



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB3725

Introduced 2/24/2005, by Rep. Robert W. Pritchard - Dan Brady -
Randall M. Hultgren

SYNOPSIS AS INTRODUCED:

30 ILCS 105/6z-18	from Ch. 127, par. 142z-18
30 ILCS 105/6z-20	from Ch. 127, par. 142z-20
35 ILCS 105/3-10	from Ch. 120, par. 439.3-10
35 ILCS 105/9	from Ch. 120, par. 439.9
35 ILCS 110/3-10	from Ch. 120, par. 439.33-10
35 ILCS 110/9	from Ch. 120, par. 439.39
35 ILCS 115/3-10	from Ch. 120, par. 439.103-10
35 ILCS 115/9	from Ch. 120, par. 439.109
35 ILCS 120/2-10	from Ch. 120, par. 441-10
35 ILCS 120/3	from Ch. 120, par. 442

Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Provides that, beginning July 1, 2005, the tax with respect to textbooks required for use at State universities and public community colleges or certain other institutions of higher learning is imposed under these Acts at the rate of 1.25% (eliminating the State's portion of the tax). Authorizes the Department of Revenue to adopt rules. Amends the State Finance Act to adjust the distribution with respect to this tax. Effective immediately.

LRB094 08842 BDD 41969 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT regarding taxation.

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

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

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

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

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

1 A portion of the money paid into the Local Government Tax
2 Fund from the 6.25% general rate (and, beginning July 1, 2000
3 and through December 31, 2000, the 1.25% rate on motor fuel and
4 gasohol and, beginning July 1, 2005, the 1.25% rate on
5 textbooks required for use at State universities and public
6 community colleges or at institutions of higher learning as
7 defined in the Illinois Financial Assistance Act for Nonpublic
8 Institutions of Higher Learning) on sales subject to taxation
9 under the Retailers' Occupation Tax Act and the Service
10 Occupation Tax Act, which occurred in municipalities, shall be
11 distributed to each municipality, based upon the sales which
12 occurred in that municipality. The remainder shall be
13 distributed to each county, based upon the sales which occurred
14 in the unincorporated area of such county.

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

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

32 On or before the 25th day of each calendar month, the
33 Department shall prepare and certify to the Comptroller the
34 disbursement of stated sums of money to named municipalities
35 and counties, the municipalities and counties to be those
36 entitled to distribution of taxes or penalties paid to the

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

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

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

31 In construing any development, redevelopment, annexation,
32 preannexation or other lawful agreement in effect prior to
33 September 1, 1990, which describes or refers to receipts from a
34 county or municipal retailers' occupation tax, use tax or
35 service occupation tax which now cannot be imposed, such
36 description or reference shall be deemed to include the

1 replacement revenue for such abolished taxes, distributed from
2 the Local Government Tax Fund.

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

5 (30 ILCS 105/6z-20) (from Ch. 127, par. 142z-20)

6 Sec. 6z-20. Of the money received from the 6.25% general
7 rate (and, beginning July 1, 2000 and through December 31,
8 2000, the 1.25% rate on motor fuel and gasohol and, beginning
9 July 1, 2005, the 1.25% rate on textbooks required for use at
10 State universities and public community colleges or at
11 institutions of higher learning as defined in the Illinois
12 Financial Assistance Act for Nonpublic Institutions of Higher
13 Learning) on sales subject to taxation under the Retailers'
14 Occupation Tax Act and Service Occupation Tax Act and paid into
15 the County and Mass Transit District Fund, distribution to the
16 Regional Transportation Authority tax fund, created pursuant
17 to Section 4.03 of the Regional Transportation Authority Act,
18 for deposit therein shall be made based upon the retail sales
19 occurring in a county having more than 3,000,000 inhabitants.
20 The remainder shall be distributed to each county having
21 3,000,000 or fewer inhabitants based upon the retail sales
22 occurring in each such county.

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

32 Of the money received from the 6.25% general use tax rate
33 on tangible personal property which is purchased outside
34 Illinois at retail from a retailer and which is titled or
35 registered by any agency of this State's government and paid

1 into the County and Mass Transit District Fund, the amount for
2 which Illinois addresses for titling or registration purposes
3 are given as being in each county having more than 3,000,000
4 inhabitants shall be distributed into the Regional
5 Transportation Authority tax fund, created pursuant to Section
6 4.03 of the Regional Transportation Authority Act. The
7 remainder of the money paid from such sales shall be
8 distributed to each county based on sales for which Illinois
9 addresses for titling or registration purposes are given as
10 being located in the county. Any money paid into the Regional
11 Transportation Authority Occupation and Use Tax Replacement
12 Fund from the County and Mass Transit District Fund prior to
13 January 14, 1991, which has not been paid to the Authority
14 prior to that date, shall be transferred to the Regional
15 Transportation Authority tax fund.

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

24 On or before the 25th day of each calendar month, the
25 Department shall prepare and certify to the Comptroller the
26 disbursement of stated sums of money to the Regional
27 Transportation Authority and to named counties, the counties to
28 be those entitled to distribution, as hereinabove provided, of
29 taxes or penalties paid to the Department during the second
30 preceding calendar month. The amount to be paid to the Regional
31 Transportation Authority and each county having 3,000,000 or
32 fewer inhabitants shall be the amount (not including credit
33 memoranda) collected during the second preceding calendar
34 month by the Department and paid into the County and Mass
35 Transit District Fund, plus an amount the Department determines
36 is necessary to offset any amounts which were erroneously paid

1 to a different taxing body, and not including an amount equal
2 to the amount of refunds made during the second preceding
3 calendar month by the Department, and not including any amount
4 which the Department determines is necessary to offset any
5 amounts which were payable to a different taxing body but were
6 erroneously paid to the Regional Transportation Authority or
7 county. Within 10 days after receipt, by the Comptroller, of
8 the disbursement certification to the Regional Transportation
9 Authority and counties, provided for in this Section to be
10 given to the Comptroller by the Department, the Comptroller
11 shall cause the orders to be drawn for the respective amounts
12 in accordance with the directions contained in such
13 certification.

14 When certifying the amount of a monthly disbursement to the
15 Regional Transportation Authority or to a county under this
16 Section, the Department shall increase or decrease that amount
17 by an amount necessary to offset any misallocation of previous
18 disbursements. The offset amount shall be the amount
19 erroneously disbursed within the 6 months preceding the time a
20 misallocation is discovered.

21 The provisions directing the distributions from the
22 special fund in the State Treasury provided for in this Section
23 and from the Regional Transportation Authority tax fund created
24 by Section 4.03 of the Regional Transportation Authority Act
25 shall constitute an irrevocable and continuing appropriation
26 of all amounts as provided herein. The State Treasurer and
27 State Comptroller are hereby authorized to make distributions
28 as provided in this Section.

29 In construing any development, redevelopment, annexation,
30 preannexation or other lawful agreement in effect prior to
31 September 1, 1990, which describes or refers to receipts from a
32 county or municipal retailers' occupation tax, use tax or
33 service occupation tax which now cannot be imposed, such
34 description or reference shall be deemed to include the
35 replacement revenue for such abolished taxes, distributed from
36 the County and Mass Transit District Fund or Local Government

1 Distributive Fund, as the case may be.

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

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

5 (35 ILCS 105/3-10) (from Ch. 120, par. 439.3-10)

6 Sec. 3-10. Rate of tax. Unless otherwise provided in this
7 Section, the tax imposed by this Act is at the rate of 6.25% of
8 either the selling price or the fair market value, if any, of
9 the tangible personal property. In all cases where property
10 functionally used or consumed is the same as the property that
11 was purchased at retail, then the tax is imposed on the selling
12 price of the property. In all cases where property functionally
13 used or consumed is a by-product or waste product that has been
14 refined, manufactured, or produced from property purchased at
15 retail, then the tax is imposed on the lower of the fair market
16 value, if any, of the specific property so used in this State
17 or on the selling price of the property purchased at retail.
18 For purposes of this Section "fair market value" means the
19 price at which property would change hands between a willing
20 buyer and a willing seller, neither being under any compulsion
21 to buy or sell and both having reasonable knowledge of the
22 relevant facts. The fair market value shall be established by
23 Illinois sales by the taxpayer of the same property as that
24 functionally used or consumed, or if there are no such sales by
25 the taxpayer, then comparable sales or purchases of property of
26 like kind and character in Illinois.

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

31 With respect to gasohol, the tax imposed by this Act
32 applies to (i) 70% of the proceeds of sales made on or after
33 January 1, 1990, and before July 1, 2003, (ii) 80% of the
34 proceeds of sales made on or after July 1, 2003 and on or

1 before December 31, 2013, and (iii) 100% of the proceeds of
2 sales made thereafter. If, at any time, however, the tax under
3 this Act on sales of gasohol is imposed at the rate of 1.25%,
4 then the tax imposed by this Act applies to 100% of the
5 proceeds of sales of gasohol made during that time.

6 Beginning July 1, 2005, with respect to textbooks required
7 for use at State universities and public community colleges or
8 at institutions of higher learning as defined in the Illinois
9 Financial Assistance Act for Nonpublic Institutions of Higher
10 Learning, the tax is imposed at the rate of 1.25%. The
11 Department may adopt rules necessary to implement and
12 administer the 1.25% rate on textbooks.

13 With respect to majority blended ethanol fuel, the tax
14 imposed by this Act does not apply to the proceeds of sales
15 made on or after July 1, 2003 and on or before December 31,
16 2013 but applies to 100% of the proceeds of sales made
17 thereafter.

18 With respect to biodiesel blends with no less than 1% and
19 no more than 10% biodiesel, the tax imposed by this Act applies
20 to (i) 80% of the proceeds of sales made on or after July 1,
21 2003 and on or before December 31, 2013 and (ii) 100% of the
22 proceeds of sales made thereafter. If, at any time, however,
23 the tax under this Act on sales of biodiesel blends with no
24 less than 1% and no more than 10% biodiesel is imposed at the
25 rate of 1.25%, then the tax imposed by this Act applies to 100%
26 of the proceeds of sales of biodiesel blends with no less than
27 1% and no more than 10% biodiesel made during that time.

28 With respect to 100% biodiesel and biodiesel blends with
29 more than 10% but no more than 99% biodiesel, the tax imposed
30 by this Act does not apply to the proceeds of sales made on or
31 after July 1, 2003 and on or before December 31, 2013 but
32 applies to 100% of the proceeds of sales made thereafter.

33 With respect to food for human consumption that is to be
34 consumed off the premises where it is sold (other than
35 alcoholic beverages, soft drinks, and food that has been
36 prepared for immediate consumption) and prescription and

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

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

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

30 (Source: P.A. 93-17, eff. 6-11-03.)

31 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

32 Sec. 9. Except as to motor vehicles, watercraft, aircraft,
33 and trailers that are required to be registered with an agency
34 of this State, each retailer required or authorized to collect
35 the tax imposed by this Act shall pay to the Department the

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

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

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

32 The Department may require returns to be filed on a
33 quarterly basis. If so required, a return for each calendar
34 quarter shall be filed on or before the twentieth day of the
35 calendar month following the end of such calendar quarter. The
36 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
27 all payments required by rules of the Department by electronic
28 funds transfer. Beginning October 1, 1995, a taxpayer who has
29 an average monthly tax liability of \$50,000 or more shall make
30 all payments required by rules of the Department by electronic
31 funds transfer. Beginning October 1, 2000, a taxpayer who has
32 an annual tax liability of \$200,000 or more shall make all
33 payments required by rules of the Department by electronic
34 funds transfer. The term "annual tax liability" shall be the
35 sum of the taxpayer's liabilities under this Act, and under all
36 other State and local occupation and use tax laws administered

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

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

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

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

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

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

1 the Retailers' Occupation Tax Act, the Service Occupation Tax
2 Act, and the Service Use Tax Act was \$20,000 or more during the
3 preceding 4 complete calendar quarters, he shall file a return
4 with the Department each month by the 20th day of the month
5 next following the month during which such tax liability is
6 incurred and shall make payment to the Department on or before
7 the 7th, 15th, 22nd and last day of the month during which such
8 liability is incurred. If the month during which such tax
9 liability is incurred began prior to January 1, 1985, each
10 payment shall be in an amount equal to 1/4 of the taxpayer's
11 actual liability for the month or an amount set by the
12 Department not to exceed 1/4 of the average monthly liability
13 of the taxpayer to the Department for the preceding 4 complete
14 calendar quarters (excluding the month of highest liability and
15 the month of lowest liability in such 4 quarter period). If the
16 month during which such tax liability is incurred begins on or
17 after January 1, 1985, and prior to 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 27.5% of the taxpayer's
20 liability for the same calendar month of the preceding year. If
21 the month during which such tax liability is incurred begins on
22 or after January 1, 1987, and prior to January 1, 1988, each
23 payment shall be in an amount equal to 22.5% of the taxpayer's
24 actual liability for the month or 26.25% of the taxpayer's
25 liability for the same calendar month of the preceding year. If
26 the month during which such tax liability is incurred begins on
27 or after January 1, 1988, and prior to January 1, 1989, or
28 begins on or after January 1, 1996, each payment shall be in an
29 amount equal to 22.5% of the taxpayer's actual liability for
30 the month or 25% of the taxpayer's liability for the same
31 calendar month of the preceding year. If the month during which
32 such tax liability is incurred begins on or after January 1,
33 1989, and prior to January 1, 1996, each payment shall be in an
34 amount equal to 22.5% of the taxpayer's actual liability for
35 the month or 25% of the taxpayer's liability for the same
36 calendar month of the preceding year or 100% of the taxpayer's

1 actual liability for the quarter monthly reporting period. The
2 amount of such quarter monthly payments shall be credited
3 against the final tax liability of the taxpayer's return for
4 that month. Before October 1, 2000, once applicable, the
5 requirement of the making of quarter monthly payments to the
6 Department shall continue until such taxpayer's average
7 monthly liability to the Department during the preceding 4
8 complete calendar quarters (excluding the month of highest
9 liability and the month of lowest liability) is less than
10 \$9,000, or until such taxpayer's average monthly liability to
11 the Department as computed for each calendar quarter of the 4
12 preceding complete calendar quarter period is less than
13 \$10,000. However, if a taxpayer can show the Department that a
14 substantial change in the taxpayer's business has occurred
15 which causes the taxpayer to anticipate that his average
16 monthly tax liability for the reasonably foreseeable future
17 will fall below the \$10,000 threshold stated above, then such
18 taxpayer may petition the Department for change in such
19 taxpayer's reporting status. On and after October 1, 2000, once
20 applicable, the requirement of the making of quarter monthly
21 payments to the Department shall continue until such taxpayer's
22 average monthly liability to the Department during the
23 preceding 4 complete calendar quarters (excluding the month of
24 highest liability and the month of lowest liability) is less
25 than \$19,000 or until such taxpayer's average monthly liability
26 to the Department as computed for each calendar quarter of the
27 4 preceding complete calendar quarter period is less than
28 \$20,000. However, if a taxpayer can show the Department that a
29 substantial change in the taxpayer's business has occurred
30 which causes the taxpayer to anticipate that his average
31 monthly tax liability for the reasonably foreseeable future
32 will fall below the \$20,000 threshold stated above, then such
33 taxpayer may petition the Department for a change in such
34 taxpayer's reporting status. The Department shall change such
35 taxpayer's reporting status unless it finds that such change is
36 seasonal in nature and not likely to be long term. If any such

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

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

1 credit taken and that actually due, and the taxpayer shall be
2 liable for penalties and interest on such difference.

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

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

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

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

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

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

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

1 require.

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

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

30 With each such transaction reporting return, the retailer
31 shall remit the proper amount of tax due (or shall submit
32 satisfactory evidence that the sale is not taxable if that is
33 the case), to the Department or its agents, whereupon the
34 Department shall issue, in the purchaser's name, a tax receipt
35 (or a certificate of exemption if the Department is satisfied
36 that the particular sale is tax exempt) which such purchaser

1 may submit to the agency with which, or State officer with
2 whom, he must title or register the tangible personal property
3 that is involved (if titling or registration is required) in
4 support of such purchaser's application for an Illinois
5 certificate or other evidence of title or registration to such
6 tangible personal property.

7 No retailer's failure or refusal to remit tax under this
8 Act precludes a user, who has paid the proper tax to the
9 retailer, from obtaining his certificate of title or other
10 evidence of title or registration (if titling or registration
11 is required) upon satisfying the Department that such user has
12 paid the proper tax (if tax is due) to the retailer. The
13 Department shall adopt appropriate rules to carry out the
14 mandate of this paragraph.

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

33 Where a retailer collects the tax with respect to the
34 selling price of tangible personal property which he sells and
35 the purchaser thereafter returns such tangible personal
36 property and the retailer refunds the selling price thereof to

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

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

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

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

32 Beginning January 1, 1990, each month the Department shall
33 pay into the State and Local Sales Tax Reform Fund, a special
34 fund in the State Treasury which is hereby created, the net
35 revenue realized for the preceding month from the 1% tax on
36 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 and insulin, urine testing
5 materials, syringes and needles used by diabetics.

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

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

21 Beginning August 1, 2000, each month the Department shall
22 pay into the State and Local Sales Tax Reform Fund 100% of the
23 net revenue realized for the preceding month from the 1.25%
24 rate on the selling price of motor fuel and gasohol. Beginning
25 August 1, 2005, each month the Department shall pay into the
26 State and Local Sales Tax Reform Fund 100% of the net revenue
27 realized for the preceding month from the 1.25% rate on the
28 selling price of textbooks required for use at State
29 universities and public community colleges or at institutions
30 of higher learning as defined in the Illinois Financial
31 Assistance Act for Nonpublic Institutions of Higher Learning.

32 Beginning January 1, 1990, each month the Department shall
33 pay into the Local Government Tax Fund 16% of the net revenue
34 realized for the preceding month from the 6.25% general rate on
35 the selling price of tangible personal property which is
36 purchased outside Illinois at retail from a retailer and which

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

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

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

32 Subject to payment of amounts into the Build Illinois Fund
33 as provided in the preceding paragraph or in any amendment
34 thereto hereafter enacted, the following specified monthly
35 installment of the amount requested in the certificate of the
36 Chairman of the Metropolitan Pier and Exposition Authority

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

8	Fiscal Year	Total
		Deposit
9	1993	\$0
10	1994	53,000,000
11	1995	58,000,000
12	1996	61,000,000
13	1997	64,000,000
14	1998	68,000,000
15	1999	71,000,000
16	2000	75,000,000
17	2001	80,000,000
18	2002	93,000,000
19	2003	99,000,000
20	2004	103,000,000
21	2005	108,000,000
22	2006	113,000,000
23	2007	119,000,000
24	2008	126,000,000
25	2009	132,000,000
26	2010	139,000,000
27	2011	146,000,000
28	2012	153,000,000
29	2013	161,000,000
30	2014	170,000,000
31	2015	179,000,000
32	2016	189,000,000
33	2017	199,000,000
34	2018	210,000,000
35	2019	221,000,000

1	2020	233,000,000
2	2021	246,000,000
3	2022	260,000,000
4	2023 and	275,000,000

5 each fiscal year

6 thereafter that bonds

7 are outstanding under

8 Section 13.2 of the

9 Metropolitan Pier and

10 Exposition Authority Act,

11 but not after fiscal year 2042.

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

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

33 Subject to payment of amounts into the Build Illinois Fund
34 and the McCormick Place Expansion Project Fund pursuant to the
35 preceding paragraphs or in any amendments thereto hereafter
36 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 ~~Community~~
9 ~~Affairs~~ Law of the Civil Administrative Code of Illinois.

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

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

34 (Source: P.A. 91-37, eff. 7-1-99; 91-51, eff. 6-30-99; 91-101,
35 eff. 7-12-99; 91-541, eff. 8-13-99; 91-872, eff. 7-1-00;
36 91-901, eff. 1-1-01; 92-12, eff. 7-1-01; 92-16, eff. 6-28-01;

1 92-208, eff. 8-2-01; 92-492, eff. 1-1-02; 92-600, eff. 6-28-02;
2 92-651, eff. 7-11-02; revised 10-15-03.)

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

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

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

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

16 With respect to gasohol, as defined in the Use Tax Act, the
17 tax imposed by this Act applies to (i) 70% of the selling price
18 of property transferred as an incident to the sale of service
19 on or after January 1, 1990, and before July 1, 2003, (ii) 80%
20 of the selling price of property transferred as an incident to
21 the sale of service on or after July 1, 2003 and on or before
22 December 31, 2013, and (iii) 100% of the selling price
23 thereafter. If, at any time, however, the tax under this Act on
24 sales of gasohol, as defined in the Use Tax Act, is imposed at
25 the rate of 1.25%, then the tax imposed by this Act applies to
26 100% of the proceeds of sales of gasohol made during that time.

27 With respect to majority blended ethanol fuel, as defined
28 in the Use Tax Act, the tax imposed by this Act does not apply
29 to the selling price of property transferred as an incident to
30 the sale of service on or after July 1, 2003 and on or before
31 December 31, 2013 but applies to 100% of the selling price
32 thereafter.

33 With respect to biodiesel blends, as defined in the Use Tax
34 Act, with no less than 1% and no more than 10% biodiesel, the

1 tax imposed by this Act applies to (i) 80% of the selling price
2 of property transferred as an incident to the sale of service
3 on or after July 1, 2003 and on or before December 31, 2013 and
4 (ii) 100% of the proceeds of the selling price thereafter. If,
5 at any time, however, the tax under this Act on sales of
6 biodiesel blends, as defined in the Use Tax Act, with no less
7 than 1% and no more than 10% biodiesel is imposed at the rate
8 of 1.25%, then the tax imposed by this Act applies to 100% of
9 the proceeds of sales of biodiesel blends with no less than 1%
10 and no more than 10% biodiesel made during that time.

11 With respect to 100% biodiesel, as defined in the Use Tax
12 Act, and biodiesel blends, as defined in the Use Tax Act, with
13 more than 10% but no more than 99% biodiesel, the tax imposed
14 by this Act does not apply to the proceeds of the selling price
15 of property transferred as an incident to the sale of service
16 on or after July 1, 2003 and on or before December 31, 2013 but
17 applies to 100% of the selling price thereafter.

18 Beginning July 1, 2005, with respect to textbooks required
19 for use at State universities and public community colleges or
20 at institutions of higher learning as defined in the Illinois
21 Financial Assistance Act for Nonpublic Institutions of Higher
22 Learning, the tax is imposed at the rate of 1.25%. The
23 Department may adopt rules necessary to implement and
24 administer the 1.25% rate on textbooks.

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

35 The tax shall be imposed at the rate of 1% on food prepared
36 for immediate consumption and transferred incident to a sale of

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

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

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

1 use.

2 (Source: P.A. 93-17, eff. 6-11-03.)

3 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

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. A serviceman need
14 not remit that part of any tax collected by him to the extent
15 that he is required to pay and does pay the tax imposed by the
16 Service Occupation Tax Act with respect to his sale of service
17 involving the incidental transfer by him of the same property.

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

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

- 32 1. The name of the seller;
- 33 2. The address of the principal place of business from
34 which he engages in business as a serviceman in this State;
- 35 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
27 sum of the taxpayer's liabilities under this Act, and under all
28 other State and local occupation and use tax laws administered
29 by the Department, for the immediately preceding calendar year.
30 The term "average monthly tax liability" means the sum of the
31 taxpayer's liabilities under this Act, and under all other
32 State and local occupation and use tax laws administered by the
33 Department, for the immediately preceding calendar year
34 divided by 12. Beginning on October 1, 2002, a taxpayer who has
35 a tax liability in the amount set forth in subsection (b) of
36 Section 2505-210 of the Department of Revenue Law shall make

1 all payments required by rules of the Department by electronic
2 funds transfer.

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

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

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

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

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

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

35 Such quarter annual and annual returns, as to form and
36 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 serviceman may file his return, in the
4 case of any serviceman who ceases to engage in a kind of
5 business which makes him responsible for filing returns under
6 this Act, such serviceman shall file a final return under this
7 Act with the Department not more than 1 month after
8 discontinuing such business.

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

26 Any serviceman filing a return hereunder shall also include
27 the total tax upon the selling price of tangible personal
28 property purchased for use by him as an incident to a sale of
29 service, and such serviceman shall remit the amount of such tax
30 to the Department when filing such return.

31 If experience indicates such action to be practicable, the
32 Department may prescribe and furnish a combination or joint
33 return which will enable servicemen, who are required to file
34 returns hereunder and also under the Service Occupation Tax
35 Act, to furnish all the return information required by both
36 Acts on the one form.

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

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

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

23 Beginning August 1, 2000, each month the Department shall
24 pay into the State and Local Sales Tax Reform Fund 100% of the
25 net revenue realized for the preceding month from the 1.25%
26 rate on the selling price of motor fuel and gasohol. Beginning
27 August 1, 2005, each month the Department shall pay into the
28 State and Local Sales Tax Reform Fund 100% of the net revenue
29 realized for the preceding month from the 1.25% rate on the
30 selling price of textbooks required for use at State
31 universities and public community colleges or at institutions
32 of higher learning as defined in the Illinois Financial
33 Assistance Act for Nonpublic Institutions of Higher Learning.

34 Of the remainder of the moneys received by the Department
35 pursuant to this Act, (a) 1.75% thereof shall be paid into the
36 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on

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

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

27 Subject to payment of amounts into the Build Illinois Fund
28 as provided in the preceding paragraph or in any amendment
29 thereto hereafter enacted, the following specified monthly
30 installment of the amount requested in the certificate of the
31 Chairman of the Metropolitan Pier and Exposition Authority
32 provided under Section 8.25f of the State Finance Act, but not
33 in excess of the sums designated as "Total Deposit", shall be
34 deposited in the aggregate from collections under Section 9 of
35 the Use Tax Act, Section 9 of the Service Use Tax Act, Section
36 9 of the Service Occupation Tax Act, and Section 3 of the

1 Retailers' Occupation Tax Act into the McCormick Place
 2 Expansion Project Fund in the specified fiscal years.

3	Fiscal Year	Total
		Deposit
4	1993	\$0
5	1994	53,000,000
6	1995	58,000,000
7	1996	61,000,000
8	1997	64,000,000
9	1998	68,000,000
10	1999	71,000,000
11	2000	75,000,000
12	2001	80,000,000
13	2002	93,000,000
14	2003	99,000,000
15	2004	103,000,000
16	2005	108,000,000
17	2006	113,000,000
18	2007	119,000,000
19	2008	126,000,000
20	2009	132,000,000
21	2010	139,000,000
22	2011	146,000,000
23	2012	153,000,000
24	2013	161,000,000
25	2014	170,000,000
26	2015	179,000,000
27	2016	189,000,000
28	2017	199,000,000
29	2018	210,000,000
30	2019	221,000,000
31	2020	233,000,000
32	2021	246,000,000
33	2022	260,000,000
34	2023 and	275,000,000
35	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 2042.

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, the Department shall each
24 month pay into the Illinois Tax Increment Fund 0.27% of 80% of
25 the net revenue realized for the preceding month from the 6.25%
26 general rate on the selling price of tangible personal
27 property.

28 Subject to payment of amounts into the Build Illinois Fund
29 and the McCormick Place Expansion Project Fund pursuant to the
30 preceding paragraphs or in any amendments thereto hereafter
31 enacted, beginning with the receipt of the first report of
32 taxes paid by an eligible business and continuing for a 25-year
33 period, the Department shall each month pay into the Energy
34 Infrastructure Fund 80% of the net revenue realized from the
35 6.25% general rate on the selling price of Illinois-mined coal
36 that was sold to an eligible business. For purposes of this

1 paragraph, the term "eligible business" means a new electric
2 generating facility certified pursuant to Section 605-332 of
3 the Department of Commerce and Economic Opportunity ~~Community~~
4 ~~Affairs~~ Law of the Civil Administrative Code of Illinois.

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

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

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

19 (Source: P.A. 92-12, eff. 7-1-01; 92-208, eff. 8-2-01; 92-492,
20 eff. 1-1-02; 92-600, eff. 6-28-02; 92-651, eff. 7-11-02;
21 revised 10-15-03.)

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

24 (35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

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

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

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

13 With respect to gasohol, as defined in the Use Tax Act, the
14 tax imposed by this Act shall apply to (i) 70% of the cost
15 price of property transferred as an incident to the sale of
16 service on or after January 1, 1990, and before July 1, 2003,
17 (ii) 80% of the selling price of property transferred as an
18 incident to the sale of service on or after July 1, 2003 and on
19 or before December 31, 2013, and (iii) 100% of the cost price
20 thereafter. If, at any time, however, the tax under this Act on
21 sales of gasohol, as defined in the Use Tax Act, is imposed at
22 the rate of 1.25%, then the tax imposed by this Act applies to
23 100% of the proceeds of sales of gasohol made during that time.

24 With respect to majority blended ethanol fuel, as defined
25 in the Use Tax Act, the tax imposed by this Act does not apply
26 to the selling price of property transferred as an incident to
27 the sale of service on or after July 1, 2003 and on or before
28 December 31, 2013 but applies to 100% of the selling price
29 thereafter.

30 With respect to biodiesel blends, as defined in the Use Tax
31 Act, with no less than 1% and no more than 10% biodiesel, the
32 tax imposed by this Act applies to (i) 80% of the selling price
33 of property transferred as an incident to the sale of service
34 on or after July 1, 2003 and on or before December 31, 2013 and
35 (ii) 100% of the proceeds of the selling price thereafter. If,
36 at any time, however, the tax under this Act on sales of

1 biodiesel blends, as defined in the Use Tax Act, with no less
2 than 1% and no more than 10% biodiesel is imposed at the rate
3 of 1.25%, then the tax imposed by this Act applies to 100% of
4 the proceeds of sales of biodiesel blends with no less than 1%
5 and no more than 10% biodiesel made during that time.

6 With respect to 100% biodiesel, as defined in the Use Tax
7 Act, and biodiesel blends, as defined in the Use Tax Act, with
8 more than 10% but no more than 99% biodiesel material, the tax
9 imposed by this Act does not apply to the proceeds of the
10 selling price of property transferred as an incident to the
11 sale of service on or after July 1, 2003 and on or before
12 December 31, 2013 but applies to 100% of the selling price
13 thereafter.

14 Beginning July 1, 2005, with respect to textbooks required
15 for use at State universities and public community colleges or
16 at institutions of higher learning as defined in the Illinois
17 Financial Assistance Act for Nonpublic Institutions of Higher
18 Learning, the tax is imposed at the rate of 1.25%. The
19 Department may adopt rules necessary to implement and
20 administer the 1.25% rate on textbooks.

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

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

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

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

26 (Source: P.A. 93-17, eff. 6-11-03.)

27 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

28 Sec. 9. Each serviceman required or authorized to collect
29 the tax herein imposed shall pay to the Department the amount
30 of such tax at the time when he is required to file his return
31 for the period during which such tax was collectible, less a
32 discount of 2.1% prior to January 1, 1990, and 1.75% on and
33 after January 1, 1990, or \$5 per calendar year, whichever is
34 greater, which is allowed to reimburse the serviceman for
35 expenses incurred in collecting the tax, keeping records,

1 preparing and filing returns, remitting the tax and supplying
2 data to the Department on request.

3 Where such tangible personal property is sold under a
4 conditional sales contract, or under any other form of sale
5 wherein the payment of the principal sum, or a part thereof, is
6 extended beyond the close of the period for which the return is
7 filed, the serviceman, in collecting the tax may collect, for
8 each tax return period, only the tax applicable to the part of
9 the selling price actually received during such tax return
10 period.

11 Except as provided hereinafter in this Section, on or
12 before the twentieth day of each calendar month, such
13 serviceman shall file a return for the preceding calendar month
14 in accordance with reasonable rules and regulations to be
15 promulgated by the Department of Revenue. Such return shall be
16 filed on a form prescribed by the Department and shall contain
17 such information as the Department may reasonably require.

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

- 25 1. The name of the seller;
- 26 2. The address of the principal place of business from
27 which he engages in business as a serviceman in this State;
- 28 3. The total amount of taxable receipts received by him
29 during the preceding calendar month, including receipts
30 from charge and time sales, but less all deductions allowed
31 by law;
- 32 4. The amount of credit provided in Section 2d of this
33 Act;
- 34 5. The amount of tax due;
- 35 5-5. The signature of the taxpayer; and
- 36 6. Such other reasonable information as the Department

1 may require.

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

6 Prior to October 1, 2003, and on and after September 1,
7 2004 a serviceman may accept a Manufacturer's Purchase Credit
8 certification from a purchaser in satisfaction of Service Use
9 Tax as provided in Section 3-70 of the Service Use Tax Act if
10 the purchaser provides the appropriate documentation as
11 required by Section 3-70 of the Service Use Tax Act. A
12 Manufacturer's Purchase Credit certification, accepted prior
13 to October 1, 2003 or on or after September 1, 2004 by a
14 serviceman as provided in Section 3-70 of the Service Use Tax
15 Act, may be used by that serviceman to satisfy Service
16 Occupation Tax liability in the amount claimed in the
17 certification, not to exceed 6.25% of the receipts subject to
18 tax from a qualifying purchase. A Manufacturer's Purchase
19 Credit reported on any original or amended return filed under
20 this Act after October 20, 2003 for reporting periods prior to
21 September 1, 2004 shall be disallowed. Manufacturer's Purchase
22 Credit reported on annual returns due on or after January 1,
23 2005 will be disallowed for periods prior to September 1, 2004.
24 No Manufacturer's Purchase Credit may be used after September
25 30, 2003 through August 31, 2004 to satisfy any tax liability
26 imposed under this Act, including any audit liability.

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

1 If the serviceman'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 20 of the following year.

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

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

15 Beginning October 1, 1993, a taxpayer who has an average
16 monthly tax liability of \$150,000 or more shall make all
17 payments required by rules of the Department by electronic
18 funds transfer. Beginning October 1, 1994, a taxpayer who has
19 an average monthly tax liability of \$100,000 or more shall make
20 all payments required by rules of the Department by electronic
21 funds transfer. Beginning October 1, 1995, a taxpayer who has
22 an average monthly tax liability of \$50,000 or more shall make
23 all payments required by rules of the Department by electronic
24 funds transfer. Beginning October 1, 2000, a taxpayer who has
25 an annual tax liability of \$200,000 or more shall make all
26 payments required by rules of the Department by electronic
27 funds transfer. The term "annual tax liability" shall be the
28 sum of the taxpayer's liabilities under this Act, and under all
29 other State and local occupation and use tax laws administered
30 by the Department, for the immediately preceding calendar year.
31 The term "average monthly tax liability" means the sum of the
32 taxpayer's liabilities under this Act, and under all other
33 State and local occupation and use tax laws administered by the
34 Department, for the immediately preceding calendar year
35 divided by 12. Beginning on October 1, 2002, a taxpayer who has
36 a tax liability in the amount set forth in subsection (b) of

1 Section 2505-210 of the Department of Revenue Law shall make
2 all payments required by rules of the Department by electronic
3 funds transfer.

4 Before August 1 of each year beginning in 1993, 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.

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

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

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

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

36 If experience indicates such action to be practicable, the

1 Department may prescribe and furnish a combination or joint
2 return which will enable servicemen, who are required to file
3 returns hereunder and also under the Retailers' Occupation Tax
4 Act, the Use Tax Act or the Service Use Tax Act, to furnish all
5 the return information required by all said Acts on the one
6 form.

7 Where the serviceman has more than one business registered
8 with the Department under separate registrations hereunder,
9 such serviceman shall file separate returns for each registered
10 business.

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

20 Beginning January 1, 1990, each month the Department shall
21 pay into the County and Mass Transit District Fund 4% of the
22 revenue realized for the preceding month from the 6.25% general
23 rate.

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

28 Beginning August 1, 2005, each month the Department shall
29 pay into the County and Mass Transit District Fund 20% of the
30 net revenue realized for the preceding month from the 1.25%
31 rate on the selling price of textbooks required for use at
32 State universities and public community colleges or at
33 institutions of higher learning as defined in the Illinois
34 Financial Assistance Act for Nonpublic Institutions of Higher
35 Learning.

36 Beginning January 1, 1990, each month the Department shall

1 pay into the Local Government Tax Fund 16% of the revenue
2 realized for the preceding month from the 6.25% general rate on
3 transfers of tangible personal property.

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

8 Beginning August 1, 2005, each month the Department shall
9 pay into the Local Government Tax Fund 80% of the net revenue
10 realized for the preceding month from the 1.25% rate on the
11 selling price of textbooks required for use at State
12 universities and public community colleges or at institutions
13 of higher learning as defined in the Illinois Financial
14 Assistance Act for Nonpublic Institutions of Higher Learning.

15 Of the remainder of the moneys received by the Department
16 pursuant to this Act, (a) 1.75% thereof shall be paid into the
17 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
18 and after July 1, 1989, 3.8% thereof shall be paid into the
19 Build Illinois Fund; provided, however, that if in any fiscal
20 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
21 may be, of the moneys received by the Department and required
22 to be paid into the Build Illinois Fund pursuant to Section 3
23 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax
24 Act, Section 9 of the Service Use Tax Act, and Section 9 of the
25 Service Occupation Tax Act, such Acts being hereinafter called
26 the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case
27 may be, of moneys being hereinafter called the "Tax Act
28 Amount", and (2) the amount transferred to the Build Illinois
29 Fund from the State and Local Sales Tax Reform Fund shall be
30 less than the Annual Specified Amount (as defined in Section 3
31 of the Retailers' Occupation Tax Act), an amount equal to the
32 difference shall be immediately paid into the Build Illinois
33 Fund from other moneys received by the Department pursuant to
34 the Tax Acts; and further provided, that if on the last
35 business day of any month the sum of (1) the Tax Act Amount
36 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
27 aggregate of the moneys deposited in the Build Illinois Bond
28 Account in the Build Illinois Fund in such month shall be less
29 than the amount required to be transferred in such month from
30 the Build Illinois Bond Account to the Build Illinois Bond
31 Retirement and Interest Fund pursuant to Section 13 of the
32 Build Illinois Bond Act, an amount equal to such deficiency
33 shall be immediately paid from other moneys received by the
34 Department pursuant to the Tax Acts to the Build Illinois Fund;
35 provided, however, that any amounts paid to the Build Illinois
36 Fund in any fiscal year pursuant to this sentence shall be

1 deemed to constitute payments pursuant to clause (b) of the
 2 preceding sentence and shall reduce the amount otherwise
 3 payable for such fiscal year pursuant to clause (b) of the
 4 preceding sentence. The moneys received by the Department
 5 pursuant to this Act and required to be deposited into the
 6 Build Illinois Fund are subject to the pledge, claim and charge
 7 set forth in Section 12 of the Build Illinois Bond Act.

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

	Fiscal Year	Total Deposit
21	1993	\$0
22	1994	53,000,000
23	1995	58,000,000
24	1996	61,000,000
25	1997	64,000,000
26	1998	68,000,000
27	1999	71,000,000
28	2000	75,000,000
29	2001	80,000,000
30	2002	93,000,000
31	2003	99,000,000
32	2004	103,000,000
33	2005	108,000,000
34	2006	113,000,000
35	2007	119,000,000

1	2008	126,000,000
2	2009	132,000,000
3	2010	139,000,000
4	2011	146,000,000
5	2012	153,000,000
6	2013	161,000,000
7	2014	170,000,000
8	2015	179,000,000
9	2016	189,000,000
10	2017	199,000,000
11	2018	210,000,000
12	2019	221,000,000
13	2020	233,000,000
14	2021	246,000,000
15	2022	260,000,000
16	2023 and	275,000,000

17 each fiscal year
18 thereafter that bonds
19 are outstanding under
20 Section 13.2 of the
21 Metropolitan Pier and
22 Exposition Authority Act,
23 but not after fiscal year 2042.

24 Beginning July 20, 1993 and in each month of each fiscal
25 year thereafter, one-eighth of the amount requested in the
26 certificate of the Chairman of the Metropolitan Pier and
27 Exposition Authority for that fiscal year, less the amount
28 deposited into the McCormick Place Expansion Project Fund by
29 the State Treasurer in the respective month under subsection
30 (g) of Section 13 of the Metropolitan Pier and Exposition
31 Authority Act, plus cumulative deficiencies in the deposits
32 required under this Section for previous months and years,
33 shall be deposited into the McCormick Place Expansion Project
34 Fund, until the full amount requested for the fiscal year, but
35 not in excess of the amount specified above as "Total Deposit",
36 has been deposited.

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

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 with the receipt of the first report of
13 taxes paid by an eligible business and continuing for a 25-year
14 period, the Department shall each month pay into the Energy
15 Infrastructure Fund 80% of the net revenue realized from the
16 6.25% general rate on the selling price of Illinois-mined coal
17 that was sold to an eligible business. For purposes of this
18 paragraph, the term "eligible business" means a new electric
19 generating facility certified pursuant to Section 605-332 of
20 the Department of Commerce and Economic Opportunity Law of the
21 Civil Administrative Code of Illinois.

22 Remaining moneys received by the Department pursuant to
23 this Act shall be paid into the General Revenue Fund of the
24 State Treasury.

25 The Department may, upon separate written notice to a
26 taxpayer, require the taxpayer to prepare and file with the
27 Department on a form prescribed by the Department within not
28 less than 60 days after receipt of the notice an annual
29 information return for the tax year specified in the notice.
30 Such annual return to the Department shall include a statement
31 of gross receipts as shown by the taxpayer's last Federal
32 income tax return. If the total receipts of the business as
33 reported in the Federal income tax return do not agree with the
34 gross receipts reported to the Department of Revenue for the
35 same period, the taxpayer shall attach to his annual return a
36 schedule showing a reconciliation of the 2 amounts and the

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

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

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

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

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

33 The foregoing portion of this Section concerning the filing
34 of an annual information return shall not apply to a serviceman
35 who is not required to file an income tax return with the
36 United States Government.

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

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

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

20 (Source: P.A. 92-12, eff. 7-1-01; 92-208, eff. 8-2-01; 92-492,
21 eff. 1-1-02; 92-600, eff. 6-28-02; 92-651, eff. 7-11-02; 93-24,
22 eff. 6-20-03; 93-840, eff. 7-30-04.)

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

25 (35 ILCS 120/2-10) (from Ch. 120, par. 441-10)

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

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

34 Within 14 days after the effective date of this amendatory

1 Act of the 91st General Assembly, each retailer of motor fuel
2 and gasohol shall cause the following notice to be posted in a
3 prominently visible place on each retail dispensing device that
4 is used to dispense motor fuel or gasohol in the State of
5 Illinois: "As of July 1, 2000, the State of Illinois has
6 eliminated the State's share of sales tax on motor fuel and
7 gasohol through December 31, 2000. The price on this pump
8 should reflect the elimination of the tax." The notice shall be
9 printed in bold print on a sign that is no smaller than 4
10 inches by 8 inches. The sign shall be clearly visible to
11 customers. Any retailer who fails to post or maintain a
12 required sign through December 31, 2000 is guilty of a petty
13 offense for which the fine shall be \$500 per day per each
14 retail premises where a violation occurs.

15 With respect to gasohol, as defined in the Use Tax Act, the
16 tax imposed by this Act applies to (i) 70% of the proceeds of
17 sales made on or after January 1, 1990, and before July 1,
18 2003, (ii) 80% of the proceeds of sales made on or after July
19 1, 2003 and on or before December 31, 2013, and (iii) 100% of
20 the proceeds of sales made thereafter. If, at any time,
21 however, the tax under this Act on sales of gasohol, as defined
22 in the Use Tax Act, is imposed at the rate of 1.25%, then the
23 tax imposed by this Act applies to 100% of the proceeds of
24 sales of gasohol made during that time.

25 With respect to majority blended ethanol fuel, as defined
26 in the Use Tax Act, the tax imposed by this Act does not apply
27 to the proceeds of sales made on or after July 1, 2003 and on or
28 before December 31, 2013 but applies to 100% of the proceeds of
29 sales made thereafter.

30 With respect to biodiesel blends, as defined in the Use Tax
31 Act, with no less than 1% and no more than 10% biodiesel, the
32 tax imposed by this Act applies to (i) 80% of the proceeds of
33 sales made on or after July 1, 2003 and on or before December
34 31, 2013 and (ii) 100% of the proceeds of sales made
35 thereafter. If, at any time, however, the tax under this Act on
36 sales of biodiesel blends, as defined in the Use Tax Act, with

1 no less than 1% and no more than 10% biodiesel is imposed at
2 the rate of 1.25%, then the tax imposed by this Act applies to
3 100% of the proceeds of sales of biodiesel blends with no less
4 than 1% and no more than 10% biodiesel made during that time.

5 With respect to 100% biodiesel, as defined in the Use Tax
6 Act, and biodiesel blends, as defined in the Use Tax Act, with
7 more than 10% but no more than 99% biodiesel, the tax imposed
8 by this Act does not apply to the proceeds of sales made on or
9 after July 1, 2003 and on or before December 31, 2013 but
10 applies to 100% of the proceeds of sales made thereafter.

11 Beginning July 1, 2005, with respect to textbooks required
12 for use at State universities and public community colleges or
13 at institutions of higher learning as defined in the Illinois
14 Financial Assistance Act for Nonpublic Institutions of Higher
15 Learning, the tax is imposed at the rate of 1.25%. The
16 Department may adopt rules necessary to implement and
17 administer the 1.25% rate on textbooks.

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

1 50% or more natural fruit or vegetable juice.

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

8 (Source: P.A. 93-17, eff. 6-11-03.)

9 (35 ILCS 120/3) (from Ch. 120, par. 442)

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

15 1. The name of the seller;

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

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

26 4. Total amount received by him during the preceding
27 calendar month or quarter on charge and time sales of
28 tangible personal property, and from services furnished,
29 by him prior to the month or quarter for which the return
30 is filed;

31 5. Deductions allowed by law;

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

35 7. The amount of credit provided in Section 2d of this

1 Act;

2 8. The amount of tax due;

3 9. The signature of the taxpayer; and

4 10. Such other reasonable information as the
5 Department may require.

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

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

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

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

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

5 1. The name of the seller;

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

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

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

16 5. The amount of tax due; and

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

19 Beginning on October 1, 2003, any person who is not a
20 licensed distributor, importing distributor, or manufacturer,
21 as defined in the Liquor Control Act of 1934, but is engaged in
22 the business of selling, at retail, alcoholic liquor shall file
23 a statement with the Department of Revenue, in a format and at
24 a time prescribed by the Department, showing the total amount
25 paid for alcoholic liquor purchased during the preceding month
26 and such other information as is reasonably required by the
27 Department. The Department may adopt rules to require that this
28 statement be filed in an electronic or telephonic format. Such
29 rules may provide for exceptions from the filing requirements
30 of this paragraph. For the purposes of this paragraph, the term
31 "alcoholic liquor" shall have the meaning prescribed in the
32 Liquor Control Act of 1934.

33 Beginning on October 1, 2003, every distributor, importing
34 distributor, and manufacturer of alcoholic liquor as defined in
35 the Liquor Control Act of 1934, shall file a statement with the
36 Department of Revenue, no later than the 10th day of the month

1 for the preceding month during which transactions occurred, by
2 electronic means, showing the total amount of gross receipts
3 from the sale of alcoholic liquor sold or distributed during
4 the preceding month to purchasers; identifying the purchaser to
5 whom it was sold or distributed; the purchaser's tax
6 registration number; and such other information reasonably
7 required by the Department. A distributor, importing
8 distributor, or manufacturer of alcoholic liquor must
9 personally deliver, mail, or provide by electronic means to
10 each retailer listed on the monthly statement a report
11 containing a cumulative total of that distributor's, importing
12 distributor's, or manufacturer's total sales of alcoholic
13 liquor to that retailer no later than the 10th day of the month
14 for the preceding month during which the transaction occurred.
15 The distributor, importing distributor, or manufacturer shall
16 notify the retailer as to the method by which the distributor,
17 importing distributor, or manufacturer will provide the sales
18 information. If the retailer is unable to receive the sales
19 information by electronic means, the distributor, importing
20 distributor, or manufacturer shall furnish the sales
21 information by personal delivery or by mail. For purposes of
22 this paragraph, the term "electronic means" includes, but is
23 not limited to, the use of a secure Internet website, e-mail,
24 or facsimile.

25 If a total amount of less than \$1 is payable, refundable or
26 creditable, such amount shall be disregarded if it is less than
27 50 cents and shall be increased to \$1 if it is 50 cents or more.

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

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

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

22 Any taxpayer not required to make payments by electronic
23 funds transfer may make payments by electronic funds transfer
24 with the permission of the Department.

25 All taxpayers required to make payment by electronic funds
26 transfer and any taxpayers authorized to voluntarily make
27 payments by electronic funds transfer shall make those payments
28 in the manner authorized by the Department.

29 The Department shall adopt such rules as are necessary to
30 effectuate a program of electronic funds transfer and the
31 requirements of this Section.

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

1 whole-dollar amount where the fractional part of a dollar is
2 less than 50 cents.

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

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

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

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

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

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

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

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

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

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

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

31 Such transaction reporting return shall be filed not later
32 than 20 days after the day of delivery of the item that is
33 being sold, but may be filed by the retailer at any time sooner
34 than that if he chooses to do so. The transaction reporting
35 return and tax remittance or proof of exemption from the
36 Illinois use tax may be transmitted to the Department by way of

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

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

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

28 If the user who would otherwise pay tax to the retailer
29 wants the transaction reporting return filed and the payment of
30 the tax or proof of exemption made to the Department before the
31 retailer is willing to take these actions and such user has not
32 paid the tax to the retailer, such user may certify to the fact
33 of such delay by the retailer and may (upon the Department
34 being satisfied of the truth of such certification) transmit
35 the information required by the transaction reporting return
36 and the remittance for tax or proof of exemption directly to

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

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

18 Where the seller is a corporation, the return filed on
19 behalf of such corporation shall be signed by the president,
20 vice-president, secretary or treasurer or by the properly
21 accredited agent of such corporation.

22 Where the seller is a limited liability company, the return
23 filed on behalf of the limited liability company shall be
24 signed by a manager, member, or properly accredited agent of
25 the limited liability company.

26 Except as provided in this Section, the retailer filing the
27 return under this Section shall, at the time of filing such
28 return, pay to the Department the amount of tax imposed by this
29 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%
30 on and after January 1, 1990, or \$5 per calendar year,
31 whichever is greater, which is allowed to reimburse the
32 retailer for the expenses incurred in keeping records,
33 preparing and filing returns, remitting the tax and supplying
34 data to the Department on request. Any prepayment made pursuant
35 to Section 2d of this Act shall be included in the amount on
36 which such 2.1% or 1.75% discount is computed. In the case of

1 retailers who report and pay the tax on a transaction by
2 transaction basis, as provided in this Section, such discount
3 shall be taken with each such tax remittance instead of when
4 such retailer files his periodic return.

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

1 actual liability for the month or 27.5% of the taxpayer's
2 liability for the same calendar month of the preceding year. If
3 the month during which such tax liability is incurred begins on
4 or after January 1, 1987 and prior to January 1, 1988, each
5 payment shall be in an amount equal to 22.5% of the taxpayer's
6 actual liability for the month or 26.25% of the taxpayer's
7 liability for the same calendar month of the preceding year. If
8 the month during which such tax liability is incurred begins on
9 or after January 1, 1988, and prior to January 1, 1989, or
10 begins on or after January 1, 1996, each payment shall be in an
11 amount equal to 22.5% of the taxpayer's actual liability for
12 the month or 25% of the taxpayer's liability for the same
13 calendar month of the preceding year. If the month during which
14 such tax liability is incurred begins on or after January 1,
15 1989, and prior to January 1, 1996, each payment shall be in an
16 amount equal to 22.5% of the taxpayer's actual liability for
17 the month or 25% of the taxpayer's liability for the same
18 calendar month of the preceding year or 100% of the taxpayer's
19 actual liability for the quarter monthly reporting period. The
20 amount of such quarter monthly payments shall be credited
21 against the final tax liability of the taxpayer's return for
22 that month. Before October 1, 2000, once applicable, the
23 requirement of the making of quarter monthly payments to the
24 Department by taxpayers having an average monthly tax liability
25 of \$10,000 or more as determined in the manner provided above
26 shall continue until such taxpayer's average monthly liability
27 to the Department during the preceding 4 complete calendar
28 quarters (excluding the month of highest liability and the
29 month of lowest liability) is less than \$9,000, or until such
30 taxpayer's average monthly liability to the Department as
31 computed for each calendar quarter of the 4 preceding complete
32 calendar quarter period is less than \$10,000. However, if a
33 taxpayer can show the Department that a substantial change in
34 the taxpayer's business has occurred which causes the taxpayer
35 to anticipate that his average monthly tax liability for the
36 reasonably foreseeable future will fall below the \$10,000

1 threshold stated above, then such taxpayer may petition the
2 Department for a change in such taxpayer's reporting status. On
3 and after October 1, 2000, once applicable, the requirement of
4 the making of quarter monthly payments to the Department by
5 taxpayers having an average monthly tax liability of \$20,000 or
6 more as determined in the manner provided above shall continue
7 until such taxpayer's average monthly liability to the
8 Department during the preceding 4 complete calendar quarters
9 (excluding the month of highest liability and the month of
10 lowest liability) is less than \$19,000 or until such taxpayer's
11 average monthly liability to the Department as computed for
12 each calendar quarter of the 4 preceding complete calendar
13 quarter period is less than \$20,000. However, if a taxpayer can
14 show the Department that a substantial change in the taxpayer's
15 business has occurred which causes the taxpayer to anticipate
16 that his average monthly tax liability for the reasonably
17 foreseeable future will fall below the \$20,000 threshold stated
18 above, then such taxpayer may petition the Department for a
19 change in such taxpayer's reporting status. The Department
20 shall change such taxpayer's reporting status unless it finds
21 that such change is seasonal in nature and not likely to be
22 long term. If any such quarter monthly payment is not paid at
23 the time or in the amount required by this Section, then the
24 taxpayer shall be liable for penalties and interest on the
25 difference between the minimum amount due as a payment and the
26 amount of such quarter monthly payment actually and timely
27 paid, except insofar as the taxpayer has previously made
28 payments for that month to the Department in excess of the
29 minimum payments previously due as provided in this Section.
30 The Department shall make reasonable rules and regulations to
31 govern the quarter monthly payment amount and quarter monthly
32 payment dates for taxpayers who file on other than a calendar
33 monthly basis.

34 The provisions of this paragraph apply before October 1,
35 2001. Without regard to whether a taxpayer is required to make
36 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 the
9 effective date of this amendatory Act of 1985, each payment
10 shall be in an amount not less than 22.5% of the taxpayer's
11 actual liability under Section 2d. If the month during which
12 such tax liability is incurred begins on or after January 1,
13 1986, each payment shall be in an amount equal to 22.5% of the
14 taxpayer's actual liability for the month or 27.5% of the
15 taxpayer's liability for the same calendar month of the
16 preceding 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
27 prepaid tax collections during the preceding 2 complete
28 calendar quarters is \$25,000 or less. If any such quarter
29 monthly payment is not paid at the time or in the amount
30 required, the taxpayer shall be liable for penalties and
31 interest on such difference, except insofar as the taxpayer has
32 previously made payments for that month in excess of the
33 minimum payments previously due.

34 The provisions of this paragraph apply on and after October
35 1, 2001. Without regard to whether a taxpayer is required to
36 make quarter monthly payments as specified above, any taxpayer

1 who is required by Section 2d of this Act to collect and remit
2 prepaid taxes and has collected prepaid taxes that average in
3 excess of \$20,000 per month during the preceding 4 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 the liability is incurred. Each payment
8 shall be in an amount equal to 22.5% of the taxpayer's actual
9 liability for the month or 25% of the taxpayer's liability for
10 the same calendar month of the preceding year. The amount of
11 the quarter monthly payments shall be credited against the
12 final tax liability of the taxpayer's return for that month
13 filed under this Section or Section 2f, as the case may be.
14 Once applicable, the requirement of the making of quarter
15 monthly payments to the Department pursuant to this paragraph
16 shall continue until the taxpayer's average monthly prepaid tax
17 collections during the preceding 4 complete calendar quarters
18 (excluding the month of highest liability and the month of
19 lowest liability) is less than \$19,000 or until such taxpayer's
20 average monthly liability to the Department as computed for
21 each calendar quarter of the 4 preceding complete calendar
22 quarters is less than \$20,000. If any such quarter monthly
23 payment is not paid at the time or in the amount required, the
24 taxpayer shall be liable for penalties and interest on such
25 difference, except insofar as the taxpayer has previously made
26 payments for that month in excess of the minimum payments
27 previously due.

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

1 in accordance with reasonable rules and regulations to be
2 prescribed by the Department. If no such request is made, the
3 taxpayer may credit such excess payment against tax liability
4 subsequently to be remitted to the Department under this Act,
5 the Use Tax Act, the Service Occupation Tax Act or the Service
6 Use Tax Act, in accordance with reasonable rules and
7 regulations prescribed by the Department. If the Department
8 subsequently determined that all or any part of the credit
9 taken was not actually due to the taxpayer, the taxpayer's 2.1%
10 and 1.75% vendor's discount shall be reduced by 2.1% or 1.75%
11 of the difference between the credit taken and that actually
12 due, and that taxpayer shall be liable for penalties and
13 interest on such difference.

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

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

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

34 Beginning August 1, 2000, each month the Department shall
35 pay into the County and Mass Transit District Fund 20% of the
36 net revenue realized for the preceding month from the 1.25%

1 rate on the selling price of motor fuel and gasohol.

2 Beginning August 1, 2005, each month the Department shall
3 pay into the County and Mass Transit District Fund 20% of the
4 net revenue realized for the preceding month from the 1.25%
5 rate on the selling price of textbooks required for use at
6 State universities and public community colleges or at
7 institutions of higher learning as defined in the Illinois
8 Financial Assistance Act for Nonpublic Institutions of Higher
9 Learning.

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

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

18 Beginning August 1, 2005, 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 textbooks required for use at State
22 universities and public community colleges or at institutions
23 of higher learning as defined in the Illinois Financial
24 Assistance Act for Nonpublic Institutions of Higher Learning.

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
27 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
28 and after July 1, 1989, 3.8% thereof shall be paid into the
29 Build Illinois Fund; provided, however, that if in any fiscal
30 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
31 may be, of the moneys received by the Department and required
32 to be paid into the Build Illinois Fund pursuant to this Act,
33 Section 9 of the Use Tax Act, Section 9 of the Service Use Tax
34 Act, and Section 9 of the Service Occupation Tax Act, such Acts
35 being hereinafter called the "Tax Acts" and such aggregate of
36 2.2% or 3.8%, as the case may be, of moneys being hereinafter

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

9	Fiscal Year	Annual Specified Amount
10	1986	\$54,800,000
11	1987	\$76,650,000
12	1988	\$80,480,000
13	1989	\$88,510,000
14	1990	\$115,330,000
15	1991	\$145,470,000
16	1992	\$182,730,000
17	1993	\$206,520,000;

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

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

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

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

	Fiscal Year	Total Deposit
7		
8	1993	\$0
9	1994	53,000,000
10	1995	58,000,000
11	1996	61,000,000
12	1997	64,000,000
13	1998	68,000,000
14	1999	71,000,000
15	2000	75,000,000
16	2001	80,000,000
17	2002	93,000,000
18	2003	99,000,000
19	2004	103,000,000
20	2005	108,000,000
21	2006	113,000,000
22	2007	119,000,000
23	2008	126,000,000
24	2009	132,000,000
25	2010	139,000,000
26	2011	146,000,000
27	2012	153,000,000
28	2013	161,000,000
29	2014	170,000,000
30	2015	179,000,000
31	2016	189,000,000
32	2017	199,000,000
33	2018	210,000,000
34	2019	221,000,000
35	2020	233,000,000

1	2021	246,000,000
2	2022	260,000,000
3	2023 and	275,000,000

4 each fiscal year
 5 thereafter that bonds
 6 are outstanding under
 7 Section 13.2 of the
 8 Metropolitan Pier and
 9 Exposition Authority Act,
 10 but not after fiscal year 2042.

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

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

32 Subject to payment of amounts into the Build Illinois Fund
 33 and the McCormick Place Expansion Project Fund pursuant to the
 34 preceding paragraphs or in any amendments thereto hereafter
 35 enacted, beginning with the receipt of the first report of
 36 taxes paid by an eligible business and continuing for a 25-year

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

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

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

1 this Section.

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

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

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

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

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

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

34 Net revenue realized for a month shall be the revenue
35 collected by the State pursuant to this Act, less the amount
36 paid out during that month as refunds to taxpayers for

1 overpayment of liability.

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

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

26 Any person engaged in the business of selling tangible
27 personal property at retail as a concessionaire or other type
28 of seller at the Illinois State Fair, county fairs, art shows,
29 flea markets and similar exhibitions or events, or any
30 transient merchants, as defined by Section 2 of the Transient
31 Merchant Act of 1987, may be required to make a daily report of
32 the amount of such sales to the Department and to make a daily
33 payment of the full amount of tax due. The Department shall
34 impose this requirement when it finds that there is a
35 significant risk of loss of revenue to the State at such an
36 exhibition or event. Such a finding shall be based on evidence

1 that a substantial number of concessionaires or other sellers
2 who are not residents of Illinois will be engaging in the
3 business of selling tangible personal property at retail at the
4 exhibition or event, or other evidence of a significant risk of
5 loss of revenue to the State. The Department shall notify
6 concessionaires and other sellers affected by the imposition of
7 this requirement. In the absence of notification by the
8 Department, the concessionaires and other sellers shall file
9 their returns as otherwise required in this Section.

10 (Source: P.A. 92-12, eff. 7-1-01; 92-16, eff. 6-28-01; 92-208,
11 eff. 8-2-01; 92-484, eff. 8-23-01; 92-492, eff. 1-1-02; 92-600,
12 eff. 6-28-02; 92-651, eff. 7-11-02; 93-22, eff. 6-20-03; 93-24,
13 eff. 6-20-03; 93-840, eff. 7-30-04; 93-926, eff. 8-12-04;
14 93-1057, eff. 12-2-04; revised 12-6-04.)

15 Section 99. Effective date. This Act takes effect upon
16 becoming law.