Department shall notify the State Comptroller,  
21 who shall cause the order to be drawn for the amount specified,  
22 and to the person named, in such notification from the  
23 Department. Such refund shall be paid by the State Treasurer  
24 out of the home rule county retailers' occupation tax fund.

25 The Department shall forthwith pay over to the State  
26 Treasurer, ex-officio, as trustee, all taxes and penalties

1 collected hereunder.

2 As soon as possible after the first day of each month,  
3 beginning January 1, 2011, upon certification of the Department  
4 of Revenue, the Comptroller shall order transferred, and the  
5 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
6 local sales tax increment, as defined in the Innovation  
7 Development and Economy Act, collected under this Section  
8 during the second preceding calendar month for sales within a  
9 STAR bond district.

10 After the monthly transfer to the STAR Bonds Revenue Fund,  
11 on or before the 25th day of each calendar month, the  
12 Department shall prepare and certify to the Comptroller the  
13 disbursement of stated sums of money to named counties, the  
14 counties to be those from which suppliers and servicemen have  
15 paid taxes or penalties hereunder to the Department during the  
16 second preceding calendar month. The amount to be paid to each  
17 county shall be the amount (not including credit memoranda)  
18 collected hereunder during the second preceding calendar month  
19 by the Department, and not including an amount equal to the  
20 amount of refunds made during the second preceding calendar  
21 month by the Department on behalf of such county, and not  
22 including any amounts that are transferred to the STAR Bonds  
23 Revenue Fund, less 2% of the remainder, which the Department  
24 shall transfer into the Tax Compliance and Administration Fund.  
25 The Department, at the time of each monthly disbursement to the  
26 counties, shall prepare and certify to the State Comptroller

1 the amount to be transferred into the Tax Compliance and  
2 Administration Fund under this Section. Within 10 days after  
3 receipt, by the Comptroller, of the disbursement certification  
4 to the counties and the Tax Compliance and Administration Fund  
5 provided for in this Section to be given to the Comptroller by  
6 the Department, the Comptroller shall cause the orders to be  
7 drawn for the respective amounts in accordance with the  
8 directions contained in such certification.

9 In addition to the disbursement required by the preceding  
10 paragraph, an allocation shall be made in each year to each  
11 county which received more than \$500,000 in disbursements under  
12 the preceding paragraph in the preceding calendar year. The  
13 allocation shall be in an amount equal to the average monthly  
14 distribution made to each such county under the preceding  
15 paragraph during the preceding calendar year (excluding the 2  
16 months of highest receipts). The distribution made in March of  
17 each year subsequent to the year in which an allocation was  
18 made pursuant to this paragraph and the preceding paragraph  
19 shall be reduced by the amount allocated and disbursed under  
20 this paragraph in the preceding calendar year. The Department  
21 shall prepare and certify to the Comptroller for disbursement  
22 the allocations made in accordance with this paragraph.

23 Nothing in this Section shall be construed to authorize a  
24 county to impose a tax upon the privilege of engaging in any  
25 business which under the Constitution of the United States may  
26 not be made the subject of taxation by this State.

1           An ordinance or resolution imposing or discontinuing a tax  
2 hereunder or effecting a change in the rate thereof shall be  
3 adopted and a certified copy thereof filed with the Department  
4 on or before the first day of June, whereupon the Department  
5 shall proceed to administer and enforce this Section as of the  
6 first day of September next following such adoption and filing.  
7 Beginning January 1, 1992, an ordinance or resolution imposing  
8 or discontinuing the tax hereunder or effecting a change in the  
9 rate thereof shall be adopted and a certified copy thereof  
10 filed with the Department on or before the first day of July,  
11 whereupon the Department shall proceed to administer and  
12 enforce this Section as of the first day of October next  
13 following such adoption and filing. Beginning January 1, 1993,  
14 an ordinance or resolution imposing or discontinuing the tax  
15 hereunder or effecting a change in the rate thereof shall be  
16 adopted and a certified copy thereof filed with the Department  
17 on or before the first day of October, whereupon the Department  
18 shall proceed to administer and enforce this Section as of the  
19 first day of January next following such adoption and filing.  
20 Beginning April 1, 1998, an ordinance or resolution imposing or  
21 discontinuing the tax hereunder or effecting a change in the  
22 rate thereof shall either (i) be adopted and a certified copy  
23 thereof filed with the Department on or before the first day of  
24 April, whereupon the Department shall proceed to administer and  
25 enforce this Section as of the first day of July next following  
26 the adoption and filing; or (ii) be adopted and a certified

1 copy thereof filed with the Department on or before the first  
2 day of October, whereupon the Department shall proceed to  
3 administer and enforce this Section as of the first day of  
4 January next following the adoption and filing.

5 This Section shall be known and may be cited as the Home  
6 Rule County Service Occupation Tax Law.

7 (Source: P.A. 100-23, eff. 7-6-17.)

8 (55 ILCS 5/5-1008.5)

9 Sec. 5-1008.5. Use and occupation taxes.

10 (a) The Rock Island County Board may adopt a resolution  
11 that authorizes a referendum on the question of whether the  
12 county shall be authorized to impose a retailers' occupation  
13 tax, a service occupation tax, and a use tax at a rate of 1/4 of  
14 1% on behalf of the economic development activities of Rock  
15 Island County and communities located within the county. The  
16 county board shall certify the question to the proper election  
17 authorities who shall submit the question to the voters of the  
18 county at the next regularly scheduled election in accordance  
19 with the general election law. The question shall be in  
20 substantially the following form:

21 Shall Rock Island County be authorized to impose a  
22 retailers' occupation tax, a service occupation tax, and a  
23 use tax at the rate of 1/4 of 1% for the sole purpose of  
24 economic development activities, including creation and  
25 retention of job opportunities, support of affordable



1 housing opportunities, and enhancement of quality of life  
2 improvements?

3 Votes shall be recorded as "yes" or "no". If a majority of  
4 all votes cast on the proposition are in favor of the  
5 proposition, the county is authorized to impose the tax.

6 (b) The county shall impose the retailers' occupation tax  
7 upon all persons engaged in the business of selling tangible  
8 personal property at retail in the county, at the rate approved  
9 by referendum, on the gross receipts from the sales made in the  
10 course of those businesses within the county. This additional  
11 tax may not be imposed on tangible personal property taxed at  
12 the 1% rate under the Retailers' Occupation Tax Act ~~the sale of~~  
13 ~~food for human consumption that is to be consumed off the~~  
14 ~~premises where it is sold (other than alcoholic beverages, soft~~  
15 ~~drinks, and food that has been prepared for immediate~~  
16 ~~consumption) and prescription and non-prescription medicines,~~  
17 ~~drugs, medical appliances and insulin, urine testing~~  
18 ~~materials, syringes, and needles used by diabetics.~~ The tax  
19 imposed under this Section and all civil penalties that may be  
20 assessed as an incident of the tax shall be collected and  
21 enforced by the Department of Revenue. The Department has full  
22 power to administer and enforce this Section; to collect all  
23 taxes and penalties so collected in the manner provided in this  
24 Section; and to determine all rights to credit memoranda  
25 arising on account of the erroneous payment of tax or penalty  
26 under this Section. In the administration of, and compliance

1 with, this Section, the Department and persons who are subject  
2 to this Section shall (i) have the same rights, remedies,  
3 privileges, immunities, powers and duties, (ii) be subject to  
4 the same conditions, restrictions, limitations, penalties,  
5 exclusions, exemptions, and definitions of terms, and (iii)  
6 employ the same modes of procedure as are prescribed in  
7 Sections 1, 1a, 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2,  
8 2-5, 2-5.5, 2-10 (in respect to all provisions other than the  
9 State rate of tax), 2-15 through 2-70, 2a, 2b, 2c, 3 (except as  
10 to the disposition of taxes and penalties collected and  
11 provisions related to quarter monthly payments), 4, 5, 5a, 5b,  
12 5c, 5d, 5e, 5f, 5g, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10,  
13 11, 11a, 12, and 13 of the Retailers' Occupation Tax Act and  
14 Section 3-7 of the Uniform Penalty and Interest Act, as fully  
15 as if those provisions were set forth in this subsection.

16 Persons subject to any tax imposed under this subsection  
17 may reimburse themselves for their seller's tax liability by  
18 separately stating the tax as an additional charge, which  
19 charge may be stated in combination, in a single amount, with  
20 State taxes that sellers are required to collect, in accordance  
21 with bracket schedules prescribed by the Department.

22 Whenever the Department determines that a refund should be  
23 made under this subsection to a claimant instead of issuing a  
24 credit memorandum, the Department shall notify the State  
25 Comptroller, who shall cause the warrant to be drawn for the  
26 amount specified, and to the person named, in the notification

1 from the Department. The refund shall be paid by the State  
2 Treasurer out of the tax fund referenced under paragraph (g) of  
3 this Section.

4 If a tax is imposed under this subsection (b), a tax shall  
5 also be imposed at the same rate under subsections (c) and (d)  
6 of this Section.

7 For the purpose of determining whether a tax authorized  
8 under this Section is applicable, a retail sale, by a producer  
9 of coal or another mineral mined in Illinois, is a sale at  
10 retail at the place where the coal or other mineral mined in  
11 Illinois is extracted from the earth. This paragraph does not  
12 apply to coal or another mineral when it is delivered or  
13 shipped by the seller to the purchaser at a point outside  
14 Illinois so that the sale is exempt under the federal  
15 Constitution as a sale in interstate or foreign commerce.

16 Nothing in this Section shall be construed to authorize the  
17 county to impose a tax upon the privilege of engaging in any  
18 business that under the Constitution of the United States may  
19 not be made the subject of taxation by this State.

20 (c) If a tax has been imposed under subsection (b), a  
21 service occupation tax shall also be imposed at the same rate  
22 upon all persons engaged, in the county, in the business of  
23 making sales of service, who, as an incident to making those  
24 sales of service, transfer tangible personal property within  
25 the county as an incident to a sale of service. This additional  
26 tax may not be imposed on tangible personal property taxed at

1 the 1% rate under the Service Occupation Tax Act ~~the sale of~~  
2 ~~food for human consumption that is to be consumed off the~~  
3 ~~premises where it is sold (other than alcoholic beverages, soft~~  
4 ~~drinks, and food that has been prepared for immediate~~  
5 ~~consumption) and prescription and non prescription medicines,~~  
6 ~~drugs, medical appliances and insulin, urine testing~~  
7 ~~materials, syringes, and needles used by diabetics.~~ The tax  
8 imposed under this subsection and all civil penalties that may  
9 be assessed as an incident of the tax shall be collected and  
10 enforced by the Department of Revenue. The Department has full  
11 power to administer and enforce this paragraph; to collect all  
12 taxes and penalties due under this Section; to dispose of taxes  
13 and penalties so collected in the manner provided in this  
14 Section; and to determine all rights to credit memoranda  
15 arising on account of the erroneous payment of tax or penalty  
16 under this Section. In the administration of, and compliance  
17 with this paragraph, the Department and persons who are subject  
18 to this paragraph shall (i) have the same rights, remedies,  
19 privileges, immunities, powers, and duties, (ii) be subject to  
20 the same conditions, restrictions, limitations, penalties,  
21 exclusions, exemptions, and definitions of terms, and (iii)  
22 employ the same modes of procedure as are prescribed in  
23 Sections 2 (except that the reference to State in the  
24 definition of supplier maintaining a place of business in this  
25 State shall mean the county), 2a, 2b, 3 through 3-55 (in  
26 respect to all provisions other than the State rate of tax), 4

1 (except that the reference to the State shall be to the  
2 county), 5, 7, 8 (except that the jurisdiction to which the tax  
3 shall be a debt to the extent indicated in that Section 8 shall  
4 be the county), 9 (except as to the disposition of taxes and  
5 penalties collected, and except that the returned merchandise  
6 credit for this tax may not be taken against any State tax),  
7 11, 12 (except the reference to Section 2b of the Retailers'  
8 Occupation Tax Act), 13 (except that any reference to the State  
9 shall mean the county), 15, 16, 17, 18, 19 and 20 of the  
10 Service Occupation Tax Act and Section 3-7 of the Uniform  
11 Penalty and Interest Act, as fully as if those provisions were  
12 set forth in this subsection.

13 Persons subject to any tax imposed under the authority  
14 granted in this subsection may reimburse themselves for their  
15 serviceman's tax liability by separately stating the tax as an  
16 additional charge, which charge may be stated in combination,  
17 in a single amount, with State tax that servicemen are  
18 authorized to collect under the Service Use Tax Act, in  
19 accordance with bracket schedules prescribed by the  
20 Department.

21 Whenever the Department determines that a refund should be  
22 made under this subsection to a claimant instead of issuing a  
23 credit memorandum, the Department shall notify the State  
24 Comptroller, who shall cause the warrant to be drawn for the  
25 amount specified, and to the person named, in the notification  
26 from the Department. The refund shall be paid by the State

1 Treasurer out of the tax fund referenced under paragraph (g) of  
2 this Section.

3 Nothing in this paragraph shall be construed to authorize  
4 the county to impose a tax upon the privilege of engaging in  
5 any business that under the Constitution of the United States  
6 may not be made the subject of taxation by the State.

7 (d) If a tax has been imposed under subsection (b), a use  
8 tax shall also be imposed at the same rate upon the privilege  
9 of using, in the county, any item of tangible personal property  
10 that is purchased outside the county at retail from a retailer,  
11 and that is titled or registered at a location within the  
12 county with an agency of this State's government. ~~This~~  
13 ~~additional tax may not be imposed on the sale of food for human~~  
14 ~~consumption that is to be consumed off the premises where it is~~  
15 ~~sold (other than alcoholic beverages, soft drinks, and food~~  
16 ~~that has been prepared for immediate consumption) and~~  
17 ~~prescription and non prescription medicines, drugs, medical~~  
18 ~~appliances and insulin, urine testing materials, syringes, and~~  
19 ~~needles used by diabetics.~~ "Selling price" is defined as in the  
20 Use Tax Act. The tax shall be collected from persons whose  
21 Illinois address for titling or registration purposes is given  
22 as being in the county. The tax shall be collected by the  
23 Department of Revenue for the county. The tax must be paid to  
24 the State, or an exemption determination must be obtained from  
25 the Department of Revenue, before the title or certificate of  
26 registration for the property may be issued. The tax or proof

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

7 The Department has full power to administer and enforce  
8 this paragraph; to collect all taxes, penalties, and interest  
9 due under this Section; to dispose of taxes, penalties, and  
10 interest so collected in the manner provided in this Section;  
11 and to determine all rights to credit memoranda or refunds  
12 arising on account of the erroneous payment of tax, penalty, or  
13 interest under this Section. In the administration of, and  
14 compliance with, this subsection, the Department and persons  
15 who are subject to this paragraph shall (i) have the same  
16 rights, remedies, privileges, immunities, powers, and duties,  
17 (ii) be subject to the same conditions, restrictions,  
18 limitations, penalties, exclusions, exemptions, and  
19 definitions of terms, and (iii) employ the same modes of  
20 procedure as are prescribed in Sections 2 (except the  
21 definition of "retailer maintaining a place of business in this  
22 State"), 3, 3-5, 3-10, 3-45, 3-55, 3-65, 3-70, 3-85, 3a, 4, 6,  
23 7, 8 (except that the jurisdiction to which the tax shall be a  
24 debt to the extent indicated in that Section 8 shall be the  
25 county), 9 (except provisions relating to quarter monthly  
26 payments), 10, 11, 12, 12a, 12b, 13, 14, 15, 19, 20, 21, and 22

1 of the Use Tax Act and Section 3-7 of the Uniform Penalty and  
2 Interest Act, that are not inconsistent with this paragraph, as  
3 fully as if those provisions were set forth in this subsection.

4 Whenever the Department determines that a refund should be  
5 made under this subsection to a claimant instead of issuing a  
6 credit memorandum, the Department shall notify the State  
7 Comptroller, who shall cause the order to be drawn for the  
8 amount specified, and to the person named, in the notification  
9 from the Department. The refund shall be paid by the State  
10 Treasurer out of the tax fund referenced under paragraph (g) of  
11 this Section.

12 (e) A certificate of registration issued by the State  
13 Department of Revenue to a retailer under the Retailers'  
14 Occupation Tax Act or under the Service Occupation Tax Act  
15 shall permit the registrant to engage in a business that is  
16 taxed under the tax imposed under paragraphs (b), (c), or (d)  
17 of this Section and no additional registration shall be  
18 required. A certificate issued under the Use Tax Act or the  
19 Service Use Tax Act shall be applicable with regard to any tax  
20 imposed under paragraph (c) of this Section.

21 (f) The results of any election authorizing a proposition  
22 to impose a tax under this Section or effecting a change in the  
23 rate of tax shall be certified by the proper election  
24 authorities and filed with the Illinois Department on or before  
25 the first day of October. In addition, an ordinance imposing,  
26 discontinuing, or effecting a change in the rate of tax under



1 this Section shall be adopted and a certified copy of the  
2 ordinance filed with the Department on or before the first day  
3 of October. After proper receipt of the certifications, the  
4 Department shall proceed to administer and enforce this Section  
5 as of the first day of January next following the adoption and  
6 filing.

7 (g) The Department of Revenue shall, upon collecting any  
8 taxes and penalties as provided in this Section, pay the taxes  
9 and penalties over to the State Treasurer as trustee for the  
10 county. The taxes and penalties shall be held in a trust fund  
11 outside the State Treasury. On or before the 25th day of each  
12 calendar month, the Department of Revenue shall prepare and  
13 certify to the Comptroller of the State of Illinois the amount  
14 to be paid to the county, which shall be the balance in the  
15 fund, less any amount determined by the Department to be  
16 necessary for the payment of refunds. Within 10 days after  
17 receipt by the Comptroller of the certification of the amount  
18 to be paid to the county, the Comptroller shall cause an order  
19 to be drawn for payment for the amount in accordance with the  
20 directions contained in the certification. Amounts received  
21 from the tax imposed under this Section shall be used only for  
22 the economic development activities of the county and  
23 communities located within the county.

24 (h) When certifying the amount of a monthly disbursement to  
25 the county under this Section, the Department shall increase or  
26 decrease the amounts by an amount necessary to offset any

1 miscalculation of previous disbursements. The offset amount  
2 shall be the amount erroneously disbursed within the previous 6  
3 months from the time a miscalculation is discovered.

4 (i) This Section may be cited as the Rock Island County Use  
5 and Occupation Tax Law.

6 (Source: P.A. 90-415, eff. 8-15-97.)

7 Section 110. The Illinois Municipal Code is amended by  
8 changing Sections 8-11-1, 8-11-1.3, 8-11-1.4, 8-11-1.6,  
9 8-11-1.7, 8-11-5, and 11-74.3-6 as follows:

10 (65 ILCS 5/8-11-1) (from Ch. 24, par. 8-11-1)

11 Sec. 8-11-1. Home Rule Municipal Retailers' Occupation Tax  
12 Act. The corporate authorities of a home rule municipality may  
13 impose a tax upon all persons engaged in the business of  
14 selling tangible personal property, other than an item of  
15 tangible personal property titled or registered with an agency  
16 of this State's government, at retail in the municipality on  
17 the gross receipts from these sales made in the course of such  
18 business. If imposed, the tax shall only be imposed in 1/4%  
19 increments. On and after September 1, 1991, this additional tax  
20 may not be imposed on tangible personal property taxed at the  
21 1% rate under the Retailers' Occupation Tax Act ~~the sales of~~  
22 ~~food for human consumption that is to be consumed off the~~  
23 ~~premises where it is sold (other than alcoholic beverages, soft~~  
24 ~~drinks and food that has been prepared for immediate~~

1 ~~consumption) and prescription and nonprescription medicines,~~  
2 ~~drugs, medical appliances and insulin, urine testing~~  
3 ~~materials, syringes and needles used by diabetics.~~ The tax  
4 imposed by a home rule municipality under this Section and all  
5 civil penalties that may be assessed as an incident of the tax  
6 shall be collected and enforced by the State Department of  
7 Revenue. The certificate of registration that is issued by the  
8 Department to a retailer under the Retailers' Occupation Tax  
9 Act shall permit the retailer to engage in a business that is  
10 taxable under any ordinance or resolution enacted pursuant to  
11 this Section without registering separately with the  
12 Department under such ordinance or resolution or under this  
13 Section. The Department shall have full power to administer and  
14 enforce this Section; to collect all taxes and penalties due  
15 hereunder; to dispose of taxes and penalties so collected in  
16 the manner hereinafter provided; and to determine all rights to  
17 credit memoranda arising on account of the erroneous payment of  
18 tax or penalty hereunder. In the administration of, and  
19 compliance with, this Section the Department and persons who  
20 are subject to this Section shall have the same rights,  
21 remedies, privileges, immunities, powers and duties, and be  
22 subject to the same conditions, restrictions, limitations,  
23 penalties and definitions of terms, and employ the same modes  
24 of procedure, as are prescribed in Sections 1, 1a, 1d, 1e, 1f,  
25 1i, 1j, 1k, 1m, 1n, 2 through 2-65 (in respect to all  
26 provisions therein other than the State rate of tax), 2c, 3

1 (except as to the disposition of taxes and penalties  
2 collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k,  
3 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of the  
4 Retailers' Occupation Tax Act and Section 3-7 of the Uniform  
5 Penalty and Interest Act, as fully as if those provisions were  
6 set forth herein.

7 No tax may be imposed by a home rule municipality under  
8 this Section unless the municipality also imposes a tax at the  
9 same rate under Section 8-11-5 of this Act.

10 Persons subject to any tax imposed under the authority  
11 granted in this Section may reimburse themselves for their  
12 seller's tax liability hereunder by separately stating that tax  
13 as an additional charge, which charge may be stated in  
14 combination, in a single amount, with State tax which sellers  
15 are required to collect under the Use Tax Act, pursuant to such  
16 bracket schedules as the Department may prescribe.

17 Whenever the Department determines that a refund should be  
18 made under this Section to a claimant instead of issuing a  
19 credit memorandum, the Department shall notify the State  
20 Comptroller, who shall cause the order to be drawn for the  
21 amount specified and to the person named in the notification  
22 from the Department. The refund shall be paid by the State  
23 Treasurer out of the home rule municipal retailers' occupation  
24 tax fund.

25 The Department shall immediately pay over to the State  
26 Treasurer, ex officio, as trustee, all taxes and penalties

1 collected hereunder.

2 As soon as possible after the first day of each month,  
3 beginning January 1, 2011, upon certification of the Department  
4 of Revenue, the Comptroller shall order transferred, and the  
5 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
6 local sales tax increment, as defined in the Innovation  
7 Development and Economy Act, collected under this Section  
8 during the second preceding calendar month for sales within a  
9 STAR bond district.

10 After the monthly transfer to the STAR Bonds Revenue Fund,  
11 on or before the 25th day of each calendar month, the  
12 Department shall prepare and certify to the Comptroller the  
13 disbursement of stated sums of money to named municipalities,  
14 the municipalities to be those from which retailers have paid  
15 taxes or penalties hereunder to the Department during the  
16 second preceding calendar month. The amount to be paid to each  
17 municipality shall be the amount (not including credit  
18 memoranda) collected hereunder during the second preceding  
19 calendar month by the Department plus an amount the Department  
20 determines is necessary to offset any amounts that were  
21 erroneously paid to a different taxing body, and not including  
22 an amount equal to the amount of refunds made during the second  
23 preceding calendar month by the Department on behalf of such  
24 municipality, and not including any amount that the Department  
25 determines is necessary to offset any amounts that were payable  
26 to a different taxing body but were erroneously paid to the

1 municipality, and not including any amounts that are  
2 transferred to the STAR Bonds Revenue Fund, less 2% of the  
3 remainder, which the Department shall transfer into the Tax  
4 Compliance and Administration Fund. The Department, at the time  
5 of each monthly disbursement to the municipalities, shall  
6 prepare and certify to the State Comptroller the amount to be  
7 transferred into the Tax Compliance and Administration Fund  
8 under this Section. Within 10 days after receipt by the  
9 Comptroller of the disbursement certification to the  
10 municipalities and the Tax Compliance and Administration Fund  
11 provided for in this Section to be given to the Comptroller by  
12 the Department, the Comptroller shall cause the orders to be  
13 drawn for the respective amounts in accordance with the  
14 directions contained in the certification.

15 In addition to the disbursement required by the preceding  
16 paragraph and in order to mitigate delays caused by  
17 distribution procedures, an allocation shall, if requested, be  
18 made within 10 days after January 14, 1991, and in November of  
19 1991 and each year thereafter, to each municipality that  
20 received more than \$500,000 during the preceding fiscal year,  
21 (July 1 through June 30) whether collected by the municipality  
22 or disbursed by the Department as required by this Section.  
23 Within 10 days after January 14, 1991, participating  
24 municipalities shall notify the Department in writing of their  
25 intent to participate. In addition, for the initial  
26 distribution, participating municipalities shall certify to

1 the Department the amounts collected by the municipality for  
2 each month under its home rule occupation and service  
3 occupation tax during the period July 1, 1989 through June 30,  
4 1990. The allocation within 10 days after January 14, 1991,  
5 shall be in an amount equal to the monthly average of these  
6 amounts, excluding the 2 months of highest receipts. The  
7 monthly average for the period of July 1, 1990 through June 30,  
8 1991 will be determined as follows: the amounts collected by  
9 the municipality under its home rule occupation and service  
10 occupation tax during the period of July 1, 1990 through  
11 September 30, 1990, plus amounts collected by the Department  
12 and paid to such municipality through June 30, 1991, excluding  
13 the 2 months of highest receipts. The monthly average for each  
14 subsequent period of July 1 through June 30 shall be an amount  
15 equal to the monthly distribution made to each such  
16 municipality under the preceding paragraph during this period,  
17 excluding the 2 months of highest receipts. The distribution  
18 made in November 1991 and each year thereafter under this  
19 paragraph and the preceding paragraph shall be reduced by the  
20 amount allocated and disbursed under this paragraph in the  
21 preceding period of July 1 through June 30. The Department  
22 shall prepare and certify to the Comptroller for disbursement  
23 the allocations made in accordance with this paragraph.

24 For the purpose of determining the local governmental unit  
25 whose tax is applicable, a retail sale by a producer of coal or  
26 other mineral mined in Illinois is a sale at retail at the

1 place where the coal or other mineral mined in Illinois is  
2 extracted from the earth. This paragraph does not apply to coal  
3 or other mineral when it is delivered or shipped by the seller  
4 to the purchaser at a point outside Illinois so that the sale  
5 is exempt under the United States Constitution as a sale in  
6 interstate or foreign commerce.

7 Nothing in this Section shall be construed to authorize a  
8 municipality to impose a tax upon the privilege of engaging in  
9 any business which under the Constitution of the United States  
10 may not be made the subject of taxation by this State.

11 An ordinance or resolution imposing or discontinuing a tax  
12 hereunder or effecting a change in the rate thereof shall be  
13 adopted and a certified copy thereof filed with the Department  
14 on or before the first day of June, whereupon the Department  
15 shall proceed to administer and enforce this Section as of the  
16 first day of September next following the adoption and filing.  
17 Beginning January 1, 1992, an ordinance or resolution imposing  
18 or discontinuing the tax hereunder or effecting a change in the  
19 rate thereof shall be adopted and a certified copy thereof  
20 filed with the Department on or before the first day of July,  
21 whereupon the Department shall proceed to administer and  
22 enforce this Section as of the first day of October next  
23 following such adoption and filing. Beginning January 1, 1993,  
24 an ordinance or resolution imposing or discontinuing the tax  
25 hereunder or effecting a change in the rate thereof shall be  
26 adopted and a certified copy thereof filed with the Department



1 on or before the first day of October, whereupon the Department  
2 shall proceed to administer and enforce this Section as of the  
3 first day of January next following the adoption and filing.  
4 However, a municipality located in a county with a population  
5 in excess of 3,000,000 that elected to become a home rule unit  
6 at the general primary election in 1994 may adopt an ordinance  
7 or resolution imposing the tax under this Section and file a  
8 certified copy of the ordinance or resolution with the  
9 Department on or before July 1, 1994. The Department shall then  
10 proceed to administer and enforce this Section as of October 1,  
11 1994. Beginning April 1, 1998, an ordinance or resolution  
12 imposing or discontinuing the tax hereunder or effecting a  
13 change in the rate thereof shall either (i) be adopted and a  
14 certified copy thereof filed with the Department on or before  
15 the first day of April, whereupon the Department shall proceed  
16 to administer and enforce this Section as of the first day of  
17 July next following the adoption and filing; or (ii) be adopted  
18 and a certified copy thereof filed with the Department on or  
19 before the first day of October, whereupon the Department shall  
20 proceed to administer and enforce this Section as of the first  
21 day of January next following the adoption and filing.

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

1 months from the time a misallocation is discovered.

2 Any unobligated balance remaining in the Municipal  
3 Retailers' Occupation Tax Fund on December 31, 1989, which fund  
4 was abolished by Public Act 85-1135, and all receipts of  
5 municipal tax as a result of audits of liability periods prior  
6 to January 1, 1990, shall be paid into the Local Government Tax  
7 Fund for distribution as provided by this Section prior to the  
8 enactment of Public Act 85-1135. All receipts of municipal tax  
9 as a result of an assessment not arising from an audit, for  
10 liability periods prior to January 1, 1990, shall be paid into  
11 the Local Government Tax Fund for distribution before July 1,  
12 1990, as provided by this Section prior to the enactment of  
13 Public Act 85-1135; and on and after July 1, 1990, all such  
14 receipts shall be distributed as provided in Section 6z-18 of  
15 the State Finance Act.

16 As used in this Section, "municipal" and "municipality"  
17 means a city, village or incorporated town, including an  
18 incorporated town that has superseded a civil township.

19 This Section shall be known and may be cited as the Home  
20 Rule Municipal Retailers' Occupation Tax Act.

21 (Source: P.A. 99-217, eff. 7-31-15; 100-23, eff. 7-6-17.)

22 (65 ILCS 5/8-11-1.3) (from Ch. 24, par. 8-11-1.3)

23 Sec. 8-11-1.3. Non-Home Rule Municipal Retailers'  
24 Occupation Tax Act. The corporate authorities of a non-home  
25 rule municipality may impose a tax upon all persons engaged in

1 the business of selling tangible personal property, other than  
2 on an item of tangible personal property which is titled and  
3 registered by an agency of this State's Government, at retail  
4 in the municipality for expenditure on public infrastructure or  
5 for property tax relief or both as defined in Section 8-11-1.2  
6 if approved by referendum as provided in Section 8-11-1.1, of  
7 the gross receipts from such sales made in the course of such  
8 business. If the tax is approved by referendum on or after July  
9 14, 2010 (the effective date of Public Act 96-1057), the  
10 corporate authorities of a non-home rule municipality may,  
11 until December 31, 2020, use the proceeds of the tax for  
12 expenditure on municipal operations, in addition to or in lieu  
13 of any expenditure on public infrastructure or for property tax  
14 relief. The tax imposed may not be more than 1% and may be  
15 imposed only in 1/4% increments. The tax may not be imposed on  
16 tangible personal property taxed at the 1% rate under the  
17 Retailers' Occupation Tax Act ~~the sale of food for human~~  
18 ~~consumption that is to be consumed off the premises where it is~~  
19 ~~sold (other than alcoholic beverages, soft drinks, and food~~  
20 ~~that has been prepared for immediate consumption) and~~  
21 ~~prescription and nonprescription medicines, drugs, medical~~  
22 ~~appliances, and insulin, urine testing materials, syringes,~~  
23 ~~and needles used by diabetics.~~ The tax imposed by a  
24 municipality pursuant to this Section and all civil penalties  
25 that may be assessed as an incident thereof shall be collected  
26 and enforced by the State Department of Revenue. The

1 certificate of registration which is issued by the Department  
2 to a retailer under the Retailers' Occupation Tax Act shall  
3 permit such retailer to engage in a business which is taxable  
4 under any ordinance or resolution enacted pursuant to this  
5 Section without registering separately with the Department  
6 under such ordinance or resolution or under this Section. The  
7 Department shall have full power to administer and enforce this  
8 Section; to collect all taxes and penalties due hereunder; to  
9 dispose of taxes and penalties so collected in the manner  
10 hereinafter provided, and to determine all rights to credit  
11 memoranda, arising on account of the erroneous payment of tax  
12 or penalty hereunder. In the administration of, and compliance  
13 with, this Section, the Department and persons who are subject  
14 to this Section shall have the same rights, remedies,  
15 privileges, immunities, powers and duties, and be subject to  
16 the same conditions, restrictions, limitations, penalties and  
17 definitions of terms, and employ the same modes of procedure,  
18 as are prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j,  
19 2 through 2-65 (in respect to all provisions therein other than  
20 the State rate of tax), 2c, 3 (except as to the disposition of  
21 taxes and penalties collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f,  
22 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12  
23 and 13 of the Retailers' Occupation Tax Act and Section 3-7 of  
24 the Uniform Penalty and Interest Act as fully as if those  
25 provisions were set forth herein.

26 No municipality may impose a tax under this Section unless

1 the municipality also imposes a tax at the same rate under  
2 Section 8-11-1.4 of this Code.

3 Persons subject to any tax imposed pursuant to the  
4 authority granted in this Section may reimburse themselves for  
5 their seller's tax liability hereunder by separately stating  
6 such tax as an additional charge, which charge may be stated in  
7 combination, in a single amount, with State tax which sellers  
8 are required to collect under the Use Tax Act, pursuant to such  
9 bracket schedules as the Department may prescribe.

10 Whenever the Department determines that a refund should be  
11 made under this Section to a claimant instead of issuing a  
12 credit memorandum, the Department shall notify the State  
13 Comptroller, who shall cause the order to be drawn for the  
14 amount specified, and to the person named, in such notification  
15 from the Department. Such refund shall be paid by the State  
16 Treasurer out of the non-home rule municipal retailers'  
17 occupation tax fund.

18 The Department shall forthwith pay over to the State  
19 Treasurer, ex officio, as trustee, all taxes and penalties  
20 collected hereunder.

21 As soon as possible after the first day of each month,  
22 beginning January 1, 2011, upon certification of the Department  
23 of Revenue, the Comptroller shall order transferred, and the  
24 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
25 local sales tax increment, as defined in the Innovation  
26 Development and Economy Act, collected under this Section

1 during the second preceding calendar month for sales within a  
2 STAR bond district.

3 After the monthly transfer to the STAR Bonds Revenue Fund,  
4 on or before the 25th day of each calendar month, the  
5 Department shall prepare and certify to the Comptroller the  
6 disbursement of stated sums of money to named municipalities,  
7 the municipalities to be those from which retailers have paid  
8 taxes or penalties hereunder to the Department during the  
9 second preceding calendar month. The amount to be paid to each  
10 municipality shall be the amount (not including credit  
11 memoranda) collected hereunder during the second preceding  
12 calendar month by the Department plus an amount the Department  
13 determines is necessary to offset any amounts which were  
14 erroneously paid to a different taxing body, and not including  
15 an amount equal to the amount of refunds made during the second  
16 preceding calendar month by the Department on behalf of such  
17 municipality, and not including any amount which the Department  
18 determines is necessary to offset any amounts which were  
19 payable to a different taxing body but were erroneously paid to  
20 the municipality, and not including any amounts that are  
21 transferred to the STAR Bonds Revenue Fund, less 2% of the  
22 remainder, which the Department shall transfer into the Tax  
23 Compliance and Administration Fund. The Department, at the time  
24 of each monthly disbursement to the municipalities, shall  
25 prepare and certify to the State Comptroller the amount to be  
26 transferred into the Tax Compliance and Administration Fund

1 under this Section. Within 10 days after receipt, by the  
2 Comptroller, of the disbursement certification to the  
3 municipalities and the Tax Compliance and Administration Fund  
4 provided for in this Section to be given to the Comptroller by  
5 the Department, the Comptroller shall cause the orders to be  
6 drawn for the respective amounts in accordance with the  
7 directions contained in such certification.

8 For the purpose of determining the local governmental unit  
9 whose tax is applicable, a retail sale, by a producer of coal  
10 or other mineral mined in Illinois, is a sale at retail at the  
11 place where the coal or other mineral mined in Illinois is  
12 extracted from the earth. This paragraph does not apply to coal  
13 or other mineral when it is delivered or shipped by the seller  
14 to the purchaser at a point outside Illinois so that the sale  
15 is exempt under the Federal Constitution as a sale in  
16 interstate or foreign commerce.

17 Nothing in this Section shall be construed to authorize a  
18 municipality to impose a tax upon the privilege of engaging in  
19 any business which under the constitution of the United States  
20 may not be made the subject of taxation by this State.

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

1           The Department of Revenue shall implement this amendatory  
2 Act of the 91st General Assembly so as to collect the tax on  
3 and after January 1, 2002.

4           As used in this Section, "municipal" and "municipality"  
5 means a city, village or incorporated town, including an  
6 incorporated town which has superseded a civil township.

7           This Section shall be known and may be cited as the  
8 "Non-Home Rule Municipal Retailers' Occupation Tax Act".

9           (Source: P.A. 99-217, eff. 7-31-15; 100-23, eff. 7-6-17.)

10           (65 ILCS 5/8-11-1.4) (from Ch. 24, par. 8-11-1.4)

11           Sec. 8-11-1.4. Non-Home Rule Municipal Service Occupation  
12 Tax Act. The corporate authorities of a non-home rule  
13 municipality may impose a tax upon all persons engaged, in such  
14 municipality, in the business of making sales of service for  
15 expenditure on public infrastructure or for property tax relief  
16 or both as defined in Section 8-11-1.2 if approved by  
17 referendum as provided in Section 8-11-1.1, of the selling  
18 price of all tangible personal property transferred by such  
19 servicemen either in the form of tangible personal property or  
20 in the form of real estate as an incident to a sale of service.  
21 If the tax is approved by referendum on or after July 14, 2010  
22 (the effective date of Public Act 96-1057), the corporate  
23 authorities of a non-home rule municipality may, until December  
24 31, 2020, use the proceeds of the tax for expenditure on  
25 municipal operations, in addition to or in lieu of any



1 expenditure on public infrastructure or for property tax  
2 relief. The tax imposed may not be more than 1% and may be  
3 imposed only in 1/4% increments. The tax may not be imposed on  
4 tangible personal property taxed at the 1% rate under the  
5 Service Occupation Tax Act ~~the sale of food for human~~  
6 ~~consumption that is to be consumed off the premises where it is~~  
7 ~~sold (other than alcoholic beverages, soft drinks, and food~~  
8 ~~that has been prepared for immediate consumption) and~~  
9 ~~prescription and nonprescription medicines, drugs, medical~~  
10 ~~appliances, and insulin, urine testing materials, syringes,~~  
11 ~~and needles used by diabetics.~~ The tax imposed by a  
12 municipality pursuant to this Section and all civil penalties  
13 that may be assessed as an incident thereof shall be collected  
14 and enforced by the State Department of Revenue. The  
15 certificate of registration which is issued by the Department  
16 to a retailer under the Retailers' Occupation Tax Act or under  
17 the Service Occupation Tax Act shall permit such registrant to  
18 engage in a business which is taxable under any ordinance or  
19 resolution enacted pursuant to this Section without  
20 registering separately with the Department under such  
21 ordinance or resolution or under this Section. The Department  
22 shall have full power to administer and enforce this Section;  
23 to collect all taxes and penalties due hereunder; to dispose of  
24 taxes and penalties so collected in the manner hereinafter  
25 provided, and to determine all rights to credit memoranda  
26 arising on account of the erroneous payment of tax or penalty

1 hereunder. In the administration of, and compliance with, this  
2 Section the Department and persons who are subject to this  
3 Section shall have the same rights, remedies, privileges,  
4 immunities, powers and duties, and be subject to the same  
5 conditions, restrictions, limitations, penalties and  
6 definitions of terms, and employ the same modes of procedure,  
7 as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in  
8 respect to all provisions therein other than the State rate of  
9 tax), 4 (except that the reference to the State shall be to the  
10 taxing municipality), 5, 7, 8 (except that the jurisdiction to  
11 which the tax shall be a debt to the extent indicated in that  
12 Section 8 shall be the taxing municipality), 9 (except as to  
13 the disposition of taxes and penalties collected, and except  
14 that the returned merchandise credit for this municipal tax may  
15 not be taken against any State tax), 10, 11, 12 (except the  
16 reference therein to Section 2b of the Retailers' Occupation  
17 Tax Act), 13 (except that any reference to the State shall mean  
18 the taxing municipality), the first paragraph of Section 15,  
19 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and  
20 Section 3-7 of the Uniform Penalty and Interest Act, as fully  
21 as if those provisions were set forth herein.

22 No municipality may impose a tax under this Section unless  
23 the municipality also imposes a tax at the same rate under  
24 Section 8-11-1.3 of this Code.

25 Persons subject to any tax imposed pursuant to the  
26 authority granted in this Section may reimburse themselves for

1 their serviceman's tax liability hereunder by separately  
2 stating such tax as an additional charge, which charge may be  
3 stated in combination, in a single amount, with State tax which  
4 servicemen are authorized to collect under the Service Use Tax  
5 Act, pursuant to such bracket schedules as the Department may  
6 prescribe.

7 Whenever the Department determines that a refund should be  
8 made under this Section to a claimant instead of issuing credit  
9 memorandum, the Department shall notify the State Comptroller,  
10 who shall cause the order to be drawn for the amount specified,  
11 and to the person named, in such notification from the  
12 Department. Such refund shall be paid by the State Treasurer  
13 out of the municipal retailers' occupation tax fund.

14 The Department shall forthwith pay over to the State  
15 Treasurer, ex officio, as trustee, all taxes and penalties  
16 collected hereunder.

17 As soon as possible after the first day of each month,  
18 beginning January 1, 2011, upon certification of the Department  
19 of Revenue, the Comptroller shall order transferred, and the  
20 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
21 local sales tax increment, as defined in the Innovation  
22 Development and Economy Act, collected under this Section  
23 during the second preceding calendar month for sales within a  
24 STAR bond district.

25 After the monthly transfer to the STAR Bonds Revenue Fund,  
26 on or before the 25th day of each calendar month, the

1 Department shall prepare and certify to the Comptroller the  
2 disbursement of stated sums of money to named municipalities,  
3 the municipalities to be those from which suppliers and  
4 servicemen have paid taxes or penalties hereunder to the  
5 Department during the second preceding calendar month. The  
6 amount to be paid to each municipality shall be the amount (not  
7 including credit memoranda) collected hereunder during the  
8 second preceding calendar month by the Department, and not  
9 including an amount equal to the amount of refunds made during  
10 the second preceding calendar month by the Department on behalf  
11 of such municipality, and not including any amounts that are  
12 transferred to the STAR Bonds Revenue Fund, less 2% of the  
13 remainder, which the Department shall transfer into the Tax  
14 Compliance and Administration Fund. The Department, at the time  
15 of each monthly disbursement to the municipalities, shall  
16 prepare and certify to the State Comptroller the amount to be  
17 transferred into the Tax Compliance and Administration Fund  
18 under this Section. Within 10 days after receipt, by the  
19 Comptroller, of the disbursement certification to the  
20 municipalities, the General Revenue Fund, and the Tax  
21 Compliance and Administration Fund provided for in this Section  
22 to be given to the Comptroller by the Department, the  
23 Comptroller shall cause the orders to be drawn for the  
24 respective amounts in accordance with the directions contained  
25 in such certification.

26 The Department of Revenue shall implement this amendatory

1 Act of the 91st General Assembly so as to collect the tax on  
2 and after January 1, 2002.

3 Nothing in this Section shall be construed to authorize a  
4 municipality to impose a tax upon the privilege of engaging in  
5 any business which under the constitution of the United States  
6 may not be made the subject of taxation by this State.

7 As used in this Section, "municipal" or "municipality"  
8 means or refers to a city, village or incorporated town,  
9 including an incorporated town which has superseded a civil  
10 township.

11 This Section shall be known and may be cited as the  
12 "Non-Home Rule Municipal Service Occupation Tax Act".

13 (Source: P.A. 100-23, eff. 7-6-17.)

14 (65 ILCS 5/8-11-1.6)

15 Sec. 8-11-1.6. Non-home rule municipal retailers'  
16 ~~retailers~~ occupation tax; municipalities between 20,000 and  
17 25,000. The corporate authorities of a non-home rule  
18 municipality with a population of more than 20,000 but less  
19 than 25,000 that has, prior to January 1, 1987, established a  
20 Redevelopment Project Area that has been certified as a State  
21 Sales Tax Boundary and has issued bonds or otherwise incurred  
22 indebtedness to pay for costs in excess of \$5,000,000, which is  
23 secured in part by a tax increment allocation fund, in  
24 accordance with the provisions of Division 11-74.4 of this Code  
25 may, by passage of an ordinance, impose a tax upon all persons

1 engaged in the business of selling tangible personal property,  
2 other than on an item of tangible personal property that is  
3 titled and registered by an agency of this State's Government,  
4 at retail in the municipality. This tax may not be imposed on  
5 tangible personal property taxed at the 1% rate under the  
6 Retailers' Occupation Tax Act ~~the sales of food for human~~  
7 ~~consumption that is to be consumed off the premises where it is~~  
8 ~~sold (other than alcoholic beverages, soft drinks, and food~~  
9 ~~that has been prepared for immediate consumption) and~~  
10 ~~prescription and nonprescription medicines, drugs, medical~~  
11 ~~appliances and insulin, urine testing materials, syringes, and~~  
12 ~~needles used by diabetics.~~ If imposed, the tax shall only be  
13 imposed in .25% increments of the gross receipts from such  
14 sales made in the course of business. Any tax imposed by a  
15 municipality under this Section and all civil penalties that  
16 may be assessed as an incident thereof shall be collected and  
17 enforced by the State Department of Revenue. An ordinance  
18 imposing a tax hereunder or effecting a change in the rate  
19 thereof shall be adopted and a certified copy thereof filed  
20 with the Department on or before the first day of October,  
21 whereupon the Department shall proceed to administer and  
22 enforce this Section as of the first day of January next  
23 following such adoption and filing. The certificate of  
24 registration that is issued by the Department to a retailer  
25 under the Retailers' Occupation Tax Act shall permit the  
26 retailer to engage in a business that is taxable under any

1 ordinance or resolution enacted under this Section without  
2 registering separately with the Department under the ordinance  
3 or resolution or under this Section. The Department shall have  
4 full power to administer and enforce this Section, to collect  
5 all taxes and penalties due hereunder, to dispose of taxes and  
6 penalties so collected in the manner hereinafter provided, and  
7 to determine all rights to credit memoranda, arising on account  
8 of the erroneous payment of tax or penalty hereunder. In the  
9 administration of, and compliance with this Section, the  
10 Department and persons who are subject to this Section shall  
11 have the same rights, remedies, privileges, immunities,  
12 powers, and duties, and be subject to the same conditions,  
13 restrictions, limitations, penalties, and definitions of  
14 terms, and employ the same modes of procedure, as are  
15 prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 2  
16 through 2-65 (in respect to all provisions therein other than  
17 the State rate of tax), 2c, 3 (except as to the disposition of  
18 taxes and penalties collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f,  
19 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12  
20 and 13 of the Retailers' Occupation Tax Act and Section 3-7 of  
21 the Uniform Penalty and Interest Act as fully as if those  
22 provisions were set forth herein.

23 A tax may not be imposed by a municipality under this  
24 Section unless the municipality also imposes a tax at the same  
25 rate under Section 8-11-1.7 of this Act.

26 Persons subject to any tax imposed under the authority

1 granted in this Section, may reimburse themselves for their  
2 seller's tax liability hereunder by separately stating the tax  
3 as an additional charge, which charge may be stated in  
4 combination, in a single amount, with State tax which sellers  
5 are required to collect under the Use Tax Act, pursuant to such  
6 bracket schedules as the Department may prescribe.

7 Whenever the Department determines that a refund should be  
8 made under this Section to a claimant, instead of issuing a  
9 credit memorandum, the Department shall notify the State  
10 Comptroller, who shall cause the order to be drawn for the  
11 amount specified, and to the person named in the notification  
12 from the Department. The refund shall be paid by the State  
13 Treasurer out of the Non-Home Rule Municipal Retailers'  
14 Occupation Tax Fund, which is hereby created.

15 The Department shall forthwith pay over to the State  
16 Treasurer, ex officio, as trustee, all taxes and penalties  
17 collected hereunder.

18 As soon as possible after the first day of each month,  
19 beginning January 1, 2011, upon certification of the Department  
20 of Revenue, the Comptroller shall order transferred, and the  
21 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
22 local sales tax increment, as defined in the Innovation  
23 Development and Economy Act, collected under this Section  
24 during the second preceding calendar month for sales within a  
25 STAR bond district.

26 After the monthly transfer to the STAR Bonds Revenue Fund,



1 on or before the 25th day of each calendar month, the  
2 Department shall prepare and certify to the Comptroller the  
3 disbursement of stated sums of money to named municipalities,  
4 the municipalities to be those from which retailers have paid  
5 taxes or penalties hereunder to the Department during the  
6 second preceding calendar month. The amount to be paid to each  
7 municipality shall be the amount (not including credit  
8 memoranda) collected hereunder during the second preceding  
9 calendar month by the Department plus an amount the Department  
10 determines is necessary to offset any amounts that were  
11 erroneously paid to a different taxing body, and not including  
12 an amount equal to the amount of refunds made during the second  
13 preceding calendar month by the Department on behalf of the  
14 municipality, and not including any amount that the Department  
15 determines is necessary to offset any amounts that were payable  
16 to a different taxing body but were erroneously paid to the  
17 municipality, and not including any amounts that are  
18 transferred to the STAR Bonds Revenue Fund, less 2% of the  
19 remainder, which the Department shall transfer into the Tax  
20 Compliance and Administration Fund. The Department, at the time  
21 of each monthly disbursement to the municipalities, shall  
22 prepare and certify to the State Comptroller the amount to be  
23 transferred into the Tax Compliance and Administration Fund  
24 under this Section. Within 10 days after receipt by the  
25 Comptroller of the disbursement certification to the  
26 municipalities and the Tax Compliance and Administration Fund

1 provided for in this Section to be given to the Comptroller by  
2 the Department, the Comptroller shall cause the orders to be  
3 drawn for the respective amounts in accordance with the  
4 directions contained in the certification.

5 For the purpose of determining the local governmental unit  
6 whose tax is applicable, a retail sale by a producer of coal or  
7 other mineral mined in Illinois is a sale at retail at the  
8 place where the coal or other mineral mined in Illinois is  
9 extracted from the earth. This paragraph does not apply to coal  
10 or other mineral when it is delivered or shipped by the seller  
11 to the purchaser at a point outside Illinois so that the sale  
12 is exempt under the federal Constitution as a sale in  
13 interstate or foreign commerce.

14 Nothing in this Section shall be construed to authorize a  
15 municipality to impose a tax upon the privilege of engaging in  
16 any business which under the constitution of the United States  
17 may not be made the subject of taxation by this State.

18 When certifying the amount of a monthly disbursement to a  
19 municipality under this Section, the Department shall increase  
20 or decrease the amount by an amount necessary to offset any  
21 misallocation of previous disbursements. The offset amount  
22 shall be the amount erroneously disbursed within the previous 6  
23 months from the time a misallocation is discovered.

24 As used in this Section, "municipal" and "municipality"  
25 means a city, village, or incorporated town, including an  
26 incorporated town that has superseded a civil township.

1 (Source: P.A. 99-217, eff. 7-31-15; 99-642, eff. 7-28-16;  
2 100-23, eff. 7-6-17; revised 10-3-17.)

3 (65 ILCS 5/8-11-1.7)

4 Sec. 8-11-1.7. Non-home rule municipal service occupation  
5 tax; municipalities between 20,000 and 25,000. The corporate  
6 authorities of a non-home rule municipality with a population  
7 of more than 20,000 but less than 25,000 as determined by the  
8 last preceding decennial census that has, prior to January 1,  
9 1987, established a Redevelopment Project Area that has been  
10 certified as a State Sales Tax Boundary and has issued bonds or  
11 otherwise incurred indebtedness to pay for costs in excess of  
12 \$5,000,000, which is secured in part by a tax increment  
13 allocation fund, in accordance with the provisions of Division  
14 11-74.4 of this Code may, by passage of an ordinance, impose a  
15 tax upon all persons engaged in the municipality in the  
16 business of making sales of service. If imposed, the tax shall  
17 only be imposed in .25% increments of the selling price of all  
18 tangible personal property transferred by such servicemen  
19 either in the form of tangible personal property or in the form  
20 of real estate as an incident to a sale of service. This tax  
21 may not be imposed on tangible personal property taxed at the  
22 1% rate under the Service Occupation Tax Act ~~the sales of food~~  
23 ~~for human consumption that is to be consumed off the premises~~  
24 ~~where it is sold (other than alcoholic beverages, soft drinks,~~  
25 ~~and food that has been prepared for immediate consumption) and~~

1 ~~prescription and nonprescription medicines, drugs, medical~~  
2 ~~appliances and insulin, urine testing materials, syringes, and~~  
3 ~~needles used by diabetics.~~ The tax imposed by a municipality  
4 under this Section ~~Sec.~~ and all civil penalties that may be  
5 assessed as an incident thereof shall be collected and enforced  
6 by the State Department of Revenue. An ordinance imposing a tax  
7 hereunder or effecting a change in the rate thereof shall be  
8 adopted and a certified copy thereof filed with the Department  
9 on or before the first day of October, whereupon the Department  
10 shall proceed to administer and enforce this Section as of the  
11 first day of January next following such adoption and filing.  
12 The certificate of registration that is issued by the  
13 Department to a retailer under the Retailers' Occupation Tax  
14 Act or under the Service Occupation Tax Act shall permit the  
15 registrant to engage in a business that is taxable under any  
16 ordinance or resolution enacted under this Section without  
17 registering separately with the Department under the ordinance  
18 or resolution or under this Section. The Department shall have  
19 full power to administer and enforce this Section, to collect  
20 all taxes and penalties due hereunder, to dispose of taxes and  
21 penalties so collected in a manner hereinafter provided, and to  
22 determine all rights to credit memoranda arising on account of  
23 the erroneous payment of tax or penalty hereunder. In the  
24 administration of and compliance with this Section, the  
25 Department and persons who are subject to this Section shall  
26 have the same rights, remedies, privileges, immunities,

1 powers, and duties, and be subject to the same conditions,  
2 restrictions, limitations, penalties and definitions of terms,  
3 and employ the same modes of procedure, as are prescribed in  
4 Sections 1a-1, 2, 2a, 3 through 3-50 (in respect to all  
5 provisions therein other than the State rate of tax), 4 (except  
6 that the reference to the State shall be to the taxing  
7 municipality), 5, 7, 8 (except that the jurisdiction to which  
8 the tax shall be a debt to the extent indicated in that Section  
9 8 shall be the taxing municipality), 9 (except as to the  
10 disposition of taxes and penalties collected, and except that  
11 the returned merchandise credit for this municipal tax may not  
12 be taken against any State tax), 10, 11, 12, (except the  
13 reference therein to Section 2b of the Retailers' Occupation  
14 Tax Act), 13 (except that any reference to the State shall mean  
15 the taxing municipality), the first paragraph of Sections 15,  
16 16, 17, 18, 19, and 20 of the Service Occupation Tax Act and  
17 Section 3-7 of the Uniform Penalty and Interest Act, as fully  
18 as if those provisions were set forth herein.

19 A tax may not be imposed by a municipality under this  
20 Section unless the municipality also imposes a tax at the same  
21 rate under Section 8-11-1.6 of this Act.

22 Person subject to any tax imposed under the authority  
23 granted in this Section may reimburse themselves for their  
24 servicemen's tax liability hereunder by separately stating the  
25 tax as an additional charge, which charge may be stated in  
26 combination, in a single amount, with State tax that servicemen

1 are authorized to collect under the Service Use Tax Act, under  
2 such bracket schedules as the Department may prescribe.

3 Whenever the Department determines that a refund should be  
4 made under this Section to a claimant instead of issuing credit  
5 memorandum, the Department shall notify the State Comptroller,  
6 who shall cause the order to be drawn for the amount specified,  
7 and to the person named, in such notification from the  
8 Department. The refund shall be paid by the State Treasurer out  
9 of the Non-Home Rule Municipal Retailers' Occupation Tax Fund.

10 The Department shall forthwith pay over to the State  
11 Treasurer, ex officio, as trustee, all taxes and penalties  
12 collected hereunder.

13 As soon as possible after the first day of each month,  
14 beginning January 1, 2011, upon certification of the Department  
15 of Revenue, the Comptroller shall order transferred, and the  
16 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
17 local sales tax increment, as defined in the Innovation  
18 Development and Economy Act, collected under this Section  
19 during the second preceding calendar month for sales within a  
20 STAR bond district.

21 After the monthly transfer to the STAR Bonds Revenue Fund,  
22 on or before the 25th day of each calendar month, the  
23 Department shall prepare and certify to the Comptroller the  
24 disbursement of stated sums of money to named municipalities,  
25 the municipalities to be those from which suppliers and  
26 servicemen have paid taxes or penalties hereunder to the

1 Department during the second preceding calendar month. The  
2 amount to be paid to each municipality shall be the amount (not  
3 including credit memoranda) collected hereunder during the  
4 second preceding calendar month by the Department, and not  
5 including an amount equal to the amount of refunds made during  
6 the second preceding calendar month by the Department on behalf  
7 of such municipality, and not including any amounts that are  
8 transferred to the STAR Bonds Revenue Fund, less 2% of the  
9 remainder, which the Department shall transfer into the Tax  
10 Compliance and Administration Fund. The Department, at the time  
11 of each monthly disbursement to the municipalities, shall  
12 prepare and certify to the State Comptroller the amount to be  
13 transferred into the Tax Compliance and Administration Fund  
14 under this Section. Within 10 days after receipt by the  
15 Comptroller of the disbursement certification to the  
16 municipalities, the Tax Compliance and Administration Fund,  
17 and the General Revenue Fund, provided for in this Section to  
18 be given to the Comptroller by the Department, the Comptroller  
19 shall cause the orders to be drawn for the respective amounts  
20 in accordance with the directions contained in the  
21 certification.

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

1 months from the time a misallocation is discovered.

2 Nothing in this Section shall be construed to authorize a  
3 municipality to impose a tax upon the privilege of engaging in  
4 any business which under the constitution of the United States  
5 may not be made the subject of taxation by this State.

6 (Source: P.A. 100-23, eff. 7-6-17; revised 10-3-17.)

7 (65 ILCS 5/8-11-5) (from Ch. 24, par. 8-11-5)

8 Sec. 8-11-5. Home Rule Municipal Service Occupation Tax  
9 Act. The corporate authorities of a home rule municipality may  
10 impose a tax upon all persons engaged, in such municipality, in  
11 the business of making sales of service at the same rate of tax  
12 imposed pursuant to Section 8-11-1, of the selling price of all  
13 tangible personal property transferred by such servicemen  
14 either in the form of tangible personal property or in the form  
15 of real estate as an incident to a sale of service. If imposed,  
16 such tax shall only be imposed in 1/4% increments. On and after  
17 September 1, 1991, this additional tax may not be imposed on  
18 tangible personal property taxed at the 1% rate under the  
19 Retailers' Occupation Tax Act ~~the sales of food for human~~  
20 ~~consumption which is to be consumed off the premises where it~~  
21 ~~is sold (other than alcoholic beverages, soft drinks and food~~  
22 ~~which has been prepared for immediate consumption) and~~  
23 ~~prescription and nonprescription medicines, drugs, medical~~  
24 ~~appliances and insulin, urine testing materials, syringes and~~  
25 ~~needles used by diabetics.~~ The tax imposed by a home rule



1 municipality pursuant to this Section and all civil penalties  
2 that may be assessed as an incident thereof shall be collected  
3 and enforced by the State Department of Revenue. The  
4 certificate of registration which is issued by the Department  
5 to a retailer under the Retailers' Occupation Tax Act or under  
6 the Service Occupation Tax Act shall permit such registrant to  
7 engage in a business which is taxable under any ordinance or  
8 resolution enacted pursuant to this Section without  
9 registering separately with the Department under such  
10 ordinance or resolution or under this Section. The Department  
11 shall have full power to administer and enforce this Section;  
12 to collect all taxes and penalties due hereunder; to dispose of  
13 taxes and penalties so collected in the manner hereinafter  
14 provided, and to determine all rights to credit memoranda  
15 arising on account of the erroneous payment of tax or penalty  
16 hereunder. In the administration of, and compliance with, this  
17 Section the Department and persons who are subject to this  
18 Section shall have the same rights, remedies, privileges,  
19 immunities, powers and duties, and be subject to the same  
20 conditions, restrictions, limitations, penalties and  
21 definitions of terms, and employ the same modes of procedure,  
22 as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in  
23 respect to all provisions therein other than the State rate of  
24 tax), 4 (except that the reference to the State shall be to the  
25 taxing municipality), 5, 7, 8 (except that the jurisdiction to  
26 which the tax shall be a debt to the extent indicated in that

1 Section 8 shall be the taxing municipality), 9 (except as to  
2 the disposition of taxes and penalties collected, and except  
3 that the returned merchandise credit for this municipal tax may  
4 not be taken against any State tax), 10, 11, 12 (except the  
5 reference therein to Section 2b of the Retailers' Occupation  
6 Tax Act), 13 (except that any reference to the State shall mean  
7 the taxing municipality), the first paragraph of Section 15,  
8 16, 17 (except that credit memoranda issued hereunder may not  
9 be used to discharge any State tax liability), 18, 19 and 20 of  
10 the Service Occupation Tax Act and Section 3-7 of the Uniform  
11 Penalty and Interest Act, as fully as if those provisions were  
12 set forth herein.

13 No tax may be imposed by a home rule municipality pursuant  
14 to this Section unless such municipality also imposes a tax at  
15 the same rate pursuant to Section 8-11-1 of this Act.

16 Persons subject to any tax imposed pursuant to the  
17 authority granted in this Section may reimburse themselves for  
18 their serviceman's tax liability hereunder by separately  
19 stating such tax as an additional charge, which charge may be  
20 stated in combination, in a single amount, with State tax which  
21 servicemen are authorized to collect under the Service Use Tax  
22 Act, pursuant to such bracket schedules as the Department may  
23 prescribe.

24 Whenever the Department determines that a refund should be  
25 made under this Section to a claimant instead of issuing credit  
26 memorandum, the Department shall notify the State Comptroller,

1 who shall cause the order to be drawn for the amount specified,  
2 and to the person named, in such notification from the  
3 Department. Such refund shall be paid by the State Treasurer  
4 out of the home rule municipal retailers' occupation tax fund.

5 The Department shall forthwith pay over to the State  
6 Treasurer, ex-officio, as trustee, all taxes and penalties  
7 collected hereunder.

8 As soon as possible after the first day of each month,  
9 beginning January 1, 2011, upon certification of the Department  
10 of Revenue, the Comptroller shall order transferred, and the  
11 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
12 local sales tax increment, as defined in the Innovation  
13 Development and Economy Act, collected under this Section  
14 during the second preceding calendar month for sales within a  
15 STAR bond district.

16 After the monthly transfer to the STAR Bonds Revenue Fund,  
17 on or before the 25th day of each calendar month, the  
18 Department shall prepare and certify to the Comptroller the  
19 disbursement of stated sums of money to named municipalities,  
20 the municipalities to be those from which suppliers and  
21 servicemen have paid taxes or penalties hereunder to the  
22 Department during the second preceding calendar month. The  
23 amount to be paid to each municipality shall be the amount (not  
24 including credit memoranda) collected hereunder during the  
25 second preceding calendar month by the Department, and not  
26 including an amount equal to the amount of refunds made during

1 the second preceding calendar month by the Department on behalf  
2 of such municipality, and not including any amounts that are  
3 transferred to the STAR Bonds Revenue Fund, less 2% of the  
4 remainder, which the Department shall transfer into the Tax  
5 Compliance and Administration Fund. The Department, at the time  
6 of each monthly disbursement to the municipalities, shall  
7 prepare and certify to the State Comptroller the amount to be  
8 transferred into the Tax Compliance and Administration Fund  
9 under this Section. Within 10 days after receipt, by the  
10 Comptroller, of the disbursement certification to the  
11 municipalities and the Tax Compliance and Administration Fund  
12 provided for in this Section to be given to the Comptroller by  
13 the Department, the Comptroller shall cause the orders to be  
14 drawn for the respective amounts in accordance with the  
15 directions contained in such certification.

16 In addition to the disbursement required by the preceding  
17 paragraph and in order to mitigate delays caused by  
18 distribution procedures, an allocation shall, if requested, be  
19 made within 10 days after January 14, 1991, and in November of  
20 1991 and each year thereafter, to each municipality that  
21 received more than \$500,000 during the preceding fiscal year,  
22 (July 1 through June 30) whether collected by the municipality  
23 or disbursed by the Department as required by this Section.  
24 Within 10 days after January 14, 1991, participating  
25 municipalities shall notify the Department in writing of their  
26 intent to participate. In addition, for the initial

1 distribution, participating municipalities shall certify to  
2 the Department the amounts collected by the municipality for  
3 each month under its home rule occupation and service  
4 occupation tax during the period July 1, 1989 through June 30,  
5 1990. The allocation within 10 days after January 14, 1991,  
6 shall be in an amount equal to the monthly average of these  
7 amounts, excluding the 2 months of highest receipts. Monthly  
8 average for the period of July 1, 1990 through June 30, 1991  
9 will be determined as follows: the amounts collected by the  
10 municipality under its home rule occupation and service  
11 occupation tax during the period of July 1, 1990 through  
12 September 30, 1990, plus amounts collected by the Department  
13 and paid to such municipality through June 30, 1991, excluding  
14 the 2 months of highest receipts. The monthly average for each  
15 subsequent period of July 1 through June 30 shall be an amount  
16 equal to the monthly distribution made to each such  
17 municipality under the preceding paragraph during this period,  
18 excluding the 2 months of highest receipts. The distribution  
19 made in November 1991 and each year thereafter under this  
20 paragraph and the preceding paragraph shall be reduced by the  
21 amount allocated and disbursed under this paragraph in the  
22 preceding period of July 1 through June 30. The Department  
23 shall prepare and certify to the Comptroller for disbursement  
24 the allocations made in accordance with this paragraph.

25 Nothing in this Section shall be construed to authorize a  
26 municipality to impose a tax upon the privilege of engaging in

1 any business which under the constitution of the United States  
2 may not be made the subject of taxation by this State.

3 An ordinance or resolution imposing or discontinuing a tax  
4 hereunder or effecting a change in the rate thereof shall be  
5 adopted and a certified copy thereof filed with the Department  
6 on or before the first day of June, whereupon the Department  
7 shall proceed to administer and enforce this Section as of the  
8 first day of September next following such adoption and filing.  
9 Beginning January 1, 1992, an ordinance or resolution imposing  
10 or discontinuing the tax hereunder or effecting a change in the  
11 rate thereof shall be adopted and a certified copy thereof  
12 filed with the Department on or before the first day of July,  
13 whereupon the Department shall proceed to administer and  
14 enforce this Section as of the first day of October next  
15 following such adoption and filing. Beginning January 1, 1993,  
16 an ordinance or resolution imposing or discontinuing the tax  
17 hereunder or effecting a change in the rate thereof shall be  
18 adopted and a certified copy thereof filed with the Department  
19 on or before the first day of October, whereupon the Department  
20 shall proceed to administer and enforce this Section as of the  
21 first day of January next following such adoption and filing.  
22 However, a municipality located in a county with a population  
23 in excess of 3,000,000 that elected to become a home rule unit  
24 at the general primary election in 1994 may adopt an ordinance  
25 or resolution imposing the tax under this Section and file a  
26 certified copy of the ordinance or resolution with the

1 Department on or before July 1, 1994. The Department shall then  
2 proceed to administer and enforce this Section as of October 1,  
3 1994. Beginning April 1, 1998, an ordinance or resolution  
4 imposing or discontinuing the tax hereunder or effecting a  
5 change in the rate thereof shall either (i) be adopted and a  
6 certified copy thereof filed with the Department on or before  
7 the first day of April, whereupon the Department shall proceed  
8 to administer and enforce this Section as of the first day of  
9 July next following the adoption and filing; or (ii) be adopted  
10 and a certified copy thereof filed with the Department on or  
11 before the first day of October, whereupon the Department shall  
12 proceed to administer and enforce this Section as of the first  
13 day of January next following the adoption and filing.

14 Any unobligated balance remaining in the Municipal  
15 Retailers' Occupation Tax Fund on December 31, 1989, which fund  
16 was abolished by Public Act 85-1135, and all receipts of  
17 municipal tax as a result of audits of liability periods prior  
18 to January 1, 1990, shall be paid into the Local Government Tax  
19 Fund, for distribution as provided by this Section prior to the  
20 enactment of Public Act 85-1135. All receipts of municipal tax  
21 as a result of an assessment not arising from an audit, for  
22 liability periods prior to January 1, 1990, shall be paid into  
23 the Local Government Tax Fund for distribution before July 1,  
24 1990, as provided by this Section prior to the enactment of  
25 Public Act 85-1135, and on and after July 1, 1990, all such  
26 receipts shall be distributed as provided in Section 6z-18 of

1 the State Finance Act.

2 As used in this Section, "municipal" and "municipality"  
3 means a city, village or incorporated town, including an  
4 incorporated town which has superseded a civil township.

5 This Section shall be known and may be cited as the Home  
6 Rule Municipal Service Occupation Tax Act.

7 (Source: P.A. 100-23, eff. 7-6-17.)

8 (65 ILCS 5/11-74.3-6)

9 Sec. 11-74.3-6. Business district revenue and obligations;  
10 business district tax allocation fund.

11 (a) If the corporate authorities of a municipality have  
12 approved a business district plan, have designated a business  
13 district, and have elected to impose a tax by ordinance  
14 pursuant to subsection (10) or (11) of Section 11-74.3-3, then  
15 each year after the date of the approval of the ordinance but  
16 terminating upon the date all business district project costs  
17 and all obligations paying or reimbursing business district  
18 project costs, if any, have been paid, but in no event later  
19 than the dissolution date, all amounts generated by the  
20 retailers' occupation tax and service occupation tax shall be  
21 collected and the tax shall be enforced by the Department of  
22 Revenue in the same manner as all retailers' occupation taxes  
23 and service occupation taxes imposed in the municipality  
24 imposing the tax and all amounts generated by the hotel  
25 operators' occupation tax shall be collected and the tax shall



1 be enforced by the municipality in the same manner as all hotel  
2 operators' occupation taxes imposed in the municipality  
3 imposing the tax. The corporate authorities of the municipality  
4 shall deposit the proceeds of the taxes imposed under  
5 subsections (10) and (11) of Section 11-74.3-3 into a special  
6 fund of the municipality called the "[Name of] Business  
7 District Tax Allocation Fund" for the purpose of paying or  
8 reimbursing business district project costs and obligations  
9 incurred in the payment of those costs.

10 (b) The corporate authorities of a municipality that has  
11 designated a business district under this Law may, by  
12 ordinance, impose a Business District Retailers' Occupation  
13 Tax upon all persons engaged in the business of selling  
14 tangible personal property, other than an item of tangible  
15 personal property titled or registered with an agency of this  
16 State's government, at retail in the business district at a  
17 rate not to exceed 1% of the gross receipts from the sales made  
18 in the course of such business, to be imposed only in 0.25%  
19 increments. The tax may not be imposed on tangible personal  
20 property taxed at the rate of 1% under the Retailers'  
21 Occupation Tax Act ~~food for human consumption that is to be~~  
22 ~~consumed off the premises where it is sold (other than~~  
23 ~~alcoholic beverages, soft drinks, and food that has been~~  
24 ~~prepared for immediate consumption), prescription and~~  
25 ~~nonprescription medicines, drugs, medical appliances,~~  
26 ~~modifications to a motor vehicle for the purpose of rendering~~

1 ~~it usable by a person with a disability, and insulin, urine~~  
2 ~~testing materials, syringes, and needles used by diabetics, for~~  
3 ~~human use.~~

4       The tax imposed under this subsection and all civil  
5 penalties that may be assessed as an incident thereof shall be  
6 collected and enforced by the Department of Revenue. The  
7 certificate of registration that is issued by the Department to  
8 a retailer under the Retailers' Occupation Tax Act shall permit  
9 the retailer to engage in a business that is taxable under any  
10 ordinance or resolution enacted pursuant to this subsection  
11 without registering separately with the Department under such  
12 ordinance or resolution or under this subsection. The  
13 Department of Revenue shall have full power to administer and  
14 enforce this subsection; to collect all taxes and penalties due  
15 under this subsection in the manner hereinafter provided; and  
16 to determine all rights to credit memoranda arising on account  
17 of the erroneous payment of tax or penalty under this  
18 subsection. In the administration of, and compliance with, this  
19 subsection, the Department and persons who are subject to this  
20 subsection shall have the same rights, remedies, privileges,  
21 immunities, powers and duties, and be subject to the same  
22 conditions, restrictions, limitations, penalties, exclusions,  
23 exemptions, and definitions of terms and employ the same modes  
24 of procedure, as are prescribed in Sections 1, 1a through 1o, 2  
25 through 2-65 (in respect to all provisions therein other than  
26 the State rate of tax), 2c through 2h, 3 (except as to the

1 disposition of taxes and penalties collected), 4, 5, 5a, 5c,  
2 5d, 5e, 5f, 5g, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11,  
3 12, 13, and 14 of the Retailers' Occupation Tax Act and all  
4 provisions of the Uniform Penalty and Interest Act, as fully as  
5 if those provisions were set forth herein.

6 Persons subject to any tax imposed under this subsection  
7 may reimburse themselves for their seller's tax liability under  
8 this subsection by separately stating the tax as an additional  
9 charge, which charge may be stated in combination, in a single  
10 amount, with State taxes that sellers are required to collect  
11 under the Use Tax Act, in accordance with such bracket  
12 schedules as the Department may prescribe.

13 Whenever the Department determines that a refund should be  
14 made under this subsection to a claimant instead of issuing a  
15 credit memorandum, the Department shall notify the State  
16 Comptroller, who shall cause the order to be drawn for the  
17 amount specified and to the person named in the notification  
18 from the Department. The refund shall be paid by the State  
19 Treasurer out of the business district retailers' occupation  
20 tax fund.

21 The Department shall immediately pay over to the State  
22 Treasurer, ex officio, as trustee, all taxes, penalties, and  
23 interest collected under this subsection for deposit into the  
24 business district retailers' occupation tax fund.

25 As soon as possible after the first day of each month,  
26 beginning January 1, 2011, upon certification of the Department

1 of Revenue, the Comptroller shall order transferred, and the  
2 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
3 local sales tax increment, as defined in the Innovation  
4 Development and Economy Act, collected under this subsection  
5 during the second preceding calendar month for sales within a  
6 STAR bond district.

7 After the monthly transfer to the STAR Bonds Revenue Fund,  
8 on or before the 25th day of each calendar month, the  
9 Department shall prepare and certify to the Comptroller the  
10 disbursement of stated sums of money to named municipalities  
11 from the business district retailers' occupation tax fund, the  
12 municipalities to be those from which retailers have paid taxes  
13 or penalties under this subsection to the Department during the  
14 second preceding calendar month. The amount to be paid to each  
15 municipality shall be the amount (not including credit  
16 memoranda) collected under this subsection during the second  
17 preceding calendar month by the Department plus an amount the  
18 Department determines is necessary to offset any amounts that  
19 were erroneously paid to a different taxing body, and not  
20 including an amount equal to the amount of refunds made during  
21 the second preceding calendar month by the Department, less 2%  
22 of that amount, which shall be deposited into the Tax  
23 Compliance and Administration Fund and shall be used by the  
24 Department, subject to appropriation, to cover the costs of the  
25 Department in administering and enforcing the provisions of  
26 this subsection, on behalf of such municipality, and not

1 including any amount that the Department determines is  
2 necessary to offset any amounts that were payable to a  
3 different taxing body but were erroneously paid to the  
4 municipality, and not including any amounts that are  
5 transferred to the STAR Bonds Revenue Fund. Within 10 days  
6 after receipt by the Comptroller of the disbursement  
7 certification to the municipalities provided for in this  
8 subsection to be given to the Comptroller by the Department,  
9 the Comptroller shall cause the orders to be drawn for the  
10 respective amounts in accordance with the directions contained  
11 in the certification. The proceeds of the tax paid to  
12 municipalities under this subsection shall be deposited into  
13 the Business District Tax Allocation Fund by the municipality.

14 An ordinance imposing or discontinuing the tax under this  
15 subsection or effecting a change in the rate thereof shall  
16 either (i) be adopted and a certified copy thereof filed with  
17 the Department on or before the first day of April, whereupon  
18 the Department, if all other requirements of this subsection  
19 are met, shall proceed to administer and enforce this  
20 subsection as of the first day of July next following the  
21 adoption and filing; or (ii) be adopted and a certified copy  
22 thereof filed with the Department on or before the first day of  
23 October, whereupon, if all other requirements of this  
24 subsection are met, the Department shall proceed to administer  
25 and enforce this subsection as of the first day of January next  
26 following the adoption and filing.

1           The Department of Revenue shall not administer or enforce  
2 an ordinance imposing, discontinuing, or changing the rate of  
3 the tax under this subsection, until the municipality also  
4 provides, in the manner prescribed by the Department, the  
5 boundaries of the business district and each address in the  
6 business district in such a way that the Department can  
7 determine by its address whether a business is located in the  
8 business district. The municipality must provide this boundary  
9 and address information to the Department on or before April 1  
10 for administration and enforcement of the tax under this  
11 subsection by the Department beginning on the following July 1  
12 and on or before October 1 for administration and enforcement  
13 of the tax under this subsection by the Department beginning on  
14 the following January 1. The Department of Revenue shall not  
15 administer or enforce any change made to the boundaries of a  
16 business district or address change, addition, or deletion  
17 until the municipality reports the boundary change or address  
18 change, addition, or deletion to the Department in the manner  
19 prescribed by the Department. The municipality must provide  
20 this boundary change information or address change, addition,  
21 or deletion to the Department on or before April 1 for  
22 administration and enforcement by the Department of the change  
23 beginning on the following July 1 and on or before October 1  
24 for administration and enforcement by the Department of the  
25 change beginning on the following January 1. The retailers in  
26 the business district shall be responsible for charging the tax

1 imposed under this subsection. If a retailer is incorrectly  
2 included or excluded from the list of those required to collect  
3 the tax under this subsection, both the Department of Revenue  
4 and the retailer shall be held harmless if they reasonably  
5 relied on information provided by the municipality.

6 A municipality that imposes the tax under this subsection  
7 must submit to the Department of Revenue any other information  
8 as the Department may require for the administration and  
9 enforcement of the tax.

10 When certifying the amount of a monthly disbursement to a  
11 municipality under this subsection, the Department shall  
12 increase or decrease the amount by an amount necessary to  
13 offset any misallocation of previous disbursements. The offset  
14 amount shall be the amount erroneously disbursed within the  
15 previous 6 months from the time a misallocation is discovered.

16 Nothing in this subsection shall be construed to authorize  
17 the municipality to impose a tax upon the privilege of engaging  
18 in any business which under the Constitution of the United  
19 States may not be made the subject of taxation by this State.

20 If a tax is imposed under this subsection (b), a tax shall  
21 also be imposed under subsection (c) of this Section.

22 (c) If a tax has been imposed under subsection (b), a  
23 Business District Service Occupation Tax shall also be imposed  
24 upon all persons engaged, in the business district, in the  
25 business of making sales of service, who, as an incident to  
26 making those sales of service, transfer tangible personal

1 property within the business district, either in the form of  
2 tangible personal property or in the form of real estate as an  
3 incident to a sale of service. The tax shall be imposed at the  
4 same rate as the tax imposed in subsection (b) and shall not  
5 exceed 1% of the selling price of tangible personal property so  
6 transferred within the business district, to be imposed only in  
7 0.25% increments. The tax may not be imposed on tangible  
8 personal property taxed at the 1% rate under the Service  
9 Occupation Tax Act ~~food for human consumption that is to be~~  
10 ~~consumed off the premises where it is sold (other than~~  
11 ~~alcoholic beverages, soft drinks, and food that has been~~  
12 ~~prepared for immediate consumption), prescription and~~  
13 ~~nonprescription medicines, drugs, medical appliances,~~  
14 ~~modifications to a motor vehicle for the purpose of rendering~~  
15 ~~it usable by a person with a disability, and insulin, urine~~  
16 ~~testing materials, syringes, and needles used by diabetics, for~~  
17 ~~human use.~~

18 The tax imposed under this subsection and all civil  
19 penalties that may be assessed as an incident thereof shall be  
20 collected and enforced by the Department of Revenue. The  
21 certificate of registration which is issued by the Department  
22 to a retailer under the Retailers' Occupation Tax Act or under  
23 the Service Occupation Tax Act shall permit such registrant to  
24 engage in a business which is taxable under any ordinance or  
25 resolution enacted pursuant to this subsection without  
26 registering separately with the Department under such



1 ordinance or resolution or under this subsection. The  
2 Department of Revenue shall have full power to administer and  
3 enforce this subsection; to collect all taxes and penalties due  
4 under this subsection; to dispose of taxes and penalties so  
5 collected in the manner hereinafter provided; and to determine  
6 all rights to credit memoranda arising on account of the  
7 erroneous payment of tax or penalty under this subsection. In  
8 the administration of, and compliance with this subsection, the  
9 Department and persons who are subject to this subsection shall  
10 have the same rights, remedies, privileges, immunities, powers  
11 and duties, and be subject to the same conditions,  
12 restrictions, limitations, penalties, exclusions, exemptions,  
13 and definitions of terms and employ the same modes of procedure  
14 as are prescribed in Sections 2, 2a through 2d, 3 through 3-50  
15 (in respect to all provisions therein other than the State rate  
16 of tax), 4 (except that the reference to the State shall be to  
17 the business district), 5, 7, 8 (except that the jurisdiction  
18 to which the tax shall be a debt to the extent indicated in  
19 that Section 8 shall be the municipality), 9 (except as to the  
20 disposition of taxes and penalties collected, and except that  
21 the returned merchandise credit for this tax may not be taken  
22 against any State tax), 10, 11, 12 (except the reference  
23 therein to Section 2b of the Retailers' Occupation Tax Act), 13  
24 (except that any reference to the State shall mean the  
25 municipality), the first paragraph of Section 15, and Sections  
26 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and all

1 provisions of the Uniform Penalty and Interest Act, as fully as  
2 if those provisions were set forth herein.

3 Persons subject to any tax imposed under the authority  
4 granted in this subsection may reimburse themselves for their  
5 serviceman's tax liability hereunder by separately stating the  
6 tax as an additional charge, which charge may be stated in  
7 combination, in a single amount, with State tax that servicemen  
8 are authorized to collect under the Service Use Tax Act, in  
9 accordance with such bracket schedules as the Department may  
10 prescribe.

11 Whenever the Department determines that a refund should be  
12 made under this subsection to a claimant instead of issuing  
13 credit memorandum, the Department shall notify the State  
14 Comptroller, who shall cause the order to be drawn for the  
15 amount specified, and to the person named, in such notification  
16 from the Department. Such refund shall be paid by the State  
17 Treasurer out of the business district retailers' occupation  
18 tax fund.

19 The Department shall forthwith pay over to the State  
20 Treasurer, ex-officio, as trustee, all taxes, penalties, and  
21 interest collected under this subsection for deposit into the  
22 business district retailers' occupation tax fund.

23 As soon as possible after the first day of each month,  
24 beginning January 1, 2011, upon certification of the Department  
25 of Revenue, the Comptroller shall order transferred, and the  
26 Treasurer shall transfer, to the STAR Bonds Revenue Fund the

1 local sales tax increment, as defined in the Innovation  
2 Development and Economy Act, collected under this subsection  
3 during the second preceding calendar month for sales within a  
4 STAR bond district.

5 After the monthly transfer to the STAR Bonds Revenue Fund,  
6 on or before the 25th day of each calendar month, the  
7 Department shall prepare and certify to the Comptroller the  
8 disbursement of stated sums of money to named municipalities  
9 from the business district retailers' occupation tax fund, the  
10 municipalities to be those from which suppliers and servicemen  
11 have paid taxes or penalties under this subsection to the  
12 Department during the second preceding calendar month. The  
13 amount to be paid to each municipality shall be the amount (not  
14 including credit memoranda) collected under this subsection  
15 during the second preceding calendar month by the Department,  
16 less 2% of that amount, which shall be deposited into the Tax  
17 Compliance and Administration Fund and shall be used by the  
18 Department, subject to appropriation, to cover the costs of the  
19 Department in administering and enforcing the provisions of  
20 this subsection, and not including an amount equal to the  
21 amount of refunds made during the second preceding calendar  
22 month by the Department on behalf of such municipality, and not  
23 including any amounts that are transferred to the STAR Bonds  
24 Revenue Fund. Within 10 days after receipt, by the Comptroller,  
25 of the disbursement certification to the municipalities,  
26 provided for in this subsection to be given to the Comptroller

1 by the Department, the Comptroller shall cause the orders to be  
2 drawn for the respective amounts in accordance with the  
3 directions contained in such certification. The proceeds of the  
4 tax paid to municipalities under this subsection shall be  
5 deposited into the Business District Tax Allocation Fund by the  
6 municipality.

7 An ordinance imposing or discontinuing the tax under this  
8 subsection or effecting a change in the rate thereof shall  
9 either (i) be adopted and a certified copy thereof filed with  
10 the Department on or before the first day of April, whereupon  
11 the Department, if all other requirements of this subsection  
12 are met, shall proceed to administer and enforce this  
13 subsection as of the first day of July next following the  
14 adoption and filing; or (ii) be adopted and a certified copy  
15 thereof filed with the Department on or before the first day of  
16 October, whereupon, if all other conditions of this subsection  
17 are met, the Department shall proceed to administer and enforce  
18 this subsection as of the first day of January next following  
19 the adoption and filing.

20 The Department of Revenue shall not administer or enforce  
21 an ordinance imposing, discontinuing, or changing the rate of  
22 the tax under this subsection, until the municipality also  
23 provides, in the manner prescribed by the Department, the  
24 boundaries of the business district in such a way that the  
25 Department can determine by its address whether a business is  
26 located in the business district. The municipality must provide

1 this boundary and address information to the Department on or  
2 before April 1 for administration and enforcement of the tax  
3 under this subsection by the Department beginning on the  
4 following July 1 and on or before October 1 for administration  
5 and enforcement of the tax under this subsection by the  
6 Department beginning on the following January 1. The Department  
7 of Revenue shall not administer or enforce any change made to  
8 the boundaries of a business district or address change,  
9 addition, or deletion until the municipality reports the  
10 boundary change or address change, addition, or deletion to the  
11 Department in the manner prescribed by the Department. The  
12 municipality must provide this boundary change information or  
13 address change, addition, or deletion to the Department on or  
14 before April 1 for administration and enforcement by the  
15 Department of the change beginning on the following July 1 and  
16 on or before October 1 for administration and enforcement by  
17 the Department of the change beginning on the following January  
18 1. The retailers in the business district shall be responsible  
19 for charging the tax imposed under this subsection. If a  
20 retailer is incorrectly included or excluded from the list of  
21 those required to collect the tax under this subsection, both  
22 the Department of Revenue and the retailer shall be held  
23 harmless if they reasonably relied on information provided by  
24 the municipality.

25 A municipality that imposes the tax under this subsection  
26 must submit to the Department of Revenue any other information

1 as the Department may require for the administration and  
2 enforcement of the tax.

3 Nothing in this subsection shall be construed to authorize  
4 the municipality to impose a tax upon the privilege of engaging  
5 in any business which under the Constitution of the United  
6 States may not be made the subject of taxation by the State.

7 If a tax is imposed under this subsection (c), a tax shall  
8 also be imposed under subsection (b) of this Section.

9 (d) By ordinance, a municipality that has designated a  
10 business district under this Law may impose an occupation tax  
11 upon all persons engaged in the business district in the  
12 business of renting, leasing, or letting rooms in a hotel, as  
13 defined in the Hotel Operators' Occupation Tax Act, at a rate  
14 not to exceed 1% of the gross rental receipts from the renting,  
15 leasing, or letting of hotel rooms within the business  
16 district, to be imposed only in 0.25% increments, excluding,  
17 however, from gross rental receipts the proceeds of renting,  
18 leasing, or letting to permanent residents of a hotel, as  
19 defined in the Hotel Operators' Occupation Tax Act, and  
20 proceeds from the tax imposed under subsection (c) of Section  
21 13 of the Metropolitan Pier and Exposition Authority Act.

22 The tax imposed by the municipality under this subsection  
23 and all civil penalties that may be assessed as an incident to  
24 that tax shall be collected and enforced by the municipality  
25 imposing the tax. The municipality shall have full power to  
26 administer and enforce this subsection, to collect all taxes

1 and penalties due under this subsection, to dispose of taxes  
2 and penalties so collected in the manner provided in this  
3 subsection, and to determine all rights to credit memoranda  
4 arising on account of the erroneous payment of tax or penalty  
5 under this subsection. In the administration of and compliance  
6 with this subsection, the municipality and persons who are  
7 subject to this subsection shall have the same rights,  
8 remedies, privileges, immunities, powers, and duties, shall be  
9 subject to the same conditions, restrictions, limitations,  
10 penalties, and definitions of terms, and shall employ the same  
11 modes of procedure as are employed with respect to a tax  
12 adopted by the municipality under Section 8-3-14 of this Code.

13 Persons subject to any tax imposed under the authority  
14 granted in this subsection may reimburse themselves for their  
15 tax liability for that tax by separately stating that tax as an  
16 additional charge, which charge may be stated in combination,  
17 in a single amount, with State taxes imposed under the Hotel  
18 Operators' Occupation Tax Act, and with any other tax.

19 Nothing in this subsection shall be construed to authorize  
20 a municipality to impose a tax upon the privilege of engaging  
21 in any business which under the Constitution of the United  
22 States may not be made the subject of taxation by this State.

23 The proceeds of the tax imposed under this subsection shall  
24 be deposited into the Business District Tax Allocation Fund.

25 (e) Obligations secured by the Business District Tax  
26 Allocation Fund may be issued to provide for the payment or

1 reimbursement of business district project costs. Those  
2 obligations, when so issued, shall be retired in the manner  
3 provided in the ordinance authorizing the issuance of those  
4 obligations by the receipts of taxes imposed pursuant to  
5 subsections (10) and (11) of Section 11-74.3-3 and by other  
6 revenue designated or pledged by the municipality. A  
7 municipality may in the ordinance pledge, for any period of  
8 time up to and including the dissolution date, all or any part  
9 of the funds in and to be deposited in the Business District  
10 Tax Allocation Fund to the payment of business district project  
11 costs and obligations. Whenever a municipality pledges all of  
12 the funds to the credit of a business district tax allocation  
13 fund to secure obligations issued or to be issued to pay or  
14 reimburse business district project costs, the municipality  
15 may specifically provide that funds remaining to the credit of  
16 such business district tax allocation fund after the payment of  
17 such obligations shall be accounted for annually and shall be  
18 deemed to be "surplus" funds, and such "surplus" funds shall be  
19 expended by the municipality for any business district project  
20 cost as approved in the business district plan. Whenever a  
21 municipality pledges less than all of the monies to the credit  
22 of a business district tax allocation fund to secure  
23 obligations issued or to be issued to pay or reimburse business  
24 district project costs, the municipality shall provide that  
25 monies to the credit of the business district tax allocation  
26 fund and not subject to such pledge or otherwise encumbered or



1 required for payment of contractual obligations for specific  
2 business district project costs shall be calculated annually  
3 and shall be deemed to be "surplus" funds, and such "surplus"  
4 funds shall be expended by the municipality for any business  
5 district project cost as approved in the business district  
6 plan.

7 No obligation issued pursuant to this Law and secured by a  
8 pledge of all or any portion of any revenues received or to be  
9 received by the municipality from the imposition of taxes  
10 pursuant to subsection (10) of Section 11-74.3-3, shall be  
11 deemed to constitute an economic incentive agreement under  
12 Section 8-11-20, notwithstanding the fact that such pledge  
13 provides for the sharing, rebate, or payment of retailers'  
14 occupation taxes or service occupation taxes imposed pursuant  
15 to subsection (10) of Section 11-74.3-3 and received or to be  
16 received by the municipality from the development or  
17 redevelopment of properties in the business district.

18 Without limiting the foregoing in this Section, the  
19 municipality may further secure obligations secured by the  
20 business district tax allocation fund with a pledge, for a  
21 period not greater than the term of the obligations and in any  
22 case not longer than the dissolution date, of any part or any  
23 combination of the following: (i) net revenues of all or part  
24 of any business district project; (ii) taxes levied or imposed  
25 by the municipality on any or all property in the municipality,  
26 including, specifically, taxes levied or imposed by the

1 municipality in a special service area pursuant to the Special  
2 Service Area Tax Law; (iii) the full faith and credit of the  
3 municipality; (iv) a mortgage on part or all of the business  
4 district project; or (v) any other taxes or anticipated  
5 receipts that the municipality may lawfully pledge.

6 Such obligations may be issued in one or more series, bear  
7 such date or dates, become due at such time or times as therein  
8 provided, but in any case not later than (i) 20 years after the  
9 date of issue or (ii) the dissolution date, whichever is  
10 earlier, bear interest payable at such intervals and at such  
11 rate or rates as set forth therein, except as may be limited by  
12 applicable law, which rate or rates may be fixed or variable,  
13 be in such denominations, be in such form, either coupon,  
14 registered, or book-entry, carry such conversion, registration  
15 and exchange privileges, be subject to defeasance upon such  
16 terms, have such rank or priority, be executed in such manner,  
17 be payable in such medium or payment at such place or places  
18 within or without the State, make provision for a corporate  
19 trustee within or without the State with respect to such  
20 obligations, prescribe the rights, powers, and duties thereof  
21 to be exercised for the benefit of the municipality and the  
22 benefit of the owners of such obligations, provide for the  
23 holding in trust, investment, and use of moneys, funds, and  
24 accounts held under an ordinance, provide for assignment of and  
25 direct payment of the moneys to pay such obligations or to be  
26 deposited into such funds or accounts directly to such trustee,

1 be subject to such terms of redemption with or without premium,  
2 and be sold at such price, all as the corporate authorities  
3 shall determine. No referendum approval of the electors shall  
4 be required as a condition to the issuance of obligations  
5 pursuant to this Law except as provided in this Section.

6 In the event the municipality authorizes the issuance of  
7 obligations pursuant to the authority of this Law secured by  
8 the full faith and credit of the municipality, or pledges ad  
9 valorem taxes pursuant to this subsection, which obligations  
10 are other than obligations which may be issued under home rule  
11 powers provided by Section 6 of Article VII of the Illinois  
12 Constitution or which ad valorem taxes are other than ad  
13 valorem taxes which may be pledged under home rule powers  
14 provided by Section 6 of Article VII of the Illinois  
15 Constitution or which are levied in a special service area  
16 pursuant to the Special Service Area Tax Law, the ordinance  
17 authorizing the issuance of those obligations or pledging those  
18 taxes shall be published within 10 days after the ordinance has  
19 been adopted, in a newspaper having a general circulation  
20 within the municipality. The publication of the ordinance shall  
21 be accompanied by a notice of (i) the specific number of voters  
22 required to sign a petition requesting the question of the  
23 issuance of the obligations or pledging such ad valorem taxes  
24 to be submitted to the electors; (ii) the time within which the  
25 petition must be filed; and (iii) the date of the prospective  
26 referendum. The municipal clerk shall provide a petition form

1 to any individual requesting one.

2 If no petition is filed with the municipal clerk, as  
3 hereinafter provided in this Section, within 21 days after the  
4 publication of the ordinance, the ordinance shall be in effect.  
5 However, if within that 21-day period a petition is filed with  
6 the municipal clerk, signed by electors numbering not less than  
7 15% of the number of electors voting for the mayor or president  
8 at the last general municipal election, asking that the  
9 question of issuing obligations using full faith and credit of  
10 the municipality as security for the cost of paying or  
11 reimbursing business district project costs, or of pledging  
12 such ad valorem taxes for the payment of those obligations, or  
13 both, be submitted to the electors of the municipality, the  
14 municipality shall not be authorized to issue obligations of  
15 the municipality using the full faith and credit of the  
16 municipality as security or pledging such ad valorem taxes for  
17 the payment of those obligations, or both, until the  
18 proposition has been submitted to and approved by a majority of  
19 the voters voting on the proposition at a regularly scheduled  
20 election. The municipality shall certify the proposition to the  
21 proper election authorities for submission in accordance with  
22 the general election law.

23 The ordinance authorizing the obligations may provide that  
24 the obligations shall contain a recital that they are issued  
25 pursuant to this Law, which recital shall be conclusive  
26 evidence of their validity and of the regularity of their

1 issuance.

2 In the event the municipality authorizes issuance of  
3 obligations pursuant to this Law secured by the full faith and  
4 credit of the municipality, the ordinance authorizing the  
5 obligations may provide for the levy and collection of a direct  
6 annual tax upon all taxable property within the municipality  
7 sufficient to pay the principal thereof and interest thereon as  
8 it matures, which levy may be in addition to and exclusive of  
9 the maximum of all other taxes authorized to be levied by the  
10 municipality, which levy, however, shall be abated to the  
11 extent that monies from other sources are available for payment  
12 of the obligations and the municipality certifies the amount of  
13 those monies available to the county clerk.

14 A certified copy of the ordinance shall be filed with the  
15 county clerk of each county in which any portion of the  
16 municipality is situated, and shall constitute the authority  
17 for the extension and collection of the taxes to be deposited  
18 in the business district tax allocation fund.

19 A municipality may also issue its obligations to refund, in  
20 whole or in part, obligations theretofore issued by the  
21 municipality under the authority of this Law, whether at or  
22 prior to maturity. However, the last maturity of the refunding  
23 obligations shall not be expressed to mature later than the  
24 dissolution date.

25 In the event a municipality issues obligations under home  
26 rule powers or other legislative authority, the proceeds of

1 which are pledged to pay or reimburse business district project  
2 costs, the municipality may, if it has followed the procedures  
3 in conformance with this Law, retire those obligations from  
4 funds in the business district tax allocation fund in amounts  
5 and in such manner as if those obligations had been issued  
6 pursuant to the provisions of this Law.

7 No obligations issued pursuant to this Law shall be  
8 regarded as indebtedness of the municipality issuing those  
9 obligations or any other taxing district for the purpose of any  
10 limitation imposed by law.

11 Obligations issued pursuant to this Law shall not be  
12 subject to the provisions of the Bond Authorization Act.

13 (f) When business district project costs, including,  
14 without limitation, all obligations paying or reimbursing  
15 business district project costs have been paid, any surplus  
16 funds then remaining in the Business District Tax Allocation  
17 Fund shall be distributed to the municipal treasurer for  
18 deposit into the general corporate fund of the municipality.  
19 Upon payment of all business district project costs and  
20 retirement of all obligations paying or reimbursing business  
21 district project costs, but in no event more than 23 years  
22 after the date of adoption of the ordinance imposing taxes  
23 pursuant to subsection (10) or (11) of Section 11-74.3-3, the  
24 municipality shall adopt an ordinance immediately rescinding  
25 the taxes imposed pursuant to subsection (10) or (11) of  
26 Section 11-74.3-3.

1 (Source: P.A. 99-143, eff. 7-27-15.)

2 Section 115. The Flood Prevention District Act is amended  
3 by changing Section 25 as follows:

4 (70 ILCS 750/25)

5 Sec. 25. Flood prevention retailers' and service  
6 occupation taxes.

7 (a) If the Board of Commissioners of a flood prevention  
8 district determines that an emergency situation exists  
9 regarding levee repair or flood prevention, and upon an  
10 ordinance confirming the determination adopted by the  
11 affirmative vote of a majority of the members of the county  
12 board of the county in which the district is situated, the  
13 county may impose a flood prevention retailers' occupation tax  
14 upon all persons engaged in the business of selling tangible  
15 personal property at retail within the territory of the  
16 district to provide revenue to pay the costs of providing  
17 emergency levee repair and flood prevention and to secure the  
18 payment of bonds, notes, and other evidences of indebtedness  
19 issued under this Act for a period not to exceed 25 years or as  
20 required to repay the bonds, notes, and other evidences of  
21 indebtedness issued under this Act. The tax rate shall be 0.25%  
22 of the gross receipts from all taxable sales made in the course  
23 of that business. The tax imposed under this Section and all  
24 civil penalties that may be assessed as an incident thereof

1 shall be collected and enforced by the State Department of  
2 Revenue. The Department shall have full power to administer and  
3 enforce this Section; to collect all taxes and penalties so  
4 collected in the manner hereinafter provided; and to determine  
5 all rights to credit memoranda arising on account of the  
6 erroneous payment of tax or penalty hereunder.

7 In the administration of and compliance with this  
8 subsection, the Department and persons who are subject to this  
9 subsection (i) have the same rights, remedies, privileges,  
10 immunities, powers, and duties, (ii) are subject to the same  
11 conditions, restrictions, limitations, penalties, and  
12 definitions of terms, and (iii) shall employ the same modes of  
13 procedure as are set forth in Sections 1 through 10, 2 through  
14 2-70 (in respect to all provisions contained in those Sections  
15 other than the State rate of tax), 2a through 2h, 3 (except as  
16 to the disposition of taxes and penalties collected), 4, 5, 5a,  
17 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9,  
18 10, 11, 11a, 12, and 13 of the Retailers' Occupation Tax Act  
19 and all provisions of the Uniform Penalty and Interest Act as  
20 if those provisions were set forth in this subsection.

21 Persons subject to any tax imposed under this Section may  
22 reimburse themselves for their seller's tax liability  
23 hereunder by separately stating the tax as an additional  
24 charge, which charge may be stated in combination in a single  
25 amount with State taxes that sellers are required to collect  
26 under the Use Tax Act, under any bracket schedules the



1 Department may prescribe.

2 If a tax is imposed under this subsection (a), a tax shall  
3 also be imposed under subsection (b) of this Section.

4 (b) If a tax has been imposed under subsection (a), a flood  
5 prevention service occupation tax shall also be imposed upon  
6 all persons engaged within the territory of the district in the  
7 business of making sales of service, who, as an incident to  
8 making the sales of service, transfer tangible personal  
9 property, either in the form of tangible personal property or  
10 in the form of real estate as an incident to a sale of service  
11 to provide revenue to pay the costs of providing emergency  
12 levee repair and flood prevention and to secure the payment of  
13 bonds, notes, and other evidences of indebtedness issued under  
14 this Act for a period not to exceed 25 years or as required to  
15 repay the bonds, notes, and other evidences of indebtedness.  
16 The tax rate shall be 0.25% of the selling price of all  
17 tangible personal property transferred.

18 The tax imposed under this subsection and all civil  
19 penalties that may be assessed as an incident thereof shall be  
20 collected and enforced by the State Department of Revenue. The  
21 Department shall have full power to administer and enforce this  
22 subsection; to collect all taxes and penalties due hereunder;  
23 to dispose of taxes and penalties collected in the manner  
24 hereinafter provided; and to determine all rights to credit  
25 memoranda arising on account of the erroneous payment of tax or  
26 penalty hereunder.

1           In the administration of and compliance with this  
2 subsection, the Department and persons who are subject to this  
3 subsection shall (i) have the same rights, remedies,  
4 privileges, immunities, powers, and duties, (ii) be subject to  
5 the same conditions, restrictions, limitations, penalties, and  
6 definitions of terms, and (iii) employ the same modes of  
7 procedure as are set forth in Sections 2 (except that the  
8 reference to State in the definition of supplier maintaining a  
9 place of business in this State means the district), 2a through  
10 2d, 3 through 3-50 (in respect to all provisions contained in  
11 those Sections other than the State rate of tax), 4 (except  
12 that the reference to the State shall be to the district), 5,  
13 7, 8 (except that the jurisdiction to which the tax is a debt  
14 to the extent indicated in that Section 8 is the district), 9  
15 (except as to the disposition of taxes and penalties  
16 collected), 10, 11, 12 (except the reference therein to Section  
17 2b of the Retailers' Occupation Tax Act), 13 (except that any  
18 reference to the State means the district), Section 15, 16, 17,  
19 18, 19, and 20 of the Service Occupation Tax Act and all  
20 provisions of the Uniform Penalty and Interest Act, as fully as  
21 if those provisions were set forth herein.

22           Persons subject to any tax imposed under the authority  
23 granted in this subsection may reimburse themselves for their  
24 serviceman's tax liability hereunder by separately stating the  
25 tax as an additional charge, that charge may be stated in  
26 combination in a single amount with State tax that servicemen

1 are authorized to collect under the Service Use Tax Act, under  
2 any bracket schedules the Department may prescribe.

3 (c) The taxes imposed in subsections (a) and (b) may not be  
4 imposed on personal property titled or registered with an  
5 agency of the State or on personal property taxed at the 1%  
6 rate under the Retailers' Occupation Tax Act and the Service  
7 Occupation Tax Act ; ~~food for human consumption that is to be~~  
8 ~~consumed off the premises where it is sold (other than~~  
9 ~~alcoholic beverages, soft drinks, and food that has been~~  
10 ~~prepared for immediate consumption); prescription and~~  
11 ~~non-prescription medicines, drugs, and medical appliances;~~  
12 ~~modifications to a motor vehicle for the purpose of rendering~~  
13 ~~it usable by a person with a disability; or insulin, urine~~  
14 ~~testing materials, and syringes and needles used by diabetics.~~

15 (d) Nothing in this Section shall be construed to authorize  
16 the district to impose a tax upon the privilege of engaging in  
17 any business that under the Constitution of the United States  
18 may not be made the subject of taxation by the State.

19 (e) The certificate of registration that is issued by the  
20 Department to a retailer under the Retailers' Occupation Tax  
21 Act or a serviceman under the Service Occupation Tax Act  
22 permits the retailer or serviceman to engage in a business that  
23 is taxable without registering separately with the Department  
24 under an ordinance or resolution under this Section.

25 (f) The Department shall immediately pay over to the State  
26 Treasurer, ex officio, as trustee, all taxes and penalties

1 collected under this Section to be deposited into the Flood  
2 Prevention Occupation Tax Fund, which shall be an  
3 unappropriated trust fund held outside the State treasury.

4 On or before the 25th day of each calendar month, the  
5 Department shall prepare and certify to the Comptroller the  
6 disbursement of stated sums of money to the counties from which  
7 retailers or servicemen have paid taxes or penalties to the  
8 Department during the second preceding calendar month. The  
9 amount to be paid to each county is equal to the amount (not  
10 including credit memoranda) collected from the county under  
11 this Section during the second preceding calendar month by the  
12 Department, (i) less 2% of that amount, which shall be  
13 deposited into the Tax Compliance and Administration Fund and  
14 shall be used by the Department in administering and enforcing  
15 the provisions of this Section on behalf of the county, (ii)  
16 plus an amount that the Department determines is necessary to  
17 offset any amounts that were erroneously paid to a different  
18 taxing body; (iii) less an amount equal to the amount of  
19 refunds made during the second preceding calendar month by the  
20 Department on behalf of the county; and (iv) less any amount  
21 that the Department determines is necessary to offset any  
22 amounts that were payable to a different taxing body but were  
23 erroneously paid to the county. When certifying the amount of a  
24 monthly disbursement to a county under this Section, the  
25 Department shall increase or decrease the amounts by an amount  
26 necessary to offset any miscalculation of previous

1 disbursements within the previous 6 months from the time a  
2 miscalculation is discovered.

3       Within 10 days after receipt by the Comptroller from the  
4 Department of the disbursement certification to the counties  
5 provided for in this Section, the Comptroller shall cause the  
6 orders to be drawn for the respective amounts in accordance  
7 with directions contained in the certification.

8       If the Department determines that a refund should be made  
9 under this Section to a claimant instead of issuing a credit  
10 memorandum, then the Department shall notify the Comptroller,  
11 who shall cause the order to be drawn for the amount specified  
12 and to the person named in the notification from the  
13 Department. The refund shall be paid by the Treasurer out of  
14 the Flood Prevention Occupation Tax Fund.

15       (g) If a county imposes a tax under this Section, then the  
16 county board shall, by ordinance, discontinue the tax upon the  
17 payment of all indebtedness of the flood prevention district.  
18 The tax shall not be discontinued until all indebtedness of the  
19 District has been paid.

20       (h) Any ordinance imposing the tax under this Section, or  
21 any ordinance that discontinues the tax, must be certified by  
22 the county clerk and filed with the Illinois Department of  
23 Revenue either (i) on or before the first day of April,  
24 whereupon the Department shall proceed to administer and  
25 enforce the tax or change in the rate as of the first day of  
26 July next following the filing; or (ii) on or before the first

1 day of October, whereupon the Department shall proceed to  
2 administer and enforce the tax or change in the rate as of the  
3 first day of January next following the filing.

4 (j) County Flood Prevention Occupation Tax Fund. All  
5 proceeds received by a county from a tax distribution under  
6 this Section must be maintained in a special fund known as the  
7 [name of county] flood prevention occupation tax fund. The  
8 county shall, at the direction of the flood prevention  
9 district, use moneys in the fund to pay the costs of providing  
10 emergency levee repair and flood prevention and to pay bonds,  
11 notes, and other evidences of indebtedness issued under this  
12 Act.

13 (k) This Section may be cited as the Flood Prevention  
14 Occupation Tax Law.

15 (Source: P.A. 99-143, eff. 7-27-15; 99-217, eff. 7-31-15;  
16 99-642, eff. 7-28-16.)

17 Section 120. The Metro-East Park and Recreation District  
18 Act is amended by changing Section 30 as follows:

19 (70 ILCS 1605/30)

20 Sec. 30. Taxes.

21 (a) The board shall impose a tax upon all persons engaged  
22 in the business of selling tangible personal property, other  
23 than personal property titled or registered with an agency of  
24 this State's government, at retail in the District on the gross

1 receipts from the sales made in the course of business. This  
2 tax shall be imposed only at the rate of one-tenth of one per  
3 cent.

4 This additional tax may not be imposed on tangible personal  
5 property taxed at the 1% rate under the Retailers' Occupation  
6 Tax Act ~~the sales of food for human consumption that is to be~~  
7 ~~consumed off the premises where it is sold (other than~~  
8 ~~alcoholic beverages, soft drinks, and food which has been~~  
9 ~~prepared for immediate consumption) and prescription and~~  
10 ~~non prescription medicines, drugs, medical appliances, and~~  
11 ~~insulin, urine testing materials, syringes, and needles used by~~  
12 ~~diabetics.~~ The tax imposed by the Board under this Section and  
13 all civil penalties that may be assessed as an incident of the  
14 tax shall be collected and enforced by the Department of  
15 Revenue. The certificate of registration that is issued by the  
16 Department to a retailer under the Retailers' Occupation Tax  
17 Act shall permit the retailer to engage in a business that is  
18 taxable without registering separately with the Department  
19 under an ordinance or resolution under this Section. The  
20 Department has full power to administer and enforce this  
21 Section, to collect all taxes and penalties due under this  
22 Section, to dispose of taxes and penalties so collected in the  
23 manner provided in this Section, and to determine all rights to  
24 credit memoranda arising on account of the erroneous payment of  
25 a tax or penalty under this Section. In the administration of  
26 and compliance with this Section, the Department and persons

1 who are subject to this Section shall (i) have the same rights,  
2 remedies, privileges, immunities, powers, and duties, (ii) be  
3 subject to the same conditions, restrictions, limitations,  
4 penalties, and definitions of terms, and (iii) employ the same  
5 modes of procedure as are prescribed in Sections 1, 1a, 1a-1,  
6 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2, 2-5, 2-5.5, 2-10 (in respect  
7 to all provisions contained in those Sections other than the  
8 State rate of tax), 2-12, 2-15 through 2-70, 2a, 2b, 2c, 3  
9 (except provisions relating to transaction returns and quarter  
10 monthly payments), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i,  
11 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 11a, 12, and 13  
12 of the Retailers' Occupation Tax Act and the Uniform Penalty  
13 and Interest Act as if those provisions were set forth in this  
14 Section.

15 Persons subject to any tax imposed under the authority  
16 granted in this Section may reimburse themselves for their  
17 sellers' tax liability by separately stating the tax as an  
18 additional charge, which charge may be stated in combination,  
19 in a single amount, with State tax which sellers are required  
20 to collect under the Use Tax Act, pursuant to such bracketed  
21 schedules as the Department may prescribe.

22 Whenever the Department determines that a refund should be  
23 made under this Section to a claimant instead of issuing a  
24 credit memorandum, the Department shall notify the State  
25 Comptroller, who shall cause the order to be drawn for the  
26 amount specified and to the person named in the notification



1 from the Department. The refund shall be paid by the State  
2 Treasurer out of the State Metro-East Park and Recreation  
3 District Fund.

4 (b) If a tax has been imposed under subsection (a), a  
5 service occupation tax shall also be imposed at the same rate  
6 upon all persons engaged, in the District, in the business of  
7 making sales of service, who, as an incident to making those  
8 sales of service, transfer tangible personal property within  
9 the District as an incident to a sale of service. This tax may  
10 not be imposed on tangible personal property taxed at the 1%  
11 rate under the Service Occupation Tax Act ~~sales of food for~~  
12 ~~human consumption that is to be consumed off the premises where~~  
13 ~~it is sold (other than alcoholic beverages, soft drinks, and~~  
14 ~~food prepared for immediate consumption) and prescription and~~  
15 ~~non-prescription medicines, drugs, medical appliances, and~~  
16 ~~insulin, urine testing materials, syringes, and needles used by~~  
17 ~~diabetics~~. The tax imposed under this subsection and all civil  
18 penalties that may be assessed as an incident thereof shall be  
19 collected and enforced by the Department of Revenue. The  
20 Department has full power to administer and enforce this  
21 subsection; to collect all taxes and penalties due hereunder;  
22 to dispose of taxes and penalties so collected in the manner  
23 hereinafter provided; and to determine all rights to credit  
24 memoranda arising on account of the erroneous payment of tax or  
25 penalty hereunder. In the administration of, and compliance  
26 with this subsection, the Department and persons who are

1 subject to this paragraph shall (i) have the same rights,  
2 remedies, privileges, immunities, powers, and duties, (ii) be  
3 subject to the same conditions, restrictions, limitations,  
4 penalties, exclusions, exemptions, and definitions of terms,  
5 and (iii) employ the same modes of procedure as are prescribed  
6 in Sections 2 (except that the reference to State in the  
7 definition of supplier maintaining a place of business in this  
8 State shall mean the District), 2a, 2b, 2c, 3 through 3-50 (in  
9 respect to all provisions therein other than the State rate of  
10 tax), 4 (except that the reference to the State shall be to the  
11 District), 5, 7, 8 (except that the jurisdiction to which the  
12 tax shall be a debt to the extent indicated in that Section 8  
13 shall be the District), 9 (except as to the disposition of  
14 taxes and penalties collected), 10, 11, 12 (except the  
15 reference therein to Section 2b of the Retailers' Occupation  
16 Tax Act), 13 (except that any reference to the State shall mean  
17 the District), Sections 15, 16, 17, 18, 19 and 20 of the  
18 Service Occupation Tax Act and the Uniform Penalty and Interest  
19 Act, as fully as if those provisions were set forth herein.

20 Persons subject to any tax imposed under the authority  
21 granted in this subsection may reimburse themselves for their  
22 serviceman's tax liability by separately stating the tax as an  
23 additional charge, which charge may be stated in combination,  
24 in a single amount, with State tax that servicemen are  
25 authorized to collect under the Service Use Tax Act, in  
26 accordance with such bracket schedules as the Department may

1 prescribe.

2 Whenever the Department determines that a refund should be  
3 made under this subsection to a claimant instead of issuing a  
4 credit memorandum, the Department shall notify the State  
5 Comptroller, who shall cause the warrant to be drawn for the  
6 amount specified, and to the person named, in the notification  
7 from the Department. The refund shall be paid by the State  
8 Treasurer out of the State Metro-East Park and Recreation  
9 District Fund.

10 Nothing in this subsection shall be construed to authorize  
11 the board to impose a tax upon the privilege of engaging in any  
12 business which under the Constitution of the United States may  
13 not be made the subject of taxation by the State.

14 (c) The Department shall immediately pay over to the State  
15 Treasurer, ex officio, as trustee, all taxes and penalties  
16 collected under this Section to be deposited into the State  
17 Metro-East Park and Recreation District Fund, which shall be an  
18 unappropriated trust fund held outside of the State treasury.

19 As soon as possible after the first day of each month,  
20 beginning January 1, 2011, upon certification of the Department  
21 of Revenue, the Comptroller shall order transferred, and the  
22 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
23 local sales tax increment, as defined in the Innovation  
24 Development and Economy Act, collected under this Section  
25 during the second preceding calendar month for sales within a  
26 STAR bond district. The Department shall make this

1 certification only if the Metro East Park and Recreation  
2 District imposes a tax on real property as provided in the  
3 definition of "local sales taxes" under the Innovation  
4 Development and Economy Act.

5 After the monthly transfer to the STAR Bonds Revenue Fund,  
6 on or before the 25th day of each calendar month, the  
7 Department shall prepare and certify to the Comptroller the  
8 disbursement of stated sums of money pursuant to Section 35 of  
9 this Act to the District from which retailers have paid taxes  
10 or penalties to the Department during the second preceding  
11 calendar month. The amount to be paid to the District shall be  
12 the amount (not including credit memoranda) collected under  
13 this Section during the second preceding calendar month by the  
14 Department plus an amount the Department determines is  
15 necessary to offset any amounts that were erroneously paid to a  
16 different taxing body, and not including (i) an amount equal to  
17 the amount of refunds made during the second preceding calendar  
18 month by the Department on behalf of the District, (ii) any  
19 amount that the Department determines is necessary to offset  
20 any amounts that were payable to a different taxing body but  
21 were erroneously paid to the District, (iii) any amounts that  
22 are transferred to the STAR Bonds Revenue Fund, and (iv) 2% of  
23 the remainder, which the Department shall transfer into the Tax  
24 Compliance and Administration Fund. The Department, at the time  
25 of each monthly disbursement to the District, shall prepare and  
26 certify to the State Comptroller the amount to be transferred

1 into the Tax Compliance and Administration Fund under this  
2 subsection. Within 10 days after receipt by the Comptroller of  
3 the disbursement certification to the District and the Tax  
4 Compliance and Administration Fund provided for in this Section  
5 to be given to the Comptroller by the Department, the  
6 Comptroller shall cause the orders to be drawn for the  
7 respective amounts in accordance with directions contained in  
8 the certification.

9 (d) For the purpose of determining whether a tax authorized  
10 under this Section is applicable, a retail sale by a producer  
11 of coal or another mineral mined in Illinois is a sale at  
12 retail at the place where the coal or other mineral mined in  
13 Illinois is extracted from the earth. This paragraph does not  
14 apply to coal or another mineral when it is delivered or  
15 shipped by the seller to the purchaser at a point outside  
16 Illinois so that the sale is exempt under the United States  
17 Constitution as a sale in interstate or foreign commerce.

18 (e) Nothing in this Section shall be construed to authorize  
19 the board to impose a tax upon the privilege of engaging in any  
20 business that under the Constitution of the United States may  
21 not be made the subject of taxation by this State.

22 (f) An ordinance imposing a tax under this Section or an  
23 ordinance extending the imposition of a tax to an additional  
24 county or counties shall be certified by the board and filed  
25 with the Department of Revenue either (i) on or before the  
26 first day of April, whereupon the Department shall proceed to

1 administer and enforce the tax as of the first day of July next  
2 following the filing; or (ii) on or before the first day of  
3 October, whereupon the Department shall proceed to administer  
4 and enforce the tax as of the first day of January next  
5 following the filing.

6 (g) When certifying the amount of a monthly disbursement to  
7 the District under this Section, the Department shall increase  
8 or decrease the amounts by an amount necessary to offset any  
9 misallocation of previous disbursements. The offset amount  
10 shall be the amount erroneously disbursed within the previous 6  
11 months from the time a misallocation is discovered.

12 (Source: P.A. 99-217, eff. 7-31-15; 100-23, eff. 7-6-17.)

13 Section 123. The Regional Transportation Authority Act is  
14 amended by changing Section 4.03 as follows:

15 (70 ILCS 3615/4.03) (from Ch. 111 2/3, par. 704.03)

16 Sec. 4.03. Taxes.

17 (a) In order to carry out any of the powers or purposes of  
18 the Authority, the Board may by ordinance adopted with the  
19 concurrence of 12 of the then Directors, impose throughout the  
20 metropolitan region any or all of the taxes provided in this  
21 Section. Except as otherwise provided in this Act, taxes  
22 imposed under this Section and civil penalties imposed incident  
23 thereto shall be collected and enforced by the State Department  
24 of Revenue. The Department shall have the power to administer

1 and enforce the taxes and to determine all rights for refunds  
2 for erroneous payments of the taxes. Nothing in Public Act  
3 95-708 is intended to invalidate any taxes currently imposed by  
4 the Authority. The increased vote requirements to impose a tax  
5 shall only apply to actions taken after January 1, 2008 (the  
6 effective date of Public Act 95-708).

7 (b) The Board may impose a public transportation tax upon  
8 all persons engaged in the metropolitan region in the business  
9 of selling at retail motor fuel for operation of motor vehicles  
10 upon public highways. The tax shall be at a rate not to exceed  
11 5% of the gross receipts from the sales of motor fuel in the  
12 course of the business. As used in this Act, the term "motor  
13 fuel" shall have the same meaning as in the Motor Fuel Tax Law.  
14 The Board may provide for details of the tax. The provisions of  
15 any tax shall conform, as closely as may be practicable, to the  
16 provisions of the Municipal Retailers Occupation Tax Act,  
17 including without limitation, conformity to penalties with  
18 respect to the tax imposed and as to the powers of the State  
19 Department of Revenue to promulgate and enforce rules and  
20 regulations relating to the administration and enforcement of  
21 the provisions of the tax imposed, except that reference in the  
22 Act to any municipality shall refer to the Authority and the  
23 tax shall be imposed only with regard to receipts from sales of  
24 motor fuel in the metropolitan region, at rates as limited by  
25 this Section.

26 (c) In connection with the tax imposed under paragraph (b)

1 of this Section the Board may impose a tax upon the privilege  
2 of using in the metropolitan region motor fuel for the  
3 operation of a motor vehicle upon public highways, the tax to  
4 be at a rate not in excess of the rate of tax imposed under  
5 paragraph (b) of this Section. The Board may provide for  
6 details of the tax.

7 (d) The Board may impose a motor vehicle parking tax upon  
8 the privilege of parking motor vehicles at off-street parking  
9 facilities in the metropolitan region at which a fee is  
10 charged, and may provide for reasonable classifications in and  
11 exemptions to the tax, for administration and enforcement  
12 thereof and for civil penalties and refunds thereunder and may  
13 provide criminal penalties thereunder, the maximum penalties  
14 not to exceed the maximum criminal penalties provided in the  
15 Retailers' Occupation Tax Act. The Authority may collect and  
16 enforce the tax itself or by contract with any unit of local  
17 government. The State Department of Revenue shall have no  
18 responsibility for the collection and enforcement unless the  
19 Department agrees with the Authority to undertake the  
20 collection and enforcement. As used in this paragraph, the term  
21 "parking facility" means a parking area or structure having  
22 parking spaces for more than 2 vehicles at which motor vehicles  
23 are permitted to park in return for an hourly, daily, or other  
24 periodic fee, whether publicly or privately owned, but does not  
25 include parking spaces on a public street, the use of which is  
26 regulated by parking meters.



1           (e) The Board may impose a Regional Transportation  
2 Authority Retailers' Occupation Tax upon all persons engaged in  
3 the business of selling tangible personal property at retail in  
4 the metropolitan region. In Cook County the tax rate shall be  
5 1.25% of the gross receipts from sales of tangible personal  
6 property taxed at the 1% rate under the Retailers' Occupation  
7 Tax Act ~~food for human consumption that is to be consumed off~~  
8 ~~the premises where it is sold (other than alcoholic beverages,~~  
9 ~~soft drinks and food that has been prepared for immediate~~  
10 ~~consumption) and prescription and nonprescription medicines,~~  
11 ~~drugs, medical appliances and insulin, urine testing~~  
12 ~~materials, syringes and needles used by diabetics, and 1% of~~  
13 the gross receipts from other taxable sales made in the course  
14 of that business. In DuPage, Kane, Lake, McHenry, and Will  
15 Counties, the tax rate shall be 0.75% of the gross receipts  
16 from all taxable sales made in the course of that business. The  
17 tax imposed under this Section and all civil penalties that may  
18 be assessed as an incident thereof shall be collected and  
19 enforced by the State Department of Revenue. The Department  
20 shall have full power to administer and enforce this Section;  
21 to collect all taxes and penalties so collected in the manner  
22 hereinafter provided; and to determine all rights to credit  
23 memoranda arising on account of the erroneous payment of tax or  
24 penalty hereunder. In the administration of, and compliance  
25 with this Section, the Department and persons who are subject  
26 to this Section shall have the same rights, remedies,

1 privileges, immunities, powers and duties, and be subject to  
2 the same conditions, restrictions, limitations, penalties,  
3 exclusions, exemptions and definitions of terms, and employ the  
4 same modes of procedure, as are prescribed in Sections 1, 1a,  
5 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all  
6 provisions therein other than the State rate of tax), 2c, 3  
7 (except as to the disposition of taxes and penalties  
8 collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k,  
9 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of the  
10 Retailers' Occupation Tax Act and Section 3-7 of the Uniform  
11 Penalty and Interest Act, as fully as if those provisions were  
12 set forth herein.

13 Persons subject to any tax imposed under the authority  
14 granted in this Section may reimburse themselves for their  
15 seller's tax liability hereunder by separately stating the tax  
16 as an additional charge, which charge may be stated in  
17 combination in a single amount with State taxes that sellers  
18 are required to collect under the Use Tax Act, under any  
19 bracket schedules the Department may prescribe.

20 Whenever the Department determines that a refund should be  
21 made under this Section to a claimant instead of issuing a  
22 credit memorandum, the Department shall notify the State  
23 Comptroller, who shall cause the warrant to be drawn for the  
24 amount specified, and to the person named, in the notification  
25 from the Department. The refund shall be paid by the State  
26 Treasurer out of the Regional Transportation Authority tax fund

1 established under paragraph (n) of this Section.

2 If a tax is imposed under this subsection (e), a tax shall  
3 also be imposed under subsections (f) and (g) of this Section.

4 For the purpose of determining whether a tax authorized  
5 under this Section is applicable, a retail sale by a producer  
6 of coal or other mineral mined in Illinois, is a sale at retail  
7 at the place where the coal or other mineral mined in Illinois  
8 is extracted from the earth. This paragraph does not apply to  
9 coal or other mineral when it is delivered or shipped by the  
10 seller to the purchaser at a point outside Illinois so that the  
11 sale is exempt under the Federal Constitution as a sale in  
12 interstate or foreign commerce.

13 No tax shall be imposed or collected under this subsection  
14 on the sale of a motor vehicle in this State to a resident of  
15 another state if that motor vehicle will not be titled in this  
16 State.

17 Nothing in this Section shall be construed to authorize the  
18 Regional Transportation Authority to impose a tax upon the  
19 privilege of engaging in any business that under the  
20 Constitution of the United States may not be made the subject  
21 of taxation by this State.

22 (f) If a tax has been imposed under paragraph (e), a  
23 Regional Transportation Authority Service Occupation Tax shall  
24 also be imposed upon all persons engaged, in the metropolitan  
25 region in the business of making sales of service, who as an  
26 incident to making the sales of service, transfer tangible

1 personal property within the metropolitan region, either in the  
2 form of tangible personal property or in the form of real  
3 estate as an incident to a sale of service. In Cook County, the  
4 tax rate shall be: (1) 1.25% of the serviceman's cost price of  
5 food prepared for immediate consumption and transferred  
6 incident to a sale of service subject to the service occupation  
7 tax by an entity licensed under the Hospital Licensing Act, the  
8 Nursing Home Care Act, the Specialized Mental Health  
9 Rehabilitation Act of 2013, the ID/DD Community Care Act, or  
10 the MC/DD Act that is located in the metropolitan region; (2)  
11 1.25% of the selling price of tangible personal property taxed  
12 at the 1% rate under the Service Occupation Tax Act ~~food for~~  
13 ~~human consumption that is to be consumed off the premises where~~  
14 ~~it is sold (other than alcoholic beverages, soft drinks and~~  
15 ~~food that has been prepared for immediate consumption) and~~  
16 ~~prescription and nonprescription medicines, drugs, medical~~  
17 ~~appliances and insulin, urine testing materials, syringes and~~  
18 ~~needles used by diabetics; and (3) 1% of the selling price from~~  
19 other taxable sales of tangible personal property transferred.  
20 In DuPage, Kane, Lake, McHenry and Will Counties the rate shall  
21 be 0.75% of the selling price of all tangible personal property  
22 transferred.

23 The tax imposed under this paragraph and all civil  
24 penalties that may be assessed as an incident thereof shall be  
25 collected and enforced by the State Department of Revenue. The  
26 Department shall have full power to administer and enforce this

1 paragraph; to collect all taxes and penalties due hereunder; to  
2 dispose of taxes and penalties collected in the manner  
3 hereinafter provided; and to determine all rights to credit  
4 memoranda arising on account of the erroneous payment of tax or  
5 penalty hereunder. In the administration of and compliance with  
6 this paragraph, the Department and persons who are subject to  
7 this paragraph shall have the same rights, remedies,  
8 privileges, immunities, powers and duties, and be subject to  
9 the same conditions, restrictions, limitations, penalties,  
10 exclusions, exemptions and definitions of terms, and employ the  
11 same modes of procedure, as are prescribed in Sections 1a-1, 2,  
12 2a, 3 through 3-50 (in respect to all provisions therein other  
13 than the State rate of tax), 4 (except that the reference to  
14 the State shall be to the Authority), 5, 7, 8 (except that the  
15 jurisdiction to which the tax shall be a debt to the extent  
16 indicated in that Section 8 shall be the Authority), 9 (except  
17 as to the disposition of taxes and penalties collected, and  
18 except that the returned merchandise credit for this tax may  
19 not be taken against any State tax), 10, 11, 12 (except the  
20 reference therein to Section 2b of the Retailers' Occupation  
21 Tax Act), 13 (except that any reference to the State shall mean  
22 the Authority), the first paragraph of Section 15, 16, 17, 18,  
23 19 and 20 of the Service Occupation Tax Act and Section 3-7 of  
24 the Uniform Penalty and Interest Act, as fully as if those  
25 provisions were set forth herein.

26 Persons subject to any tax imposed under the authority

1 granted in this paragraph may reimburse themselves for their  
2 serviceman's tax liability hereunder by separately stating the  
3 tax as an additional charge, that charge may be stated in  
4 combination in a single amount with State tax that servicemen  
5 are authorized to collect under the Service Use Tax Act, under  
6 any bracket schedules the Department may prescribe.

7 Whenever the Department determines that a refund should be  
8 made under this paragraph to a claimant instead of issuing a  
9 credit memorandum, the Department shall notify the State  
10 Comptroller, who shall cause the warrant to be drawn for the  
11 amount specified, and to the person named in the notification  
12 from the Department. The refund shall be paid by the State  
13 Treasurer out of the Regional Transportation Authority tax fund  
14 established under paragraph (n) of this Section.

15 Nothing in this paragraph shall be construed to authorize  
16 the Authority to impose a tax upon the privilege of engaging in  
17 any business that under the Constitution of the United States  
18 may not be made the subject of taxation by the State.

19 (g) If a tax has been imposed under paragraph (e), a tax  
20 shall also be imposed upon the privilege of using in the  
21 metropolitan region, any item of tangible personal property  
22 that is purchased outside the metropolitan region at retail  
23 from a retailer, and that is titled or registered with an  
24 agency of this State's government. In Cook County the tax rate  
25 shall be 1% of the selling price of the tangible personal  
26 property, as "selling price" is defined in the Use Tax Act. In

1 DuPage, Kane, Lake, McHenry and Will counties the tax rate  
2 shall be 0.75% of the selling price of the tangible personal  
3 property, as "selling price" is defined in the Use Tax Act. The  
4 tax shall be collected from persons whose Illinois address for  
5 titling or registration purposes is given as being in the  
6 metropolitan region. The tax shall be collected by the  
7 Department of Revenue for the Regional Transportation  
8 Authority. The tax must be paid to the State, or an exemption  
9 determination must be obtained from the Department of Revenue,  
10 before the title or certificate of registration for the  
11 property may be issued. The tax or proof of exemption may be  
12 transmitted to the Department by way of the State agency with  
13 which, or the State officer with whom, the tangible personal  
14 property must be titled or registered if the Department and the  
15 State agency or State officer determine that this procedure  
16 will expedite the processing of applications for title or  
17 registration.

18 The Department shall have full power to administer and  
19 enforce this paragraph; to collect all taxes, penalties and  
20 interest due hereunder; to dispose of taxes, penalties and  
21 interest collected in the manner hereinafter provided; and to  
22 determine all rights to credit memoranda or refunds arising on  
23 account of the erroneous payment of tax, penalty or interest  
24 hereunder. In the administration of and compliance with this  
25 paragraph, the Department and persons who are subject to this  
26 paragraph shall have the same rights, remedies, privileges,

1 immunities, powers and duties, and be subject to the same  
2 conditions, restrictions, limitations, penalties, exclusions,  
3 exemptions and definitions of terms and employ the same modes  
4 of procedure, as are prescribed in Sections 2 (except the  
5 definition of "retailer maintaining a place of business in this  
6 State"), 3 through 3-80 (except provisions pertaining to the  
7 State rate of tax, and except provisions concerning collection  
8 or refunding of the tax by retailers), 4, 11, 12, 12a, 14, 15,  
9 19 (except the portions pertaining to claims by retailers and  
10 except the last paragraph concerning refunds), 20, 21 and 22 of  
11 the Use Tax Act, and are not inconsistent with this paragraph,  
12 as fully as if those provisions were set forth herein.

13 Whenever the Department determines that a refund should be  
14 made under this paragraph to a claimant instead of issuing a  
15 credit memorandum, the Department shall notify the State  
16 Comptroller, who shall cause the order to be drawn for the  
17 amount specified, and to the person named in the notification  
18 from the Department. The refund shall be paid by the State  
19 Treasurer out of the Regional Transportation Authority tax fund  
20 established under paragraph (n) of this Section.

21 (h) The Authority may impose a replacement vehicle tax of  
22 \$50 on any passenger car as defined in Section 1-157 of the  
23 Illinois Vehicle Code purchased within the metropolitan region  
24 by or on behalf of an insurance company to replace a passenger  
25 car of an insured person in settlement of a total loss claim.  
26 The tax imposed may not become effective before the first day



1 of the month following the passage of the ordinance imposing  
2 the tax and receipt of a certified copy of the ordinance by the  
3 Department of Revenue. The Department of Revenue shall collect  
4 the tax for the Authority in accordance with Sections 3-2002  
5 and 3-2003 of the Illinois Vehicle Code.

6 The Department shall immediately pay over to the State  
7 Treasurer, ex officio, as trustee, all taxes collected  
8 hereunder.

9 As soon as possible after the first day of each month,  
10 beginning January 1, 2011, upon certification of the Department  
11 of Revenue, the Comptroller shall order transferred, and the  
12 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
13 local sales tax increment, as defined in the Innovation  
14 Development and Economy Act, collected under this Section  
15 during the second preceding calendar month for sales within a  
16 STAR bond district.

17 After the monthly transfer to the STAR Bonds Revenue Fund,  
18 on or before the 25th day of each calendar month, the  
19 Department shall prepare and certify to the Comptroller the  
20 disbursement of stated sums of money to the Authority. The  
21 amount to be paid to the Authority shall be the amount  
22 collected hereunder during the second preceding calendar month  
23 by the Department, less any amount determined by the Department  
24 to be necessary for the payment of refunds, and less any  
25 amounts that are transferred to the STAR Bonds Revenue Fund.  
26 Within 10 days after receipt by the Comptroller of the

1 disbursement certification to the Authority provided for in  
2 this Section to be given to the Comptroller by the Department,  
3 the Comptroller shall cause the orders to be drawn for that  
4 amount in accordance with the directions contained in the  
5 certification.

6 (i) The Board may not impose any other taxes except as it  
7 may from time to time be authorized by law to impose.

8 (j) A certificate of registration issued by the State  
9 Department of Revenue to a retailer under the Retailers'  
10 Occupation Tax Act or under the Service Occupation Tax Act  
11 shall permit the registrant to engage in a business that is  
12 taxed under the tax imposed under paragraphs (b), (e), (f) or  
13 (g) of this Section and no additional registration shall be  
14 required under the tax. A certificate issued under the Use Tax  
15 Act or the Service Use Tax Act shall be applicable with regard  
16 to any tax imposed under paragraph (c) of this Section.

17 (k) The provisions of any tax imposed under paragraph (c)  
18 of this Section shall conform as closely as may be practicable  
19 to the provisions of the Use Tax Act, including without  
20 limitation conformity as to penalties with respect to the tax  
21 imposed and as to the powers of the State Department of Revenue  
22 to promulgate and enforce rules and regulations relating to the  
23 administration and enforcement of the provisions of the tax  
24 imposed. The taxes shall be imposed only on use within the  
25 metropolitan region and at rates as provided in the paragraph.

26 (l) The Board in imposing any tax as provided in paragraphs

1 (b) and (c) of this Section, shall, after seeking the advice of  
2 the State Department of Revenue, provide means for retailers,  
3 users or purchasers of motor fuel for purposes other than those  
4 with regard to which the taxes may be imposed as provided in  
5 those paragraphs to receive refunds of taxes improperly paid,  
6 which provisions may be at variance with the refund provisions  
7 as applicable under the Municipal Retailers Occupation Tax Act.  
8 The State Department of Revenue may provide for certificates of  
9 registration for users or purchasers of motor fuel for purposes  
10 other than those with regard to which taxes may be imposed as  
11 provided in paragraphs (b) and (c) of this Section to  
12 facilitate the reporting and nontaxability of the exempt sales  
13 or uses.

14 (m) Any ordinance imposing or discontinuing any tax under  
15 this Section shall be adopted and a certified copy thereof  
16 filed with the Department on or before June 1, whereupon the  
17 Department of Revenue shall proceed to administer and enforce  
18 this Section on behalf of the Regional Transportation Authority  
19 as of September 1 next following such adoption and filing.  
20 Beginning January 1, 1992, an ordinance or resolution imposing  
21 or discontinuing the tax hereunder shall be adopted and a  
22 certified copy thereof filed with the Department on or before  
23 the first day of July, whereupon the Department shall proceed  
24 to administer and enforce this Section as of the first day of  
25 October next following such adoption and filing. Beginning  
26 January 1, 1993, an ordinance or resolution imposing,

1 increasing, decreasing, or discontinuing the tax hereunder  
2 shall be adopted and a certified copy thereof filed with the  
3 Department, whereupon the Department shall proceed to  
4 administer and enforce this Section as of the first day of the  
5 first month to occur not less than 60 days following such  
6 adoption and filing. Any ordinance or resolution of the  
7 Authority imposing a tax under this Section and in effect on  
8 August 1, 2007 shall remain in full force and effect and shall  
9 be administered by the Department of Revenue under the terms  
10 and conditions and rates of tax established by such ordinance  
11 or resolution until the Department begins administering and  
12 enforcing an increased tax under this Section as authorized by  
13 Public Act 95-708. The tax rates authorized by Public Act  
14 95-708 are effective only if imposed by ordinance of the  
15 Authority.

16 (n) Except as otherwise provided in this subsection (n),  
17 the State Department of Revenue shall, upon collecting any  
18 taxes as provided in this Section, pay the taxes over to the  
19 State Treasurer as trustee for the Authority. The taxes shall  
20 be held in a trust fund outside the State Treasury. On or  
21 before the 25th day of each calendar month, the State  
22 Department of Revenue shall prepare and certify to the  
23 Comptroller of the State of Illinois and to the Authority (i)  
24 the amount of taxes collected in each County other than Cook  
25 County in the metropolitan region, (ii) the amount of taxes  
26 collected within the City of Chicago, and (iii) the amount

1 collected in that portion of Cook County outside of Chicago,  
2 each amount less the amount necessary for the payment of  
3 refunds to taxpayers located in those areas described in items  
4 (i), (ii), and (iii), and less 2% of the remainder, which shall  
5 be transferred from the trust fund into the Tax Compliance and  
6 Administration Fund. The Department, at the time of each  
7 monthly disbursement to the Authority, shall prepare and  
8 certify to the State Comptroller the amount to be transferred  
9 into the Tax Compliance and Administration Fund under this  
10 subsection. Within 10 days after receipt by the Comptroller of  
11 the certification of the amounts, the Comptroller shall cause  
12 an order to be drawn for the transfer of the amount certified  
13 into the Tax Compliance and Administration Fund and the payment  
14 of two-thirds of the amounts certified in item (i) of this  
15 subsection to the Authority and one-third of the amounts  
16 certified in item (i) of this subsection to the respective  
17 counties other than Cook County and the amount certified in  
18 items (ii) and (iii) of this subsection to the Authority.

19 In addition to the disbursement required by the preceding  
20 paragraph, an allocation shall be made in July 1991 and each  
21 year thereafter to the Regional Transportation Authority. The  
22 allocation shall be made in an amount equal to the average  
23 monthly distribution during the preceding calendar year  
24 (excluding the 2 months of lowest receipts) and the allocation  
25 shall include the amount of average monthly distribution from  
26 the Regional Transportation Authority Occupation and Use Tax

1 Replacement Fund. The distribution made in July 1992 and each  
2 year thereafter under this paragraph and the preceding  
3 paragraph shall be reduced by the amount allocated and  
4 disbursed under this paragraph in the preceding calendar year.  
5 The Department of Revenue shall prepare and certify to the  
6 Comptroller for disbursement the allocations made in  
7 accordance with this paragraph.

8 (o) Failure to adopt a budget ordinance or otherwise to  
9 comply with Section 4.01 of this Act or to adopt a Five-year  
10 Capital Program or otherwise to comply with paragraph (b) of  
11 Section 2.01 of this Act shall not affect the validity of any  
12 tax imposed by the Authority otherwise in conformity with law.

13 (p) At no time shall a public transportation tax or motor  
14 vehicle parking tax authorized under paragraphs (b), (c) and  
15 (d) of this Section be in effect at the same time as any  
16 retailers' occupation, use or service occupation tax  
17 authorized under paragraphs (e), (f) and (g) of this Section is  
18 in effect.

19 Any taxes imposed under the authority provided in  
20 paragraphs (b), (c) and (d) shall remain in effect only until  
21 the time as any tax authorized by paragraphs (e), (f) or (g) of  
22 this Section are imposed and becomes effective. Once any tax  
23 authorized by paragraphs (e), (f) or (g) is imposed the Board  
24 may not reimpose taxes as authorized in paragraphs (b), (c) and  
25 (d) of the Section unless any tax authorized by paragraphs (e),  
26 (f) or (g) of this Section becomes ineffective by means other

1 than an ordinance of the Board.

2 (q) Any existing rights, remedies and obligations  
3 (including enforcement by the Regional Transportation  
4 Authority) arising under any tax imposed under paragraphs (b),  
5 (c) or (d) of this Section shall not be affected by the  
6 imposition of a tax under paragraphs (e), (f) or (g) of this  
7 Section.

8 (Source: P.A. 99-180, eff. 7-29-15; 99-217, eff. 7-31-15;  
9 99-642, eff. 7-28-16; 100-23, eff. 7-6-17.)

10 Section 125. The Water Commission Act of 1985 is amended by  
11 changing Section 4 as follows:

12 (70 ILCS 3720/4) (from Ch. 111 2/3, par. 254)

13 Sec. 4. Taxes.

14 (a) The board of commissioners of any county water  
15 commission may, by ordinance, impose throughout the territory  
16 of the commission any or all of the taxes provided in this  
17 Section for its corporate purposes. However, no county water  
18 commission may impose any such tax unless the commission  
19 certifies the proposition of imposing the tax to the proper  
20 election officials, who shall submit the proposition to the  
21 voters residing in the territory at an election in accordance  
22 with the general election law, and the proposition has been  
23 approved by a majority of those voting on the proposition.

24 The proposition shall be in the form provided in Section 5

1 or shall be substantially in the following form:

2 -----

3 Shall the (insert corporate  
4 name of county water commission) YES

5 impose (state type of tax or -----

6 taxes to be imposed) at the NO

7 rate of 1/4%?

8 -----

9 Taxes imposed under this Section and civil penalties  
10 imposed incident thereto shall be collected and enforced by the  
11 State Department of Revenue. The Department shall have the  
12 power to administer and enforce the taxes and to determine all  
13 rights for refunds for erroneous payments of the taxes.

14 (b) The board of commissioners may impose a County Water  
15 Commission Retailers' Occupation Tax upon all persons engaged  
16 in the business of selling tangible personal property at retail  
17 in the territory of the commission at a rate of 1/4% of the  
18 gross receipts from the sales made in the course of such  
19 business within the territory. The tax imposed under this  
20 paragraph and all civil penalties that may be assessed as an  
21 incident thereof shall be collected and enforced by the State  
22 Department of Revenue. The Department shall have full power to  
23 administer and enforce this paragraph; to collect all taxes and  
24 penalties due hereunder; to dispose of taxes and penalties so  
25 collected in the manner hereinafter provided; and to determine  
26 all rights to credit memoranda arising on account of the



1 erroneous payment of tax or penalty hereunder. In the  
2 administration of, and compliance with, this paragraph, the  
3 Department and persons who are subject to this paragraph shall  
4 have the same rights, remedies, privileges, immunities, powers  
5 and duties, and be subject to the same conditions,  
6 restrictions, limitations, penalties, exclusions, exemptions  
7 and definitions of terms, and employ the same modes of  
8 procedure, as are prescribed in Sections 1, 1a, 1a-1, 1c, 1d,  
9 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions  
10 therein other than the State rate of tax except that tangible  
11 personal property taxed at the 1% rate under the Retailers'  
12 Occupation Tax Act ~~food for human consumption that is to be~~  
13 ~~consumed off the premises where it is sold (other than~~  
14 ~~alcoholic beverages, soft drinks, and food that has been~~  
15 ~~prepared for immediate consumption) and prescription and~~  
16 ~~nonprescription medicine, drugs, medical appliances and~~  
17 ~~insulin, urine testing materials, syringes, and needles used by~~  
18 ~~diabetics, for human use,~~ shall not be subject to tax  
19 hereunder), 2c, 3 (except as to the disposition of taxes and  
20 penalties collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i,  
21 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12, and 13 of  
22 the Retailers' Occupation Tax Act and Section 3-7 of the  
23 Uniform Penalty and Interest Act, as fully as if those  
24 provisions were set forth herein.

25 Persons subject to any tax imposed under the authority  
26 granted in this paragraph may reimburse themselves for their

1 seller's tax liability hereunder by separately stating the tax  
2 as an additional charge, which charge may be stated in  
3 combination, in a single amount, with State taxes that sellers  
4 are required to collect under the Use Tax Act and under  
5 subsection (e) of Section 4.03 of the Regional Transportation  
6 Authority Act, in accordance with such bracket schedules as the  
7 Department may prescribe.

8 Whenever the Department determines that a refund should be  
9 made under this paragraph to a claimant instead of issuing a  
10 credit memorandum, the Department shall notify the State  
11 Comptroller, who shall cause the warrant to be drawn for the  
12 amount specified, and to the person named, in the notification  
13 from the Department. The refund shall be paid by the State  
14 Treasurer out of a county water commission tax fund established  
15 under subsection ~~paragraph~~ (g) of this Section.

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

25 If a tax is imposed under this subsection (b), l a tax shall  
26 also be imposed under subsections (c) and (d) of this Section.

1           No tax shall be imposed or collected under this subsection  
2           on the sale of a motor vehicle in this State to a resident of  
3           another state if that motor vehicle will not be titled in this  
4           State.

5           Nothing in this paragraph shall be construed to authorize a  
6           county water commission to impose a tax upon the privilege of  
7           engaging in any business which under the Constitution of the  
8           United States may not be made the subject of taxation by this  
9           State.

10           (c) If a tax has been imposed under subsection (b), a  
11           County Water Commission Service Occupation Tax shall also be  
12           imposed upon all persons engaged, in the territory of the  
13           commission, in the business of making sales of service, who, as  
14           an incident to making the sales of service, transfer tangible  
15           personal property within the territory. The tax rate shall be  
16           1/4% of the selling price of tangible personal property so  
17           transferred within the territory. The tax imposed under this  
18           paragraph and all civil penalties that may be assessed as an  
19           incident thereof shall be collected and enforced by the State  
20           Department of Revenue. The Department shall have full power to  
21           administer and enforce this paragraph; to collect all taxes and  
22           penalties due hereunder; to dispose of taxes and penalties so  
23           collected in the manner hereinafter provided; and to determine  
24           all rights to credit memoranda arising on account of the  
25           erroneous payment of tax or penalty hereunder. In the  
26           administration of, and compliance with, this paragraph, the

1 Department and persons who are subject to this paragraph shall  
2 have the same rights, remedies, privileges, immunities, powers  
3 and duties, and be subject to the same conditions,  
4 restrictions, limitations, penalties, exclusions, exemptions  
5 and definitions of terms, and employ the same modes of  
6 procedure, as are prescribed in Sections 1a-1, 2 (except that  
7 the reference to State in the definition of supplier  
8 maintaining a place of business in this State shall mean the  
9 territory of the commission), 2a, 3 through 3-50 (in respect to  
10 all provisions therein other than the State rate of tax except  
11 that tangible personal property taxed at the 1% rate under the  
12 Service Occupation Tax Act ~~food for human consumption that is~~  
13 ~~to be consumed off the premises where it is sold (other than~~  
14 ~~alcoholic beverages, soft drinks, and food that has been~~  
15 ~~prepared for immediate consumption) and prescription and~~  
16 ~~nonprescription medicines, drugs, medical appliances and~~  
17 ~~insulin, urine testing materials, syringes, and needles used by~~  
18 ~~diabetics, for human use,~~ shall not be subject to tax  
19 hereunder), 4 (except that the reference to the State shall be  
20 to the territory of the commission), 5, 7, 8 (except that the  
21 jurisdiction to which the tax shall be a debt to the extent  
22 indicated in that Section 8 shall be the commission), 9 (except  
23 as to the disposition of taxes and penalties collected and  
24 except that the returned merchandise credit for this tax may  
25 not be taken against any State tax), 10, 11, 12 (except the  
26 reference therein to Section 2b of the Retailers' Occupation

1 Tax Act), 13 (except that any reference to the State shall mean  
2 the territory of the commission), the first paragraph of  
3 Section 15, 15.5, 16, 17, 18, 19, and 20 of the Service  
4 Occupation Tax Act as fully as if those provisions were set  
5 forth herein.

6 Persons subject to any tax imposed under the authority  
7 granted in this paragraph may reimburse themselves for their  
8 serviceman's tax liability hereunder by separately stating the  
9 tax as an additional charge, which charge may be stated in  
10 combination, in a single amount, with State tax that servicemen  
11 are authorized to collect under the Service Use Tax Act, and  
12 any tax for which servicemen may be liable under subsection (f)  
13 of Section 4.03 of the Regional Transportation Authority Act,  
14 in accordance with such bracket schedules as the Department may  
15 prescribe.

16 Whenever the Department determines that a refund should be  
17 made under this paragraph to a claimant instead of issuing a  
18 credit memorandum, the Department shall notify the State  
19 Comptroller, who shall cause the warrant to be drawn for the  
20 amount specified, and to the person named, in the notification  
21 from the Department. The refund shall be paid by the State  
22 Treasurer out of a county water commission tax fund established  
23 under subsection ~~paragraph~~ (g) of this Section.

24 Nothing in this paragraph shall be construed to authorize a  
25 county water commission to impose a tax upon the privilege of  
26 engaging in any business which under the Constitution of the

1 United States may not be made the subject of taxation by the  
2 State.

3 (d) If a tax has been imposed under subsection (b), a tax  
4 shall also be imposed upon the privilege of using, in the  
5 territory of the commission, any item of tangible personal  
6 property that is purchased outside the territory at retail from  
7 a retailer, and that is titled or registered with an agency of  
8 this State's government, at a rate of 1/4% of the selling price  
9 of the tangible personal property within the territory, as  
10 "selling price" is defined in the Use Tax Act. The tax shall be  
11 collected from persons whose Illinois address for titling or  
12 registration purposes is given as being in the territory. The  
13 tax shall be collected by the Department of Revenue for a  
14 county water commission. The tax must be paid to the State, or  
15 an exemption determination must be obtained from the Department  
16 of Revenue, before the title or certificate of registration for  
17 the property may be issued. The tax or proof of exemption may  
18 be transmitted to the Department by way of the State agency  
19 with which, or the State officer with whom, the tangible  
20 personal property must be titled or registered if the  
21 Department and the State agency or State officer determine that  
22 this procedure will expedite the processing of applications for  
23 title or registration.

24 The Department shall have full power to administer and  
25 enforce this paragraph; to collect all taxes, penalties, and  
26 interest due hereunder; to dispose of taxes, penalties, and

1 interest so collected in the manner hereinafter provided; and  
2 to determine all rights to credit memoranda or refunds arising  
3 on account of the erroneous payment of tax, penalty, or  
4 interest hereunder. In the administration of, and compliance  
5 with this paragraph, the Department and persons who are subject  
6 to this paragraph shall have the same rights, remedies,  
7 privileges, immunities, powers, and duties, and be subject to  
8 the same conditions, restrictions, limitations, penalties,  
9 exclusions, exemptions, and definitions of terms and employ the  
10 same modes of procedure, as are prescribed in Sections 2  
11 (except the definition of "retailer maintaining a place of  
12 business in this State"), 3 through 3-80 (except provisions  
13 pertaining to the State rate of tax, and except provisions  
14 concerning collection or refunding of the tax by retailers, and  
15 ~~except that food for human consumption that is to be consumed~~  
16 ~~off the premises where it is sold (other than alcoholic~~  
17 ~~beverages, soft drinks, and food that has been prepared for~~  
18 ~~immediate consumption) and prescription and nonprescription~~  
19 ~~medicines, drugs, medical appliances and insulin, urine~~  
20 ~~testing materials, syringes, and needles used by diabetics, for~~  
21 ~~human use, shall not be subject to tax hereunder), 4, 11, 12,~~  
22 12a, 14, 15, 19 (except the portions pertaining to claims by  
23 retailers and except the last paragraph concerning refunds),  
24 20, 21, and 22 of the Use Tax Act and Section 3-7 of the Uniform  
25 Penalty and Interest Act that are not inconsistent with this  
26 paragraph, as fully as if those provisions were set forth

1 herein.

2 Whenever the Department determines that a refund should be  
3 made under this paragraph to a claimant instead of issuing a  
4 credit memorandum, the Department shall notify the State  
5 Comptroller, who shall cause the order to be drawn for the  
6 amount specified, and to the person named, in the notification  
7 from the Department. The refund shall be paid by the State  
8 Treasurer out of a county water commission tax fund established  
9 under subsection ~~paragraph~~ (g) of this Section.

10 (e) A certificate of registration issued by the State  
11 Department of Revenue to a retailer under the Retailers'  
12 Occupation Tax Act or under the Service Occupation Tax Act  
13 shall permit the registrant to engage in a business that is  
14 taxed under the tax imposed under subsection ~~paragraphs~~ (b),  
15 (c), or (d) of this Section and no additional registration  
16 shall be required under the tax. A certificate issued under the  
17 Use Tax Act or the Service Use Tax Act shall be applicable with  
18 regard to any tax imposed under subsection ~~paragraph~~ (c) of  
19 this Section.

20 (f) Any ordinance imposing or discontinuing any tax under  
21 this Section shall be adopted and a certified copy thereof  
22 filed with the Department on or before June 1, whereupon the  
23 Department of Revenue shall proceed to administer and enforce  
24 this Section on behalf of the county water commission as of  
25 September 1 next following the adoption and filing. Beginning  
26 January 1, 1992, an ordinance or resolution imposing or



1 discontinuing the tax hereunder shall be adopted and a  
2 certified copy thereof filed with the Department on or before  
3 the first day of July, whereupon the Department shall proceed  
4 to administer and enforce this Section as of the first day of  
5 October next following such adoption and filing. Beginning  
6 January 1, 1993, an ordinance or resolution imposing or  
7 discontinuing the tax hereunder shall be adopted and a  
8 certified copy thereof filed with the Department on or before  
9 the first day of October, whereupon the Department shall  
10 proceed to administer and enforce this Section as of the first  
11 day of January next following such adoption and filing.

12 (g) The State Department of Revenue shall, upon collecting  
13 any taxes as provided in this Section, pay the taxes over to  
14 the State Treasurer as trustee for the commission. The taxes  
15 shall be held in a trust fund outside the State Treasury.

16 As soon as possible after the first day of each month,  
17 beginning January 1, 2011, upon certification of the Department  
18 of Revenue, the Comptroller shall order transferred, and the  
19 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
20 local sales tax increment, as defined in the Innovation  
21 Development and Economy Act, collected under this Section  
22 during the second preceding calendar month for sales within a  
23 STAR bond district.

24 After the monthly transfer to the STAR Bonds Revenue Fund,  
25 on or before the 25th day of each calendar month, the State  
26 Department of Revenue shall prepare and certify to the

1 Comptroller of the State of Illinois the amount to be paid to  
2 the commission, which shall be the amount (not including credit  
3 memoranda) collected under this Section during the second  
4 preceding calendar month by the Department plus an amount the  
5 Department determines is necessary to offset any amounts that  
6 were erroneously paid to a different taxing body, and not  
7 including any amount equal to the amount of refunds made during  
8 the second preceding calendar month by the Department on behalf  
9 of the commission, and not including any amount that the  
10 Department determines is necessary to offset any amounts that  
11 were payable to a different taxing body but were erroneously  
12 paid to the commission, and less any amounts that are  
13 transferred to the STAR Bonds Revenue Fund, less 2% of the  
14 remainder, which shall be transferred into the Tax Compliance  
15 and Administration Fund. The Department, at the time of each  
16 monthly disbursement to the commission, shall prepare and  
17 certify to the State Comptroller the amount to be transferred  
18 into the Tax Compliance and Administration Fund under this  
19 subsection. Within 10 days after receipt by the Comptroller of  
20 the certification of the amount to be paid to the commission  
21 and the Tax Compliance and Administration Fund, the Comptroller  
22 shall cause an order to be drawn for the payment for the amount  
23 in accordance with the direction in the certification.

24 (h) Beginning June 1, 2016, any tax imposed pursuant to  
25 this Section may no longer be imposed or collected, unless a  
26 continuation of the tax is approved by the voters at a

1 referendum as set forth in this Section.

2 (Source: P.A. 99-217, eff. 7-31-15; 99-642, eff. 7-28-16;  
3 100-23, eff. 7-6-17; revised 10-3-17.)

4 Section 135. The Illinois Pull Tabs and Jar Games Act is  
5 amended by changing Section 5 as follows:

6 (230 ILCS 20/5) (from Ch. 120, par. 1055)

7 Sec. 5. Payments; returns. There shall be paid to the  
8 Department of Revenue 5% of the gross proceeds of any pull tabs  
9 and jar games conducted under this Act. Such payments shall be  
10 made 4 times per year, between the first and the 20th day of  
11 April, July, October and January. Accompanying each payment  
12 shall be a return, on forms prescribed by the Department of  
13 Revenue. Failure to submit either the payment or the return  
14 within the specified time shall result in suspension or  
15 revocation of the license. Tax returns filed pursuant to this  
16 Act shall not be confidential and shall be available for public  
17 inspection. All payments made to the Department of Revenue  
18 under this Act shall be deposited as follows:

19 (a) 50% shall be deposited in the Common School Fund;  
20 and

21 (b) 50% shall be deposited in the Illinois Gaming Law  
22 Enforcement Fund. Of the monies deposited in the Illinois  
23 Gaming Law Enforcement Fund under this Section, the General  
24 Assembly shall appropriate two-thirds to the Department of

1 Revenue, Department of State Police and the Office of the  
2 Attorney General for State law enforcement purposes, and  
3 one-third shall be appropriated to the Department of  
4 Revenue for the purpose of distribution in the form of  
5 grants to counties or municipalities for law enforcement  
6 purposes. The amounts of grants to counties or  
7 municipalities shall bear the same ratio as the number of  
8 licenses issued in counties or municipalities bears to the  
9 total number of licenses issued in the State. In computing  
10 the number of licenses issued in a county, licenses issued  
11 for locations within a municipality's boundaries shall be  
12 excluded.

13 The provisions of Sections 4, 5, 5a, 5b, 5c, 5d, 5e, 5f,  
14 5g, 5h, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, 10, 11 and 12 of the  
15 Retailers' Occupation Tax Act, and Section 3-7 of the Uniform  
16 Penalty and Interest Act, which are not inconsistent with this  
17 Act shall apply, as far as practicable, to the subject matter  
18 of this Act to the same extent as if such provisions were  
19 included in this Act. For the purposes of this Act, references  
20 in such incorporated Sections of the Retailers' Occupation Tax  
21 Act to retailers, sellers or persons engaged in the business of  
22 selling tangible personal property means persons engaged in  
23 conducting pull tabs and jar games and references in such  
24 incorporated Sections of the Retailers' Occupation Tax Act to  
25 sales of tangible personal property mean the conducting of pull  
26 tabs and jar games and the making of charges for participating

1 in such drawings.

2 If any payment provided for in this Section exceeds the  
3 taxpayer's liabilities under this Act, as shown on an original  
4 return, the taxpayer may credit such excess payment against  
5 liability subsequently to be remitted to the Department under  
6 this Act, in accordance with reasonable rules adopted by the  
7 Department.

8 (Source: P.A. 95-228, eff. 8-16-07.)

9 Section 140. The Bingo License and Tax Act is amended by  
10 changing Section 3 as follows:

11 (230 ILCS 25/3) (from Ch. 120, par. 1103)

12 Sec. 3. Payments; returns. There shall be paid to the  
13 Department of Revenue, 5% of the gross proceeds of any game of  
14 bingo conducted under the provision of this Act. Such payments  
15 shall be made 4 times per year, between the first and the 20th  
16 day of April, July, October and January. Accompanying each  
17 payment shall be a return, on forms prescribed by the  
18 Department of Revenue. Failure to submit either the payment or  
19 the return within the specified time may result in suspension  
20 or revocation of the license. Tax returns filed pursuant to  
21 this Act shall not be confidential and shall be available for  
22 public inspection.

23 If any payment provided for in this Section exceeds the  
24 taxpayer's liabilities under this Act, as shown on an original

1 return, the taxpayer may credit such excess payment against  
2 liability subsequently to be remitted to the Department under  
3 this Act, in accordance with reasonable rules adopted by the  
4 Department.

5 All payments made to the Department of Revenue under this  
6 Section shall be deposited as follows:

7 (1) 50% shall be deposited in the Mental Health Fund;

8 and

9 (2) 50% shall be deposited in the Common School Fund.

10 The provisions of Sections 4, 5, 5a, 5b, 5c, 5d, 5e, 5f,  
11 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, 10, 11 and 12 of the Retailers'  
12 Occupation Tax Act and Section 3-7 of the Uniform Penalty and  
13 Interest Act, which are not inconsistent with this Act, shall  
14 apply, as far as practicable, to the subject matter of this Act  
15 to the same extent as if such provisions were included in this  
16 Act. For the purposes of this Act, references in such  
17 incorporated Sections of the Retailers' Occupation Tax Act to  
18 retailers, sellers or persons engaged in the business of  
19 selling tangible personal property means persons engaged in  
20 conducting bingo games, and references in such incorporated  
21 Sections of the Retailers' Occupation Tax Act to sales of  
22 tangible personal property mean the conducting of bingo games  
23 and the making of charges for playing such games.

24 (Source: P.A. 95-228, eff. 8-16-07.)

25 Section 145. The Charitable Games Act is amended by

1 changing Section 9 as follows:

2 (230 ILCS 30/9) (from Ch. 120, par. 1129)

3 Sec. 9. Payments; returns. There shall be paid to the  
4 Department of Revenue, 5% of the net proceeds of charitable  
5 games conducted under the provisions of this Act. Such payments  
6 shall be made within 30 days after the completion of the games.  
7 Accompanying each payment shall be a return, on forms  
8 prescribed by the Department of Revenue. Failure to submit  
9 either the payment or the return within the specified time may  
10 result in suspension or revocation of the license. Tax returns  
11 filed pursuant to this Act shall not be confidential and shall  
12 be available for public inspection.

13 The provisions of Sections 4, 5, 5a, 5b, 5c, 5d, 5e, 5f,  
14 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, 10, 11 and 12 of the Retailers'  
15 Occupation Tax Act, and Section 3-7 of the Uniform Penalty and  
16 Interest Act, which are not inconsistent with this Act shall  
17 apply, as far as practicable, to the subject matter of this Act  
18 to the same extent as if such provisions were included in this  
19 Act. For the purposes of this Act, references in such  
20 incorporated Sections of the Retailers' Occupation Tax Act to  
21 retailers, sellers or persons engaged in the business of  
22 selling tangible personal property means persons engaged in  
23 conducting charitable games, and references in such  
24 incorporated Sections of the Retailers' Occupation Tax Act to  
25 sales of tangible personal property mean the conducting of

1 charitable games and the making of charges for playing such  
2 games.

3 If any payment provided for in this Section exceeds the  
4 taxpayer's liabilities under this Act, as shown on an original  
5 return, the taxpayer may credit such excess payment against  
6 liability subsequently to be remitted to the Department under  
7 this Act, in accordance with reasonable rules adopted by the  
8 Department.

9 All payments made to the Department of Revenue under this  
10 Section shall be deposited into the Illinois Gaming Law  
11 Enforcement Fund of the State Treasury.

12 (Source: P.A. 98-377, eff. 1-1-14.)

13 Section 150. The Liquor Control Act of 1934 is amended by  
14 changing Section 8-2 as follows:

15 (235 ILCS 5/8-2) (from Ch. 43, par. 159)

16 Sec. 8-2. Payments; reports. It is the duty of each  
17 manufacturer with respect to alcoholic liquor produced or  
18 imported by such manufacturer, or purchased tax-free by such  
19 manufacturer from another manufacturer or importing  
20 distributor, and of each importing distributor as to alcoholic  
21 liquor purchased by such importing distributor from foreign  
22 importers or from anyone from any point in the United States  
23 outside of this State or purchased tax-free from another  
24 manufacturer or importing distributor, to pay the tax imposed



1 by Section 8-1 to the Department of Revenue on or before the  
2 15th day of the calendar month following the calendar month in  
3 which such alcoholic liquor is sold or used by such  
4 manufacturer or by such importing distributor other than in an  
5 authorized tax-free manner or to pay that tax electronically as  
6 provided in this Section.

7 Each manufacturer and each importing distributor shall  
8 make payment under one of the following methods: (1) on or  
9 before the 15th day of each calendar month, file in person or  
10 by United States first-class mail, postage pre-paid, with the  
11 Department of Revenue, on forms prescribed and furnished by the  
12 Department, a report in writing in such form as may be required  
13 by the Department in order to compute, and assure the accuracy  
14 of, the tax due on all taxable sales and uses of alcoholic  
15 liquor occurring during the preceding month. Payment of the tax  
16 in the amount disclosed by the report shall accompany the  
17 report or, (2) on or before the 15th day of each calendar  
18 month, electronically file with the Department of Revenue, on  
19 forms prescribed and furnished by the Department, an electronic  
20 report in such form as may be required by the Department in  
21 order to compute, and assure the accuracy of, the tax due on  
22 all taxable sales and uses of alcoholic liquor occurring during  
23 the preceding month. An electronic payment of the tax in the  
24 amount disclosed by the report shall accompany the report. A  
25 manufacturer or distributor who files an electronic report and  
26 electronically pays the tax imposed pursuant to Section 8-1 to

1 the Department of Revenue on or before the 15th day of the  
2 calendar month following the calendar month in which such  
3 alcoholic liquor is sold or used by that manufacturer or  
4 importing distributor other than in an authorized tax-free  
5 manner shall pay to the Department the amount of the tax  
6 imposed pursuant to Section 8-1, less a discount which is  
7 allowed to reimburse the manufacturer or importing distributor  
8 for the expenses incurred in keeping and maintaining records,  
9 preparing and filing the electronic returns, remitting the tax,  
10 and supplying data to the Department upon request.

11 The discount shall be in an amount as follows:

12 (1) For original returns due on or after January 1,  
13 2003 through September 30, 2003, the discount shall be  
14 1.75% or \$1,250 per return, whichever is less;

15 (2) For original returns due on or after October 1,  
16 2003 through September 30, 2004, the discount shall be 2%  
17 or \$3,000 per return, whichever is less; and

18 (3) For original returns due on or after October 1,  
19 2004, the discount shall be 2% or \$2,000 per return,  
20 whichever is less.

21 The Department may, if it deems it necessary in order to  
22 insure the payment of the tax imposed by this Article, require  
23 returns to be made more frequently than and covering periods of  
24 less than a month. Such return shall contain such further  
25 information as the Department may reasonably require.

26 It shall be presumed that all alcoholic liquors acquired or

1 made by any importing distributor or manufacturer have been  
2 sold or used by him in this State and are the basis for the tax  
3 imposed by this Article unless proven, to the satisfaction of  
4 the Department, that such alcoholic liquors are (1) still in  
5 the possession of such importing distributor or manufacturer,  
6 or (2) prior to the termination of possession have been lost by  
7 theft or through unintentional destruction, or (3) that such  
8 alcoholic liquors are otherwise exempt from taxation under this  
9 Act.

10 If any payment provided for in this Section exceeds the  
11 manufacturer's or importing distributor's liabilities under  
12 this Act, as shown on an original report, the manufacturer or  
13 importing distributor may credit such excess payment against  
14 liability subsequently to be remitted to the Department under  
15 this Act, in accordance with reasonable rules adopted by the  
16 Department. If the Department subsequently determines that all  
17 or any part of the credit taken was not actually due to the  
18 manufacturer or importing distributor, the manufacturer's or  
19 importing distributor's discount shall be reduced by an amount  
20 equal to the difference between the discount as applied to the  
21 credit taken and that actually due, and the manufacturer or  
22 importing distributor shall be liable for penalties and  
23 interest on such difference.

24 The Department may require any foreign importer to file  
25 monthly information returns, by the 15th day of the month  
26 following the month which any such return covers, if the

1 Department determines this to be necessary to the proper  
2 performance of the Department's functions and duties under this  
3 Act. Such return shall contain such information as the  
4 Department may reasonably require.

5 Every manufacturer and importing distributor shall also  
6 file, with the Department, a bond in an amount not less than  
7 \$1,000 and not to exceed \$100,000 on a form to be approved by,  
8 and with a surety or sureties satisfactory to, the Department.  
9 Such bond shall be conditioned upon the manufacturer or  
10 importing distributor paying to the Department all monies  
11 becoming due from such manufacturer or importing distributor  
12 under this Article. The Department shall fix the penalty of  
13 such bond in each case, taking into consideration the amount of  
14 alcoholic liquor expected to be sold and used by such  
15 manufacturer or importing distributor, and the penalty fixed by  
16 the Department shall be sufficient, in the Department's  
17 opinion, to protect the State of Illinois against failure to  
18 pay any amount due under this Article, but the amount of the  
19 penalty fixed by the Department shall not exceed twice the  
20 amount of tax liability of a monthly return, nor shall the  
21 amount of such penalty be less than \$1,000. The Department  
22 shall notify the Commission of the Department's approval or  
23 disapproval of any such manufacturer's or importing  
24 distributor's bond, or of the termination or cancellation of  
25 any such bond, or of the Department's direction to a  
26 manufacturer or importing distributor that he must file

1 additional bond in order to comply with this Section. The  
2 Commission shall not issue a license to any applicant for a  
3 manufacturer's or importing distributor's license unless the  
4 Commission has received a notification from the Department  
5 showing that such applicant has filed a satisfactory bond with  
6 the Department hereunder and that such bond has been approved  
7 by the Department. Failure by any licensed manufacturer or  
8 importing distributor to keep a satisfactory bond in effect  
9 with the Department or to furnish additional bond to the  
10 Department, when required hereunder by the Department to do so,  
11 shall be grounds for the revocation or suspension of such  
12 manufacturer's or importing distributor's license by the  
13 Commission. If a manufacturer or importing distributor fails to  
14 pay any amount due under this Article, his bond with the  
15 Department shall be deemed forfeited, and the Department may  
16 institute a suit in its own name on such bond.

17 After notice and opportunity for a hearing the State  
18 Commission may revoke or suspend the license of any  
19 manufacturer or importing distributor who fails to comply with  
20 the provisions of this Section. Notice of such hearing and the  
21 time and place thereof shall be in writing and shall contain a  
22 statement of the charges against the licensee. Such notice may  
23 be given by United States registered or certified mail with  
24 return receipt requested, addressed to the person concerned at  
25 his last known address and shall be given not less than 7 days  
26 prior to the date fixed for the hearing. An order revoking or

1 suspending a license under the provisions of this Section may  
2 be reviewed in the manner provided in Section 7-10 of this Act.  
3 No new license shall be granted to a person whose license has  
4 been revoked for a violation of this Section or, in case of  
5 suspension, shall such suspension be terminated until he has  
6 paid to the Department all taxes and penalties which he owes  
7 the State under the provisions of this Act.

8 Every manufacturer or importing distributor who has, as  
9 verified by the Department, continuously complied with the  
10 conditions of the bond under this Act for a period of 2 years  
11 shall be considered to be a prior continuous compliance  
12 taxpayer. In determining the consecutive period of time for  
13 qualification as a prior continuous compliance taxpayer, any  
14 consecutive period of time of qualifying compliance  
15 immediately prior to the effective date of this amendatory Act  
16 of 1987 shall be credited to any manufacturer or importing  
17 distributor.

18 A manufacturer or importing distributor that is a prior  
19 continuous compliance taxpayer under this Section and becomes a  
20 successor as the result of an acquisition, merger, or  
21 consolidation of a manufacturer or importing distributor shall  
22 be deemed to be a prior continuous compliance taxpayer with  
23 respect to the acquired, merged, or consolidated entity.

24 Every prior continuous compliance taxpayer shall be exempt  
25 from the bond requirements of this Act until the Department has  
26 determined the taxpayer to be delinquent in the filing of any

1 return or deficient in the payment of any tax under this Act.  
2 Any taxpayer who fails to pay an admitted or established  
3 liability under this Act may also be required to post bond or  
4 other acceptable security with the Department guaranteeing the  
5 payment of such admitted or established liability.

6 The Department shall discharge any surety and shall release  
7 and return any bond or security deposit assigned, pledged or  
8 otherwise provided to it by a taxpayer under this Section  
9 within 30 days after: (1) such taxpayer becomes a prior  
10 continuous compliance taxpayer; or (2) such taxpayer has ceased  
11 to collect receipts on which he is required to remit tax to the  
12 Department, has filed a final tax return, and has paid to the  
13 Department an amount sufficient to discharge his remaining tax  
14 liability as determined by the Department under this Act.

15 (Source: P.A. 95-769, eff. 7-29-08.)

16 Section 155. The Energy Assistance Act is amended by  
17 changing Section 13 and by adding Section 19 as follows:

18 (305 ILCS 20/13)

19 (Section scheduled to be repealed on January 1, 2025)

20 Sec. 13. Supplemental Low-Income Energy Assistance Fund.

21 (a) The Supplemental Low-Income Energy Assistance Fund is  
22 hereby created as a special fund in the State Treasury. The  
23 Supplemental Low-Income Energy Assistance Fund is authorized  
24 to receive moneys from voluntary donations from individuals,

1 foundations, corporations, and other sources, moneys received  
2 pursuant to Section 17, and, by statutory deposit, the moneys  
3 collected pursuant to this Section. The Fund is also authorized  
4 to receive voluntary donations from individuals, foundations,  
5 corporations, and other sources. Subject to appropriation, the  
6 Department shall use moneys from the Supplemental Low-Income  
7 Energy Assistance Fund for payments to electric or gas public  
8 utilities, municipal electric or gas utilities, and electric  
9 cooperatives on behalf of their customers who are participants  
10 in the program authorized by Sections 4 and 18 of this Act, for  
11 the provision of weatherization services and for  
12 administration of the Supplemental Low-Income Energy  
13 Assistance Fund. The yearly expenditures for weatherization  
14 may not exceed 10% of the amount collected during the year  
15 pursuant to this Section. The yearly administrative expenses of  
16 the Supplemental Low-Income Energy Assistance Fund may not  
17 exceed 10% of the amount collected during that year pursuant to  
18 this Section, except when unspent funds from the Supplemental  
19 Low-Income Energy Assistance Fund are reallocated from a  
20 previous year; any unspent balance of the 10% administrative  
21 allowance may be utilized for administrative expenses in the  
22 year they are reallocated.

23 (b) Notwithstanding the provisions of Section 16-111 of the  
24 Public Utilities Act but subject to subsection (k) of this  
25 Section, each public utility, electric cooperative, as defined  
26 in Section 3.4 of the Electric Supplier Act, and municipal



1 utility, as referenced in Section 3-105 of the Public Utilities  
2 Act, that is engaged in the delivery of electricity or the  
3 distribution of natural gas within the State of Illinois shall,  
4 effective January 1, 1998, assess each of its customer accounts  
5 a monthly Energy Assistance Charge for the Supplemental  
6 Low-Income Energy Assistance Fund. The delivering public  
7 utility, municipal electric or gas utility, or electric or gas  
8 cooperative for a self-assessing purchaser remains subject to  
9 the collection of the fee imposed by this Section. The monthly  
10 charge shall be as follows:

11 (1) \$0.48 per month on each account for residential  
12 electric service;

13 (2) \$0.48 per month on each account for residential gas  
14 service;

15 (3) \$4.80 per month on each account for non-residential  
16 electric service which had less than 10 megawatts of peak  
17 demand during the previous calendar year;

18 (4) \$4.80 per month on each account for non-residential  
19 gas service which had distributed to it less than 4,000,000  
20 therms of gas during the previous calendar year;

21 (5) \$360 per month on each account for non-residential  
22 electric service which had 10 megawatts or greater of peak  
23 demand during the previous calendar year; and

24 (6) \$360 per month on each account for non-residential  
25 gas service which had 4,000,000 or more therms of gas  
26 distributed to it during the previous calendar year.

1           The incremental change to such charges imposed by this  
2 amendatory Act of the 96th General Assembly shall not (i) be  
3 used for any purpose other than to directly assist customers  
4 and (ii) be applicable to utilities serving less than 100,000  
5 customers in Illinois on January 1, 2009.

6           In addition, electric and gas utilities have committed, and  
7 shall contribute, a one-time payment of \$22 million to the  
8 Fund, within 10 days after the effective date of the tariffs  
9 established pursuant to Sections 16-111.8 and 19-145 of the  
10 Public Utilities Act to be used for the Department's cost of  
11 implementing the programs described in Section 18 of this  
12 amendatory Act of the 96th General Assembly, the Arrearage  
13 Reduction Program described in Section 18, and the programs  
14 described in Section 8-105 of the Public Utilities Act. If a  
15 utility elects not to file a rider within 90 days after the  
16 effective date of this amendatory Act of the 96th General  
17 Assembly, then the contribution from such utility shall be made  
18 no later than February 1, 2010.

19           (c) For purposes of this Section:

20           (1) "residential electric service" means electric  
21 utility service for household purposes delivered to a  
22 dwelling of 2 or fewer units which is billed under a  
23 residential rate, or electric utility service for  
24 household purposes delivered to a dwelling unit or units  
25 which is billed under a residential rate and is registered  
26 by a separate meter for each dwelling unit;

1           (2) "residential gas service" means gas utility  
2           service for household purposes distributed to a dwelling of  
3           2 or fewer units which is billed under a residential rate,  
4           or gas utility service for household purposes distributed  
5           to a dwelling unit or units which is billed under a  
6           residential rate and is registered by a separate meter for  
7           each dwelling unit;

8           (3) "non-residential electric service" means electric  
9           utility service which is not residential electric service;  
10          and

11          (4) "non-residential gas service" means gas utility  
12          service which is not residential gas service.

13          (d) Within 30 days after the effective date of this  
14          amendatory Act of the 96th General Assembly, each public  
15          utility engaged in the delivery of electricity or the  
16          distribution of natural gas shall file with the Illinois  
17          Commerce Commission tariffs incorporating the Energy  
18          Assistance Charge in other charges stated in such tariffs,  
19          which shall become effective no later than the beginning of the  
20          first billing cycle following such filing.

21          (e) The Energy Assistance Charge assessed by electric and  
22          gas public utilities shall be considered a charge for public  
23          utility service.

24          (f) By the 20th day of the month following the month in  
25          which the charges imposed by the Section were collected, each  
26          public utility, municipal utility, and electric cooperative

1 shall remit to the Department of Revenue all moneys received as  
2 payment of the Energy Assistance Charge on a return prescribed  
3 and furnished by the Department of Revenue showing such  
4 information as the Department of Revenue may reasonably  
5 require; provided, however, that a utility offering an  
6 Arrearage Reduction Program or Supplemental Arrearage  
7 Reduction Program pursuant to Section 18 of this Act shall be  
8 entitled to net those amounts necessary to fund and recover the  
9 costs of such Programs as authorized by that Section that is no  
10 more than the incremental change in such Energy Assistance  
11 Charge authorized by Public Act 96-33. If a customer makes a  
12 partial payment, a public utility, municipal utility, or  
13 electric cooperative may elect either: (i) to apply such  
14 partial payments first to amounts owed to the utility or  
15 cooperative for its services and then to payment for the Energy  
16 Assistance Charge or (ii) to apply such partial payments on a  
17 pro-rata basis between amounts owed to the utility or  
18 cooperative for its services and to payment for the Energy  
19 Assistance Charge.

20 If any payment provided for in this Section exceeds the  
21 distributor's liabilities under this Act, as shown on an  
22 original return, the Department may authorize the distributor  
23 to credit such excess payment against liability subsequently to  
24 be remitted to the Department under this Act, in accordance  
25 with reasonable rules adopted by the Department. If the  
26 Department subsequently determines that all or any part of the

1 credit taken was not actually due to the distributor, the  
2 distributor's discount shall be reduced by an amount equal to  
3 the difference between the discount as applied to the credit  
4 taken and that actually due, and that distributor shall be  
5 liable for penalties and interest on such difference.

6 (g) The Department of Revenue shall deposit into the  
7 Supplemental Low-Income Energy Assistance Fund all moneys  
8 remitted to it in accordance with subsection (f) of this  
9 Section; provided, however, that the amounts remitted by each  
10 utility shall be used to provide assistance to that utility's  
11 customers. The utilities shall coordinate with the Department  
12 to establish an equitable and practical methodology for  
13 implementing this subsection (g) beginning with the 2010  
14 program year.

15 (h) On or before December 31, 2002, the Department shall  
16 prepare a report for the General Assembly on the expenditure of  
17 funds appropriated from the Low-Income Energy Assistance Block  
18 Grant Fund for the program authorized under Section 4 of this  
19 Act.

20 (i) The Department of Revenue may establish such rules as  
21 it deems necessary to implement this Section.

22 (j) The Department of Commerce and Economic Opportunity may  
23 establish such rules as it deems necessary to implement this  
24 Section.

25 (k) The charges imposed by this Section shall only apply to  
26 customers of municipal electric or gas utilities and electric

1 or gas cooperatives if the municipal electric or gas utility or  
2 electric or gas cooperative makes an affirmative decision to  
3 impose the charge. If a municipal electric or gas utility or an  
4 electric cooperative makes an affirmative decision to impose  
5 the charge provided by this Section, the municipal electric or  
6 gas utility or electric cooperative shall inform the Department  
7 of Revenue in writing of such decision when it begins to impose  
8 the charge. If a municipal electric or gas utility or electric  
9 or gas cooperative does not assess this charge, the Department  
10 may not use funds from the Supplemental Low-Income Energy  
11 Assistance Fund to provide benefits to its customers under the  
12 program authorized by Section 4 of this Act.

13 In its use of federal funds under this Act, the Department  
14 may not cause a disproportionate share of those federal funds  
15 to benefit customers of systems which do not assess the charge  
16 provided by this Section.

17 This Section is repealed on January 1, 2025 unless renewed  
18 by action of the General Assembly.

19 (Source: P.A. 98-429, eff. 8-16-13; 99-457, eff. 1-1-16;  
20 99-906, eff. 6-1-17; 99-933, eff. 1-27-17; revised 11-8-17.)

21 (305 ILCS 20/19 new)

22 Sec. 19. Application of Retailers' Occupation Tax  
23 provisions. All the provisions of Sections 4, 5, 5a, 5b, 5c,  
24 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 11a, 12,  
25 and 13 of the Retailers' Occupation Tax Act that are not

1 inconsistent with this Act apply, as far as practicable, to the  
2 surcharge imposed by this Act to the same extent as if those  
3 provisions were included in this Act. References in the  
4 incorporated Sections of the Retailers' Occupation Tax Act to  
5 retailers, to sellers, or to persons engaged in the business of  
6 selling tangible personal property mean persons required to  
7 remit the charge imposed under this Act.

8 Section 160. The Environmental Protection Act is amended by  
9 changing Section 55.10 as follows:

10 (415 ILCS 5/55.10) (from Ch. 111 1/2, par. 1055.10)

11 Sec. 55.10. Tax returns by retailer.

12 (a) Except as otherwise provided in this Section, for  
13 returns due on or before January 31, 2010, each retailer of  
14 tires maintaining a place of business in this State shall make  
15 a return to the Department of Revenue on a quarter annual  
16 basis, with the return for January, February and March of a  
17 given year being due by April 30 of that year; with the return  
18 for April, May and June of a given year being due by July 31 of  
19 that year; with the return for July, August and September of a  
20 given year being due by October 31 of that year; and with the  
21 return for October, November and December of a given year being  
22 due by January 31 of the following year.

23 For returns due after January 31, 2010, each retailer of  
24 tires maintaining a place of business in this State shall make

1 a return to the Department of Revenue on a quarter annual  
2 basis, with the return for January, February, and March of a  
3 given year being due by April 20 of that year; with the return  
4 for April, May, and June of a given year being due by July 20 of  
5 that year; with the return for July, August, and September of a  
6 given year being due by October 20 of that year; and with the  
7 return for October, November, and December of a given year  
8 being due by January 20 of the following year.

9 Notwithstanding any other provision of this Section to the  
10 contrary, the return for October, November, and December of  
11 2009 is due by February 20, 2010.

12 On and after January 1, 2018, tire retailers and suppliers  
13 required to file electronically under Section 3 of the  
14 Retailers' Occupation Tax Act or Section 9 of the Use Tax Act  
15 must electronically file all returns pursuant to this Act. Tire  
16 retailers and suppliers who demonstrate that they do not have  
17 access to the Internet or demonstrate hardship in filing  
18 electronically may petition the Department to waive the  
19 electronic filing requirement.

20 (b) Each return made to the Department of Revenue shall  
21 state:

22 (1) the name of the retailer;

23 (2) the address of the retailer's principal place of  
24 business, and the address of the principal place of  
25 business (if that is a different address) from which the  
26 retailer engages in the business of making retail sales of



1           tires;

2           (3) total number of tires sold at retail for the  
3 preceding calendar quarter;

4           (4) the amount of tax due; and

5           (5) such other reasonable information as the  
6 Department of Revenue may require.

7           If any payment provided for in this Section exceeds the  
8 retailer's liabilities under this Act, as shown on an original  
9 return, the retailer may credit such excess payment against  
10 liability subsequently to be remitted to the Department under  
11 this Act, in accordance with reasonable rules adopted by the  
12 Department. If the Department subsequently determines that all  
13 or any part of the credit taken was not actually due to the  
14 retailer, the retailer's discount shall be reduced by the  
15 monetary amount of the discount applicable to the difference  
16 between the credit taken and that actually due, and the  
17 retailer shall be liable for penalties and interest on such  
18 difference.

19           Notwithstanding any other provision of this Act concerning  
20 the time within which a retailer may file his return, in the  
21 case of any retailer who ceases to engage in the retail sale of  
22 tires, the retailer shall file a final return under this Act  
23 with the Department of Revenue not more than one month after  
24 discontinuing that business.

25           (Source: P.A. 100-303, eff. 8-24-17.)

1 Section 165. The Environmental Impact Fee Law is amended by  
2 changing Section 315 as follows:

3 (415 ILCS 125/315)

4 (Section scheduled to be repealed on January 1, 2025)

5 Sec. 315. Fee on receivers of fuel for sale or use;  
6 collection and reporting. A person that is required to pay the  
7 fee imposed by this Law shall pay the fee to the Department by  
8 return showing all fuel purchased, acquired, or received and  
9 sold, distributed or used during the preceding calendar month,  
10 including losses of fuel as the result of evaporation or  
11 shrinkage due to temperature variations, and such other  
12 reasonable information as the Department may require. Losses of  
13 fuel as the result of evaporation or shrinkage due to  
14 temperature variations may not exceed 1% of the total gallons  
15 in storage at the beginning of the month, plus the receipts of  
16 gallonage during the month, minus the gallonage remaining in  
17 storage at the end of the month. Any loss reported that is in  
18 excess of this amount shall be subject to the fee imposed by  
19 Section 310 of this Law. On and after July 1, 2001, for each  
20 6-month period January through June, net losses of fuel (for  
21 each category of fuel that is required to be reported on a  
22 return) as the result of evaporation or shrinkage due to  
23 temperature variations may not exceed 1% of the total gallons  
24 in storage at the beginning of each January, plus the receipts  
25 of gallonage each January through June, minus the gallonage

1 remaining in storage at the end of each June. On and after July  
2 1, 2001, for each 6-month period July through December, net  
3 losses of fuel (for each category of fuel that is required to  
4 be reported on a return) as the result of evaporation or  
5 shrinkage due to temperature variations may not exceed 1% of  
6 the total gallons in storage at the beginning of each July,  
7 plus the receipts of gallonage each July through December,  
8 minus the gallonage remaining in storage at the end of each  
9 December. Any net loss reported that is in excess of this  
10 amount shall be subject to the fee imposed by Section 310 of  
11 this Law. For purposes of this Section, "net loss" means the  
12 number of gallons gained through temperature variations minus  
13 the number of gallons lost through temperature variations or  
14 evaporation for each of the respective 6-month periods.

15 The return shall be prescribed by the Department and shall  
16 be filed between the 1st and 20th days of each calendar month.  
17 The Department may, in its discretion, combine the return filed  
18 under this Law with the return filed under Section 2b of the  
19 Motor Fuel Tax Law. If the return is timely filed, the receiver  
20 may take a discount of 2% through June 30, 2003 and 1.75%  
21 thereafter to reimburse himself for the expenses incurred in  
22 keeping records, preparing and filing returns, collecting and  
23 remitting the fee, and supplying data to the Department on  
24 request. However, the discount applies only to the amount of  
25 the fee payment that accompanies a return that is timely filed  
26 in accordance with this Section.

1       If any payment provided for in this Section exceeds the  
2       receiver's liabilities under this Act, as shown on an original  
3       return, the Department may authorize the receiver to credit  
4       such excess payment against liability subsequently to be  
5       remitted to the Department under this Act, in accordance with  
6       reasonable rules adopted by the Department. If the Department  
7       subsequently determines that all or any part of the credit  
8       taken was not actually due to the receiver, the receiver's  
9       discount shall be reduced by an amount equal to the difference  
10       between the discount as applied to the credit taken and that  
11       actually due, and that receiver shall be liable for penalties  
12       and interest on such difference.

13       (Source: P.A. 92-30, eff. 7-1-01; 93-32, eff. 6-20-03.)

14       Section 170. The Drycleaner Environmental Response Trust  
15       Fund Act is amended by changing Section 65 as follows:

16             (415 ILCS 135/65)

17             (Section scheduled to be repealed on January 1, 2020)

18             Sec. 65. Drycleaning solvent tax.

19             (a) On and after January 1, 1998, a tax is imposed upon the  
20       use of drycleaning solvent by a person engaged in the business  
21       of operating a drycleaning facility in this State at the rate  
22       of \$3.50 per gallon of perchloroethylene or other chlorinated  
23       drycleaning solvents used in drycleaning operations, \$0.35 per  
24       gallon of petroleum-based drycleaning solvent, and \$1.75 per

1 gallon of green solvents, unless the green solvent is used at a  
2 virgin facility, in which case the rate is \$0.35 per gallon.  
3 The Council shall determine by rule which products are  
4 chlorine-based solvents, which products are petroleum-based  
5 solvents, and which products are green solvents. All  
6 drycleaning solvents shall be considered chlorinated solvents  
7 unless the Council determines that the solvents are  
8 petroleum-based drycleaning solvents or green solvents.

9 (b) The tax imposed by this Act shall be collected from the  
10 purchaser at the time of sale by a seller of drycleaning  
11 solvents maintaining a place of business in this State and  
12 shall be remitted to the Department of Revenue under the  
13 provisions of this Act.

14 (c) The tax imposed by this Act that is not collected by a  
15 seller of drycleaning solvents shall be paid directly to the  
16 Department of Revenue by the purchaser or end user who is  
17 subject to the tax imposed by this Act.

18 (d) No tax shall be imposed upon the use of drycleaning  
19 solvent if the drycleaning solvent will not be used in a  
20 drycleaning facility or if a floor stock tax has been imposed  
21 and paid on the drycleaning solvent. Prior to the purchase of  
22 the solvent, the purchaser shall provide a written and signed  
23 certificate to the drycleaning solvent seller stating:

- 24 (1) the name and address of the purchaser;
- 25 (2) the purchaser's signature and date of signing; and
- 26 (3) one of the following:

1 (A) that the drycleaning solvent will not be used  
2 in a drycleaning facility; or

3 (B) that a floor stock tax has been imposed and  
4 paid on the drycleaning solvent.

5 (e) On January 1, 1998, there is imposed on each operator  
6 of a drycleaning facility a tax on drycleaning solvent held by  
7 the operator on that date for use in a drycleaning facility.  
8 The tax imposed shall be the tax that would have been imposed  
9 under subsection (a) if the drycleaning solvent held by the  
10 operator on that date had been purchased by the operator during  
11 the first year of this Act.

12 (f) On or before the 25th day of the 1st month following  
13 the end of the calendar quarter, a seller of drycleaning  
14 solvents who has collected a tax pursuant to this Section  
15 during the previous calendar quarter, or a purchaser or end  
16 user of drycleaning solvents required under subsection (c) to  
17 submit the tax directly to the Department, shall file a return  
18 with the Department of Revenue. The return shall be filed on a  
19 form prescribed by the Department of Revenue and shall contain  
20 information that the Department of Revenue reasonably  
21 requires, but at a minimum will require the reporting of the  
22 volume of drycleaning solvent sold to each licensed drycleaner.  
23 The Department of Revenue shall report quarterly to the Council  
24 the volume of drycleaning solvent purchased for the quarter by  
25 each licensed drycleaner. Each seller of drycleaning solvent  
26 maintaining a place of business in this State who is required

1 or authorized to collect the tax imposed by this Act shall pay  
2 to the Department the amount of the tax at the time when he or  
3 she is required to file his or her return for the period during  
4 which the tax was collected. Purchasers or end users remitting  
5 the tax directly to the Department under subsection (c) shall  
6 file a return with the Department of Revenue and pay the tax so  
7 incurred by the purchaser or end user during the preceding  
8 calendar quarter.

9 Except as provided in this Section, the seller of  
10 drycleaning solvents filing the return under this Section  
11 shall, at the time of filing the return, pay to the Department  
12 the amount of tax imposed by this Act less a discount of 1.75%,  
13 or \$5 per calendar year, whichever is greater. Failure to  
14 timely file the returns and provide to the Department the data  
15 requested under this Act will result in disallowance of the  
16 reimbursement discount.

17 (g) The tax on drycleaning solvents used in drycleaning  
18 facilities and the floor stock tax shall be administered by  
19 Department of Revenue under rules adopted by that Department.

20 (h) On and after January 1, 1998, no person shall knowingly  
21 sell or transfer drycleaning solvent to an operator of a  
22 drycleaning facility that is not licensed by the Council under  
23 Section 60.

24 (i) The Department of Revenue may adopt rules as necessary  
25 to implement this Section.

26 (j) If any payment provided for in this Section exceeds the

1 seller's liabilities under this Act, as shown on an original  
2 return, the seller may credit such excess payment against  
3 liability subsequently to be remitted to the Department under  
4 this Act, in accordance with reasonable rules adopted by the  
5 Department. If the Department subsequently determines that all  
6 or any part of the credit taken was not actually due to the  
7 seller, the seller's discount shall be reduced by an amount  
8 equal to the difference between the discount as applied to the  
9 credit taken and that actually due, and the seller shall be  
10 liable for penalties and interest on such difference.

11 (Source: P.A. 96-774, eff. 1-1-10.)

12 Section 995. No acceleration or delay. Where this Act makes  
13 changes in a statute that is represented in this Act by text  
14 that is not yet or no longer in effect (for example, a Section  
15 represented by multiple versions), the use of that text does  
16 not accelerate or delay the taking effect of (i) the changes  
17 made by this Act or (ii) provisions derived from any other  
18 Public Act.

19 Section 999. Effective date. This Act takes effect upon  
20 becoming law.



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