

1 AN ACT concerning government.

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

4 Section 5. If and only if House Bill 255 of the 96th
5 General Assembly (as amended by Senate Amendment Nos. 1 and 3)
6 becomes law and takes effect, then the Use Tax Act is amended
7 by changing Sections 3-10 and 9 as follows:

8 (35 ILCS 105/3-10) (from Ch. 120, par. 439.3-10)

9 Sec. 3-10. Rate of tax. Unless otherwise provided in this
10 Section, the tax imposed by this Act is at the rate of 6.25% of
11 either the selling price or the fair market value, if any, of
12 the tangible personal property. In all cases where property
13 functionally used or consumed is the same as the property that
14 was purchased at retail, then the tax is imposed on the selling
15 price of the property. In all cases where property functionally
16 used or consumed is a by-product or waste product that has been
17 refined, manufactured, or produced from property purchased at
18 retail, then the tax is imposed on the lower of the fair market
19 value, if any, of the specific property so used in this State
20 or on the selling price of the property purchased at retail.
21 For purposes of this Section "fair market value" means the
22 price at which property would change hands between a willing
23 buyer and a willing seller, neither being under any compulsion

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

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

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

20 With respect to majority blended ethanol fuel, the tax
21 imposed by this Act does not apply to the proceeds of sales
22 made on or after July 1, 2003 and on or before December 31,
23 2013 but applies to 100% of the proceeds of sales made
24 thereafter.

25 With respect to biodiesel blends with no less than 1% and
26 no more than 10% biodiesel, the tax imposed by this Act applies

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

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

14 With respect to food for human consumption that is to be
15 consumed off the premises where it is sold (other than
16 alcoholic beverages, soft drinks, and food that has been
17 prepared for immediate consumption) and prescription and
18 nonprescription medicines, drugs, medical appliances,
19 modifications to a motor vehicle for the purpose of rendering
20 it usable by a disabled person, and insulin, urine testing
21 materials, syringes, and needles used by diabetics, for human
22 use, the tax is imposed at the rate of 1%. For the purposes of
23 this Section, until September ~~August~~ 1, 2009: the term "soft
24 drinks" means any complete, finished, ready-to-use,
25 non-alcoholic drink, whether carbonated or not, including but
26 not limited to soda water, cola, fruit juice, vegetable juice,

1 carbonated water, and all other preparations commonly known as
2 soft drinks of whatever kind or description that are contained
3 in any closed or sealed bottle, can, carton, or container,
4 regardless of size; but "soft drinks" does not include coffee,
5 tea, non-carbonated water, infant formula, milk or milk
6 products as defined in the Grade A Pasteurized Milk and Milk
7 Products Act, or drinks containing 50% or more natural fruit or
8 vegetable juice.

9 Notwithstanding any other provisions of this Act,
10 beginning September ~~August~~ 1, 2009, "soft drinks" mean
11 non-alcoholic beverages that contain natural or artificial
12 sweeteners. "Soft drinks" do not include beverages that contain
13 milk or milk products, soy, rice or similar milk substitutes,
14 or greater than 50% of vegetable or fruit juice by volume.

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

21 Notwithstanding any other provisions of this Act,
22 beginning September ~~August~~ 1, 2009, "food for human consumption
23 that is to be consumed off the premises where it is sold" does
24 not include candy. For purposes of this Section, "candy" means
25 a preparation of sugar, honey, or other natural or artificial
26 sweeteners in combination with chocolate, fruits, nuts or other

1 ingredients or flavorings in the form of bars, drops, or
2 pieces. "Candy" does not include any preparation that contains
3 flour or requires refrigeration.

4 Notwithstanding any other provisions of this Act,
5 beginning September ~~August~~ 1, 2009, "nonprescription medicines
6 and drugs" does not include grooming and hygiene products. For
7 purposes of this Section, "grooming and hygiene products"
8 includes, but is not limited to, soaps and cleaning solutions,
9 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
10 lotions and screens, unless those products are available by
11 prescription only, regardless of whether the products meet the
12 definition of "over-the-counter-drugs". For the purposes of
13 this paragraph, "over-the-counter-drug" means a drug for human
14 use that contains a label that identifies the product as a drug
15 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"
16 label includes:

17 (A) A "Drug Facts" panel; or

18 (B) A statement of the "active ingredient(s)" with a
19 list of those ingredients contained in the compound,
20 substance or preparation.

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

1 use.

2 (Source: P.A. 93-17, eff. 6-11-03; 09600HB0255sam001.)

3 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

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

24 Where such tangible personal property is sold under a
25 conditional sales contract, or under any other form of sale

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

9 Except as provided in this Section, on or before the
10 twentieth day of each calendar month, such retailer shall file
11 a return for the preceding calendar month. Such return shall be
12 filed on forms prescribed by the Department and shall furnish
13 such information as the Department may reasonably require.

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

21 1. The name of the seller;

22 2. The address of the principal place of business from
23 which he engages in the business of selling tangible
24 personal property at retail in this State;

25 3. The total amount of taxable receipts received by him
26 during the preceding calendar month from sales of tangible

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

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

6 5. The amount of tax due;

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

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

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

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

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

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

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

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

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

1 requirements of this Section.

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

1 the month of lowest liability in such 4 quarter period). If the
2 month during which such tax liability is incurred begins on or
3 after January 1, 1985, and prior to January 1, 1987, each
4 payment shall be in an amount equal to 22.5% of the taxpayer's
5 actual liability for the month or 27.5% of the taxpayer's
6 liability for the same calendar month of the preceding year. If
7 the month during which such tax liability is incurred begins on
8 or after January 1, 1987, and prior to January 1, 1988, each
9 payment shall be in an amount equal to 22.5% of the taxpayer's
10 actual liability for the month or 26.25% of the taxpayer's
11 liability for the same calendar month of the preceding year. If
12 the month during which such tax liability is incurred begins on
13 or after January 1, 1988, and prior to January 1, 1989, or
14 begins on or after January 1, 1996, each payment shall be in an
15 amount equal to 22.5% of the taxpayer's actual liability for
16 the month or 25% of the taxpayer's liability for the same
17 calendar month of the preceding year. If the month during which
18 such tax liability is incurred begins on or after January 1,
19 1989, and prior to January 1, 1996, each payment shall be in an
20 amount equal to 22.5% of the taxpayer's actual liability for
21 the month or 25% of the taxpayer's liability for the same
22 calendar month of the preceding year or 100% of the taxpayer's
23 actual liability for the quarter monthly reporting period. The
24 amount of such quarter monthly payments shall be credited
25 against the final tax liability of the taxpayer's return for
26 that month. Before October 1, 2000, once applicable, the

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

1 monthly tax liability for the reasonably foreseeable future
2 will fall below the \$20,000 threshold stated above, then such
3 taxpayer may petition the Department for a change in such
4 taxpayer's reporting status. The Department shall change such
5 taxpayer's reporting status unless it finds that such change is
6 seasonal in nature and not likely to be long term. If any such
7 quarter monthly payment is not paid at the time or in the
8 amount required by this Section, then the taxpayer shall be
9 liable for penalties and interest on the difference between the
10 minimum amount due and the amount of such quarter monthly
11 payment actually and timely paid, except insofar as the
12 taxpayer has previously made payments for that month to the
13 Department in excess of the minimum payments previously due as
14 provided in this Section. The Department shall make reasonable
15 rules and regulations to govern the quarter monthly payment
16 amount and quarter monthly payment dates for taxpayers who file
17 on other than a calendar monthly basis.

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

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

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

1 year being due by October 20 of such year, and with the return
2 for October, November and December of a given year being due by
3 January 20 of the following year.

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

10 Such quarter annual and annual returns, as to form and
11 substance, shall be subject to the same requirements as monthly
12 returns.

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

20 In addition, with respect to motor vehicles, watercraft,
21 aircraft, and trailers that are required to be registered with
22 an agency of this State, every retailer selling this kind of
23 tangible personal property shall file, with the Department,
24 upon a form to be prescribed and supplied by the Department, a
25 separate return for each such item of tangible personal
26 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

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

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

1 information as the Department may reasonably require.

2 Such transaction reporting return shall be filed not later
3 than 20 days after the date of delivery of the item that is
4 being sold, but may be filed by the retailer at any time sooner
5 than that if he chooses to do so. The transaction reporting
6 return and tax remittance or proof of exemption from the tax
7 that is imposed by this Act may be transmitted to the
8 Department by way of the State agency with which, or State
9 officer with whom, the tangible personal property must be
10 titled or registered (if titling or registration is required)
11 if the Department and such agency or State officer determine
12 that this procedure will expedite the processing of
13 applications for title or registration.

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

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

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

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

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

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

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

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

10 Beginning January 1, 1990, each month the Department shall
11 pay into the State and Local Sales Tax Reform Fund, a special
12 fund in the State Treasury which is hereby created, the net
13 revenue realized for the preceding month from the 1% tax on
14 sales of food for human consumption which is to be consumed off
15 the premises where it is sold (other than alcoholic beverages,
16 soft drinks and food which has been prepared for immediate
17 consumption) and prescription and nonprescription medicines,
18 drugs, medical appliances and insulin, urine testing
19 materials, syringes and 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 net revenue realized for the preceding month from the 6.25%
23 general rate on the selling price of tangible personal property
24 which is purchased outside Illinois at retail from a retailer
25 and which is titled or registered by an agency of this State's
26 government.

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

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

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

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

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

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

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

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

		Total
	Fiscal Year	Deposit
1		
2	1993	\$0
3	1994	53,000,000
4	1995	58,000,000
5	1996	61,000,000
6	1997	64,000,000
7	1998	68,000,000
8	1999	71,000,000
9	2000	75,000,000
10	2001	80,000,000
11	2002	93,000,000
12	2003	99,000,000
13	2004	103,000,000
14	2005	108,000,000
15	2006	113,000,000
16	2007	119,000,000
17	2008	126,000,000
18	2009	132,000,000
19	2010	139,000,000
20	2011	146,000,000
21	2012	153,000,000
22	2013	161,000,000
23	2014	170,000,000
24	2015	179,000,000
25	2016	189,000,000

1	2017	199,000,000
2	2018	210,000,000
3	2019	221,000,000
4	2020	233,000,000
5	2021	246,000,000
6	2022	260,000,000
7	2023 and	275,000,000

8 each fiscal year
9 thereafter that bonds
10 are outstanding under
11 Section 13.2 of the
12 Metropolitan Pier and
13 Exposition Authority Act,
14 but not after fiscal year 2042.

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

1 has been deposited.

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

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

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

1 the monthly transfer from the General Revenue Fund in
2 accordance with Section 8a of the State Finance Act.

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

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

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

21 (Source: P.A. 94-793, eff. 5-19-06; 94-1074, eff. 12-26-06;
22 09600HB0255sam001.)

23 Section 10. If and only if House Bill 255 of the 96th
24 General Assembly (as amended by Senate Amendment Nos. 1 and 3)
25 becomes law and takes effect, then the Service Use Tax Act is

1 amended by changing Sections 3-10 and 9 as follows:

2 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

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

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 applies to (i) 70% of the selling price
15 of property transferred as an incident to the sale of service
16 on or after January 1, 1990, and before July 1, 2003, (ii) 80%
17 of the selling price of property transferred as an incident to
18 the sale of service on or after July 1, 2003 and on or before
19 December 31, 2013, and (iii) 100% of the selling 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

1 to the selling price of property transferred as an incident to
2 the sale of service on or after July 1, 2003 and on or before
3 December 31, 2013 but applies to 100% of the selling price
4 thereafter.

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

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

24 At the election of any registered serviceman made for each
25 fiscal year, sales of service in which the aggregate annual
26 cost price of tangible personal property transferred as an

1 incident to the sales of service is less than 35%, or 75% in
2 the case of servicemen transferring prescription drugs or
3 servicemen engaged in graphic arts production, of the aggregate
4 annual total gross receipts from all sales of service, the tax
5 imposed by this Act shall be based on the serviceman's cost
6 price of the tangible personal property transferred as an
7 incident to the sale of those services.

8 The tax shall be imposed at the rate of 1% on food prepared
9 for immediate consumption and transferred incident to a sale of
10 service subject to this Act or the Service Occupation Tax Act
11 by an entity licensed under the Hospital Licensing Act, the
12 Nursing Home Care Act, or the Child Care Act of 1969. The tax
13 shall also be imposed at the rate of 1% on food for human
14 consumption that is to be consumed off the premises where it is
15 sold (other than alcoholic beverages, soft drinks, and food
16 that has been prepared for immediate consumption and is not
17 otherwise included in this paragraph) and prescription and
18 nonprescription medicines, drugs, medical appliances,
19 modifications to a motor vehicle for the purpose of rendering
20 it usable by a disabled person, and insulin, urine testing
21 materials, syringes, and needles used by diabetics, for human
22 use. For the purposes of this Section, until September ~~August~~
23 1, 2009: the term "soft drinks" means any complete, finished,
24 ready-to-use, non-alcoholic drink, whether carbonated or not,
25 including but not limited to soda water, cola, fruit juice,
26 vegetable juice, carbonated water, and all other preparations

1 commonly known as soft drinks of whatever kind or description
2 that are contained in any closed or sealed bottle, can, carton,
3 or container, regardless of size; but "soft drinks" does not
4 include coffee, tea, non-carbonated water, infant formula,
5 milk or milk products as defined in the Grade A Pasteurized
6 Milk and Milk Products Act, or drinks containing 50% or more
7 natural fruit or vegetable juice.

8 Notwithstanding any other provisions of this Act,
9 beginning September ~~August~~ 1, 2009, "soft drinks" mean
10 non-alcoholic beverages that contain natural or artificial
11 sweeteners. "Soft drinks" do not include beverages that contain
12 milk or milk products, soy, rice or similar milk substitutes,
13 or greater than 50% of vegetable or fruit juice by volume.

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

20 Notwithstanding any other provisions of this Act,
21 beginning September ~~August~~ 1, 2009, "food for human consumption
22 that is to be consumed off the premises where it is sold" does
23 not include candy. For purposes of this Section, "candy" means
24 a preparation of sugar, honey, or other natural or artificial
25 sweeteners in combination with chocolate, fruits, nuts or other
26 ingredients or flavorings in the form of bars, drops, or

1 pieces. "Candy" does not include any preparation that contains
2 flour or requires refrigeration.

3 Notwithstanding any other provisions of this Act,
4 beginning September ~~August~~ 1, 2009, "nonprescription medicines
5 and drugs" does not include grooming and hygiene products. For
6 purposes of this Section, "grooming and hygiene products"
7 includes, but is not limited to, soaps and cleaning solutions,
8 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
9 lotions and screens, unless those products are available by
10 prescription only, regardless of whether the products meet the
11 definition of "over-the-counter-drugs". For the purposes of
12 this paragraph, "over-the-counter-drug" means a drug for human
13 use that contains a label that identifies the product as a drug
14 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"
15 label includes:

- 16 (A) A "Drug Facts" panel; or
17 (B) A statement of the "active ingredient(s)" with a
18 list of those ingredients contained in the compound,
19 substance or preparation.

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

1 (Source: P.A. 93-17, eff. 6-11-03; 09600HB0255sam001.)

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

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

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

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

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

6 1. The name of the seller;

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

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

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

15 5. The amount of tax due;

16 5-5. The signature of the taxpayer; and

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

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

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

1 an average monthly tax liability of \$100,000 or more shall make
2 all payments required by rules of the Department by electronic
3 funds transfer. Beginning October 1, 1995, a taxpayer who has
4 an average monthly tax liability of \$50,000 or more shall make
5 all payments required by rules of the Department by electronic
6 funds transfer. Beginning October 1, 2000, a taxpayer who has
7 an annual tax liability of \$200,000 or more shall make all
8 payments required by rules of the Department by electronic
9 funds transfer. The term "annual tax liability" shall be the
10 sum of the taxpayer's liabilities under this Act, and under all
11 other State and local occupation and use tax laws administered
12 by the Department, for the immediately preceding calendar year.
13 The term "average monthly tax liability" means the sum of the
14 taxpayer's liabilities under this Act, and under all other
15 State and local occupation and use tax laws administered by the
16 Department, for the immediately preceding calendar year
17 divided by 12. Beginning on October 1, 2002, a taxpayer who has
18 a tax liability in the amount set forth in subsection (b) of
19 Section 2505-210 of the Department of Revenue Law shall make
20 all payments required by rules of the Department by electronic
21 funds transfer.

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

1 Any taxpayer not required to make payments by electronic
2 funds transfer may make payments by electronic funds transfer
3 with the permission of the Department.

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

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

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

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

1 following year.

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

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

12 Where a serviceman collects the tax with respect to the
13 selling price of property which he sells and the purchaser
14 thereafter returns such property and the serviceman refunds the
15 selling price thereof to the purchaser, such serviceman shall
16 also refund, to the purchaser, the tax so collected from the
17 purchaser. When filing his return for the period in which he
18 refunds such tax to the purchaser, the serviceman may deduct
19 the amount of the tax so refunded by him to the purchaser from
20 any other Service Use Tax, Service Occupation Tax, retailers'
21 occupation tax or use tax which such serviceman may be required
22 to pay or remit to the Department, as shown by such return,
23 provided that the amount of the tax to be deducted shall
24 previously have been remitted to the Department by such
25 serviceman. If the serviceman shall not previously have
26 remitted the amount of such tax to the Department, he shall be

1 entitled to no deduction hereunder upon refunding such tax to
2 the purchaser.

3 Any serviceman filing a return hereunder shall also include
4 the total tax upon the selling price of tangible personal
5 property purchased for use by him as an incident to a sale of
6 service, and such serviceman shall remit the amount of such tax
7 to the Department when filing such return.

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

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

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

1 insulin, urine testing materials, syringes and needles used by
2 diabetics.

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

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

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

21 Of the remainder of the moneys received by the Department
22 pursuant to this Act, (a) 1.75% thereof shall be paid into the
23 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
24 and after July 1, 1989, 3.8% thereof shall be paid into the
25 Build Illinois Fund; provided, however, that if in any fiscal
26 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case

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

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

1	1998	68,000,000
2	1999	71,000,000
3	2000	75,000,000
4	2001	80,000,000
5	2002	93,000,000
6	2003	99,000,000
7	2004	103,000,000
8	2005	108,000,000
9	2006	113,000,000
10	2007	119,000,000
11	2008	126,000,000
12	2009	132,000,000
13	2010	139,000,000
14	2011	146,000,000
15	2012	153,000,000
16	2013	161,000,000
17	2014	170,000,000
18	2015	179,000,000
19	2016	189,000,000
20	2017	199,000,000
21	2018	210,000,000
22	2019	221,000,000
23	2020	233,000,000
24	2021	246,000,000
25	2022	260,000,000
26	2023 and	275,000,000

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

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

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

1 general rate on the selling price of tangible personal
2 property.

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

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

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

26 Net revenue realized for a month shall be the revenue

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

4 (Source: P.A. 94-793, eff. 5-19-06; 94-1074, eff. 12-26-06;
5 09600HB0255sam001.)

6 Section 15. If and only if House Bill 255 of the 96th
7 General Assembly (as amended by Senate Amendment Nos. 1 and 3)
8 becomes law and takes effect, then the Service Occupation Tax
9 Act is amended by changing Sections 3-10 and 9 as follows:

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

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

1 special order machinery or equipment, the tax imposed by this
2 Act shall be based on the serviceman's cost price of the
3 tangible personal property transferred incident to the
4 completion of the contract.

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

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

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

26 With respect to biodiesel blends, as defined in the Use Tax

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

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

20 At the election of any registered serviceman made for each
21 fiscal year, sales of service in which the aggregate annual
22 cost price of tangible personal property transferred as an
23 incident to the sales of service is less than 35%, or 75% in
24 the case of servicemen transferring prescription drugs or
25 servicemen engaged in graphic arts production, of the aggregate
26 annual total gross receipts from all sales of service, the tax

1 imposed by this Act shall be based on the serviceman's cost
2 price of the tangible personal property transferred incident to
3 the sale of those services.

4 The tax shall be imposed at the rate of 1% on food prepared
5 for immediate consumption and transferred incident to a sale of
6 service subject to this Act or the Service Occupation Tax Act
7 by an entity licensed under the Hospital Licensing Act, the
8 Nursing Home Care Act, or the Child Care Act of 1969. The tax
9 shall also be imposed at the rate of 1% on food for human
10 consumption that is to be consumed off the premises where it is
11 sold (other than alcoholic beverages, soft drinks, and food
12 that has been prepared for immediate consumption and is not
13 otherwise included in this paragraph) and prescription and
14 nonprescription medicines, drugs, medical appliances,
15 modifications to a motor vehicle for the purpose of rendering
16 it usable by a disabled person, and insulin, urine testing
17 materials, syringes, and needles used by diabetics, for human
18 use. For the purposes of this Section, until September ~~August~~
19 1, 2009: the term "soft drinks" means any complete, finished,
20 ready-to-use, non-alcoholic drink, whether carbonated or not,
21 including but not limited to soda water, cola, fruit juice,
22 vegetable juice, carbonated water, and all other preparations
23 commonly known as soft drinks of whatever kind or description
24 that are contained in any closed or sealed can, carton, or
25 container, regardless of size; but "soft drinks" does not
26 include coffee, tea, non-carbonated water, infant formula,

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

4 Notwithstanding any other provisions of this Act,
5 beginning September ~~August~~ 1, 2009, "soft drinks" mean
6 non-alcoholic beverages that contain natural or artificial
7 sweeteners. "Soft drinks" do not include beverages that contain
8 milk or milk products, soy, rice or similar milk substitutes,
9 or greater than 50% of vegetable or fruit juice by volume.

10 Notwithstanding any other provisions of this Act, "food for
11 human consumption that is to be consumed off the premises where
12 it is sold" includes all food sold through a vending machine,
13 except soft drinks, candy, and food products that are dispensed
14 hot from a vending machine, regardless of the location of the
15 vending machine.

16 Notwithstanding any other provisions of this Act,
17 beginning September ~~August~~ 1, 2009, "food for human consumption
18 that is to be consumed off the premises where it is sold" does
19 not include candy. For purposes of this Section, "candy" means
20 a preparation of sugar, honey, or other natural or artificial
21 sweeteners in combination with chocolate, fruits, nuts or other
22 ingredients or flavorings in the form of bars, drops, or
23 pieces. "Candy" does not include any preparation that contains
24 flour or requires refrigeration.

25 Notwithstanding any other provisions of this Act,
26 beginning September ~~August~~ 1, 2009, "nonprescription medicines

1 and drugs" does not include grooming and hygiene products. For
2 purposes of this Section, "grooming and hygiene products"
3 includes, but is not limited to, soaps and cleaning solutions,
4 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
5 lotions and screens, unless those products are available by
6 prescription only, regardless of whether the products meet the
7 definition of "over-the-counter-drugs". For the purposes of
8 this paragraph, "over-the-counter-drug" means a drug for human
9 use that contains a label that identifies the product as a drug
10 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"
11 label includes:

12 (A) A "Drug Facts" panel; or

13 (B) A statement of the "active ingredient(s)" with a
14 list of those ingredients contained in the compound,
15 substance or preparation.

16 (Source: P.A. 93-17, eff. 6-11-03; 09600HB0255sam001.)

17 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

18 Sec. 9. Each serviceman required or authorized to collect
19 the tax herein imposed shall pay to the Department the amount
20 of such tax at the time when he is required to file his return
21 for the period during which such tax was collectible, less a
22 discount of 2.1% prior to January 1, 1990, and 1.75% on and
23 after January 1, 1990, or \$5 per calendar year, whichever is
24 greater, which is allowed to reimburse the serviceman for
25 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

1 which he engages in business as a serviceman in this State;

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

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

8 5. The amount of tax due;

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

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

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

16 Prior to October 1, 2003, and on and after September 1,
17 2004 a serviceman may accept a Manufacturer's Purchase Credit
18 certification from a purchaser in satisfaction of Service Use
19 Tax as provided in Section 3-70 of the Service Use Tax Act if
20 the purchaser provides the appropriate documentation as
21 required by Section 3-70 of the Service Use Tax Act. A
22 Manufacturer's Purchase Credit certification, accepted prior
23 to October 1, 2003 or on or after September 1, 2004 by a
24 serviceman as provided in Section 3-70 of the Service Use Tax
25 Act, may be used by that serviceman to satisfy Service
26 Occupation Tax liability in the amount claimed in the

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

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

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

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

1 returns.

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

1 State and local occupation and use tax laws administered by the
2 Department, for the immediately preceding calendar year
3 divided by 12. Beginning on October 1, 2002, a taxpayer who has
4 a tax liability in the amount set forth in subsection (b) of
5 Section 2505-210 of the Department of Revenue Law shall make
6 all payments required by rules of the Department by electronic
7 funds transfer.

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

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

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

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

23 Where a serviceman collects the tax with respect to the
24 selling price of tangible personal property which he sells and
25 the purchaser thereafter returns such tangible personal
26 property and the serviceman refunds the selling price thereof

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

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

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

25 Beginning January 1, 1990, each month the Department shall
26 pay into the Local Government Tax Fund the revenue realized for

1 the preceding month from the 1% tax on sales of food for human
2 consumption which is to be consumed off the premises where it
3 is sold (other than alcoholic beverages, soft drinks and food
4 which has been prepared for immediate consumption) and
5 prescription and nonprescription medicines, drugs, medical
6 appliances and insulin, urine testing materials, syringes and
7 needles used by diabetics.

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

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

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

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

24 Beginning October ~~September~~ 1, 2009, each month the
25 Department shall pay into the Capital Projects Fund an amount
26 that is equal to an amount estimated by the Department to

1 represent 80% of the net revenue realized for the preceding
2 month from the sale of candy, grooming and hygiene products,
3 and soft drinks that had been taxed at a rate of 1% prior to
4 September ~~August~~ 1, 2009 but that is now taxed at 6.25%.

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

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

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

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

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

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

1	2014	170,000,000
2	2015	179,000,000
3	2016	189,000,000
4	2017	199,000,000
5	2018	210,000,000
6	2019	221,000,000
7	2020	233,000,000
8	2021	246,000,000
9	2022	260,000,000
10	2023 and	275,000,000

11 each fiscal year
12 thereafter that bonds
13 are outstanding under
14 Section 13.2 of the
15 Metropolitan Pier and
16 Exposition Authority Act,
17 but not after fiscal year 2042.

18 Beginning July 20, 1993 and in each month of each fiscal
19 year thereafter, one-eighth of the amount requested in the
20 certificate of the Chairman of the Metropolitan Pier and
21 Exposition Authority for that fiscal year, less the amount
22 deposited into the McCormick Place Expansion Project Fund by
23 the State Treasurer in the respective month under subsection
24 (g) of Section 13 of the Metropolitan Pier and Exposition
25 Authority Act, plus cumulative deficiencies in the deposits
26 required under this Section for previous months and years,

1 shall be deposited into the McCormick Place Expansion Project
2 Fund, until the full amount requested for the fiscal year, but
3 not in excess of the amount specified above as "Total Deposit",
4 has been deposited.

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

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

26 Remaining moneys received by the Department pursuant to

1 this Act shall be paid into the General Revenue Fund of the
2 State Treasury.

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

26 If the annual information return required by this Section

1 is not filed when and as required, the taxpayer shall be liable
2 as follows:

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

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

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

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

25 As soon as possible after the first day of each month, upon
26 certification of the Department of Revenue, the Comptroller

1 shall order transferred and the Treasurer shall transfer from
2 the General Revenue Fund to the Motor Fuel Tax Fund an amount
3 equal to 1.7% of 80% of the net revenue realized under this Act
4 for the second preceding month. Beginning April 1, 2000, this
5 transfer is no longer required and shall not be made.

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

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

18 (Source: P.A. 93-24, eff. 6-20-03; 93-840, eff. 7-30-04;
19 94-1074, eff. 12-26-06; 09600HB0255sam001.)

20 Section 20. If and only if House Bill 255 of the 96th
21 General Assembly (as amended by Senate Amendment Nos. 1 and 3)
22 becomes law and takes effect, then the Retailers' Occupation
23 Tax Act is amended by changing Sections 2-10 and 3 as follows:

24 (35 ILCS 120/2-10) (from Ch. 120, par. 441-10)

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

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

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

24 With respect to gasohol, as defined in the Use Tax Act, the
25 tax imposed by this Act applies to (i) 70% of the proceeds of
26 sales made on or after January 1, 1990, and before July 1,

1 2003, (ii) 80% of the proceeds of sales made on or after July
2 1, 2003 and on or before December 31, 2013, and (iii) 100% of
3 the proceeds of sales made thereafter. If, at any time,
4 however, the tax under this Act on sales of gasohol, as defined
5 in the Use Tax Act, is imposed at the rate of 1.25%, then the
6 tax imposed by this Act applies to 100% of the proceeds of
7 sales of gasohol made during that time.

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

13 With respect to biodiesel blends, as defined in the Use Tax
14 Act, with no less than 1% and no more than 10% biodiesel, the
15 tax imposed by this Act applies to (i) 80% of the proceeds of
16 sales made on or after July 1, 2003 and on or before December
17 31, 2013 and (ii) 100% of the proceeds of sales made
18 thereafter. If, at any time, however, the tax under this Act on
19 sales of biodiesel blends, as defined in the Use Tax Act, with
20 no less than 1% and no more than 10% biodiesel is imposed at
21 the rate of 1.25%, then the tax imposed by this Act applies to
22 100% of the proceeds of sales of biodiesel blends with no less
23 than 1% and no more than 10% biodiesel made during that time.

24 With respect to 100% biodiesel, as defined in the Use Tax
25 Act, and biodiesel blends, as defined in the Use Tax Act, with
26 more than 10% but no more than 99% biodiesel, the tax imposed

1 by this Act does not apply to the proceeds of sales made on or
2 after July 1, 2003 and on or before December 31, 2013 but
3 applies to 100% of the proceeds of sales made thereafter.

4 With respect to food for human consumption that is to be
5 consumed off the premises where it is sold (other than
6 alcoholic beverages, soft drinks, and food that has been
7 prepared for immediate consumption) and prescription and
8 nonprescription medicines, drugs, medical appliances,
9 modifications to a motor vehicle for the purpose of rendering
10 it usable by a disabled person, and insulin, urine testing
11 materials, syringes, and needles used by diabetics, for human
12 use, the tax is imposed at the rate of 1%. For the purposes of
13 this Section, until September ~~August~~ 1, 2009: the term "soft
14 drinks" means any complete, finished, ready-to-use,
15 non-alcoholic drink, whether carbonated or not, including but
16 not limited to soda water, cola, fruit juice, vegetable juice,
17 carbonated water, and all other preparations commonly known as
18 soft drinks of whatever kind or description that are contained
19 in any closed or sealed bottle, can, carton, or container,
20 regardless of size; but "soft drinks" does not include coffee,
21 tea, non-carbonated water, infant formula, milk or milk
22 products as defined in the Grade A Pasteurized Milk and Milk
23 Products Act, or drinks containing 50% or more natural fruit or
24 vegetable juice.

25 Notwithstanding any other provisions of this Act,
26 beginning September ~~August~~ 1, 2009, "soft drinks" mean

1 non-alcoholic beverages that contain natural or artificial
2 sweeteners. "Soft drinks" do not include beverages that contain
3 milk or milk products, soy, rice or similar milk substitutes,
4 or greater than 50% of vegetable or fruit juice by volume.

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

11 Notwithstanding any other provisions of this Act,
12 beginning September ~~August~~ 1, 2009, "food for human consumption
13 that is to be consumed off the premises where it is sold" does
14 not include candy. For purposes of this Section, "candy" means
15 a preparation of sugar, honey, or other natural or artificial
16 sweeteners in combination with chocolate, fruits, nuts or other
17 ingredients or flavorings in the form of bars, drops, or
18 pieces. "Candy" does not include any preparation that contains
19 flour or requires refrigeration.

20 Notwithstanding any other provisions of this Act,
21 beginning September ~~August~~ 1, 2009, "nonprescription medicines
22 and drugs" does not include grooming and hygiene products. For
23 purposes of this Section, "grooming and hygiene products"
24 includes, but is not limited to, soaps and cleaning solutions,
25 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
26 lotions and screens, unless those products are available by

1 prescription only, regardless of whether the products meet the
2 definition of "over-the-counter-drugs". For the purposes of
3 this paragraph, "over-the-counter-drug" means a drug for human
4 use that contains a label that identifies the product as a drug
5 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"
6 label includes:

7 (A) A "Drug Facts" panel; or

8 (B) A statement of the "active ingredient(s)" with a
9 list of those ingredients contained in the compound,
10 substance or preparation.

11 (Source: P.A. 93-17, eff. 6-11-03; 09600HB0255sam001.)

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

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

18 1. The name of the seller;

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

24 3. Total amount of receipts received by him during the
25 preceding calendar month or quarter, as the case may be,

1 from sales of tangible personal property, and from services
2 furnished, by him during such preceding calendar month or
3 quarter;

4 4. Total amount received by him during the preceding
5 calendar month or quarter on charge and time sales of
6 tangible personal property, and from services furnished,
7 by him prior to the month or quarter for which the return
8 is filed;

9 5. Deductions allowed by law;

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

13 7. The amount of credit provided in Section 2d of this
14 Act;

15 8. The amount of tax due;

16 9. The signature of the taxpayer; and

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

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

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

26 Prior to October 1, 2003, and on and after September 1,

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

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

1 the twentieth day of the following calendar month, stating:

2 1. The name of the seller;

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

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

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

13 5. The amount of tax due; and

14 6. Such other reasonable information as the Department
15 may require.

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

1 of this paragraph. For the purposes of this paragraph, the term
2 "alcoholic liquor" shall have the meaning prescribed in the
3 Liquor Control Act of 1934.

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

1 distributor, or manufacturer shall furnish the sales
2 information by personal delivery or by mail. For purposes of
3 this paragraph, the term "electronic means" includes, but is
4 not limited to, the use of a secure Internet website, e-mail,
5 or facsimile.

6 If a total amount of less than \$1 is payable, refundable or
7 creditable, such amount shall be disregarded if it is less than
8 50 cents and shall be increased to \$1 if it is 50 cents or more.

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

1 State and local occupation and use tax laws administered by the
2 Department, for the immediately preceding calendar year
3 divided by 12. Beginning on October 1, 2002, a taxpayer who has
4 a tax liability in the amount set forth in subsection (b) of
5 Section 2505-210 of the Department of Revenue Law shall make
6 all payments required by rules of the Department by electronic
7 funds transfer.

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

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

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

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

23 Any amount which is required to be shown or reported on any
24 return or other document under this Act shall, if such amount
25 is not a whole-dollar amount, be increased to the nearest
26 whole-dollar amount in any case where the fractional part of a

1 dollar is 50 cents or more, and decreased to the nearest
2 whole-dollar amount where the fractional part of a dollar is
3 less than 50 cents.

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

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

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

24 Notwithstanding any other provision in this Act concerning
25 the time within which a retailer may file his return, in the
26 case of any retailer who ceases to engage in a kind of business

1 which makes him responsible for filing returns under this Act,
2 such retailer shall file a final return under this Act with the
3 Department not more than one month after discontinuing such
4 business.

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

10 In addition, with respect to motor vehicles, watercraft,
11 aircraft, and trailers that are required to be registered with
12 an agency of this State, every retailer selling this kind of
13 tangible personal property shall file, with the Department,
14 upon a form to be prescribed and supplied by the Department, a
15 separate return for each such item of tangible personal
16 property which the retailer sells, except that if, in the same
17 transaction, (i) a retailer of aircraft, watercraft, motor
18 vehicles or trailers transfers more than one aircraft,
19 watercraft, motor vehicle or trailer to another aircraft,
20 watercraft, motor vehicle retailer or trailer retailer for the
21 purpose of resale or (ii) a retailer of aircraft, watercraft,
22 motor vehicles, or trailers transfers more than one aircraft,
23 watercraft, motor vehicle, or trailer to a purchaser for use as
24 a qualifying rolling stock as provided in Section 2-5 of this
25 Act, then that seller may report the transfer of all aircraft,
26 watercraft, motor vehicles or trailers involved in that

1 transaction to the Department on the same uniform
2 invoice-transaction reporting return form. For purposes of
3 this Section, "watercraft" means a Class 2, Class 3, or Class 4
4 watercraft as defined in Section 3-2 of the Boat Registration
5 and Safety Act, a personal watercraft, or any boat equipped
6 with an inboard motor.

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

15 The transaction reporting return, in the case of motor
16 vehicles or trailers that are required to be registered with an
17 agency of this State, shall be the same document as the Uniform
18 Invoice referred to in Section 5-402 of The Illinois Vehicle
19 Code and must show the name and address of the seller; the name
20 and address of the purchaser; the amount of the selling price
21 including the amount allowed by the retailer for traded-in
22 property, if any; the amount allowed by the retailer for the
23 traded-in tangible personal property, if any, to the extent to
24 which Section 1 of this Act allows an exemption for the value
25 of traded-in property; the balance payable after deducting such
26 trade-in allowance from the total selling price; the amount of

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

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

26 Such transaction reporting return shall be filed not later

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

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

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

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

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

25 Refunds made by the seller during the preceding return
26 period to purchasers, on account of tangible personal property

1 returned to the seller, shall be allowed as a deduction under
2 subdivision 5 of his monthly or quarterly return, as the case
3 may be, in case the seller had theretofore included the
4 receipts from the sale of such tangible personal property in a
5 return filed by him and had paid the tax imposed by this Act
6 with respect to such receipts.

7 Where the seller is a corporation, the return filed on
8 behalf of such corporation shall be signed by the president,
9 vice-president, secretary or treasurer or by the properly
10 accredited agent of such corporation.

11 Where the seller is a limited liability company, the return
12 filed on behalf of the limited liability company shall be
13 signed by a manager, member, or properly accredited agent of
14 the limited liability company.

15 Except as provided in this Section, the retailer filing the
16 return under this Section shall, at the time of filing such
17 return, pay to the Department the amount of tax imposed by this
18 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%
19 on and after January 1, 1990, or \$5 per calendar year,
20 whichever is greater, which is allowed to reimburse the
21 retailer for the expenses incurred in keeping records,
22 preparing and filing returns, remitting the tax and supplying
23 data to the Department on request. Any prepayment made pursuant
24 to Section 2d of this Act shall be included in the amount on
25 which such 2.1% or 1.75% discount is computed. In the case of
26 retailers who report and pay the tax on a transaction by

1 transaction basis, as provided in this Section, such discount
2 shall be taken with each such tax remittance instead of when
3 such retailer files his periodic return.

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

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

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

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

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

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

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

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

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

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

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

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

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

1 pay into the County and Mass Transit District Fund, a special
2 fund in the State treasury which is hereby created, 4% of the
3 net revenue realized for the preceding month from the 6.25%
4 general rate.

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

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

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

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

24 Of the remainder of the moneys received by the Department
25 pursuant to this Act, (a) 1.75% thereof shall be paid into the
26 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 this Act,
6 Section 9 of the Use Tax Act, Section 9 of the Service Use Tax
7 Act, and Section 9 of the Service Occupation Tax Act, such Acts
8 being hereinafter called the "Tax Acts" and such aggregate of
9 2.2% or 3.8%, as the case may be, of moneys being hereinafter
10 called the "Tax Act Amount", and (2) the amount transferred to
11 the Build Illinois Fund from the State and Local Sales Tax
12 Reform Fund shall be less than the Annual Specified Amount (as
13 hereinafter defined), an amount equal to the difference shall
14 be immediately paid into the Build Illinois Fund from other
15 moneys received by the Department pursuant to the Tax Acts; the
16 "Annual Specified Amount" means the amounts specified below for
17 fiscal years 1986 through 1993:

18	Fiscal Year	Annual Specified Amount
19	1986	\$54,800,000
20	1987	\$76,650,000
21	1988	\$80,480,000
22	1989	\$88,510,000
23	1990	\$115,330,000
24	1991	\$145,470,000
25	1992	\$182,730,000
26	1993	\$206,520,000;

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

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

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

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

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

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

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

19 Subject to payment of amounts into the Build Illinois Fund
20 and the McCormick Place Expansion Project Fund pursuant to the
21 preceding paragraphs or in any amendments thereto hereafter
22 enacted, beginning with the receipt of the first report of
23 taxes paid by an eligible business and continuing for a 25-year
24 period, the Department shall each month pay into the Energy
25 Infrastructure Fund 80% of the net revenue realized from the
26 6.25% general rate on the selling price of Illinois-mined coal

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

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

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

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

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

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

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

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

1 accordingly. The annual return form prescribed by the
2 Department shall include a warning that the person signing the
3 return may be liable for perjury.

4 The provisions of this Section concerning the filing of an
5 annual information return do not apply to a retailer who is not
6 required to file an income tax return with the United States
7 Government.

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

26 Any person who promotes, organizes, provides retail

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

17 Any person engaged in the business of selling tangible
18 personal property at retail as a concessionaire or other type
19 of seller at the Illinois State Fair, county fairs, art shows,
20 flea markets and similar exhibitions or events, or any
21 transient merchants, as defined by Section 2 of the Transient
22 Merchant Act of 1987, may be required to make a daily report of
23 the amount of such sales to the Department and to make a daily
24 payment of the full amount of tax due. The Department shall
25 impose this requirement when it finds that there is a
26 significant risk of loss of revenue to the State at such an

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

11 (Source: P.A. 94-1074, eff. 12-26-06; 95-331, eff. 8-21-07;
12 09600HB0255sam001.)

13 Section 25. If and only if House Bill 255 of the 96th
14 General Assembly (as amended by Senate Amendment Nos. 1 and 3)
15 becomes law and takes effect, then the Video Gaming Act is
16 amended by changing Sections 25 and 45 and by adding Sections
17 26, 78, and 85 as follows:

18 (09600HB0255sam001, Sec. 25)

19 Sec. 25. Restriction of licensees.

20 (a) Manufacturer. A person may not be licensed as a
21 manufacturer of a video gaming terminal in Illinois unless the
22 person has a valid manufacturer's license issued under this
23 Act. A manufacturer may only sell video gaming terminals for
24 use in Illinois to persons having a valid distributor's

1 license.

2 (b) Distributor. A person may not sell, distribute, or
3 lease or market a video gaming terminal in Illinois unless the
4 person has a valid distributor's license issued under this Act.
5 A distributor may only sell video gaming terminals for use in
6 Illinois to persons having a valid distributor's or terminal
7 operator's license.

8 (c) Terminal operator. A person may not own, maintain, or
9 place a video gaming terminal unless he has a valid terminal
10 operator's license issued under this Act. A terminal operator
11 may only place video gaming terminals for use in Illinois in
12 licensed establishments, licensed truck stop establishments,
13 licensed fraternal establishments, and licensed veterans
14 establishments. No terminal operator may give anything of
15 value, including but not limited to a loan or financing
16 arrangement, to a licensed establishment, licensed truck stop
17 establishment, licensed fraternal establishment, or licensed
18 veterans establishment as any incentive or inducement to locate
19 video terminals in that establishment. Of the after-tax profits
20 from a video gaming terminal, 50% shall be paid to the terminal
21 operator and 50% shall be paid to the licensed establishment,
22 licensed truck stop establishment, licensed fraternal
23 establishment, or licensed veterans establishment, notwithstanding any agreement to the contrary. No terminal
24 operator may own or have a substantial interest in more than 5%
25 of the video gaming terminals licensed in this State. A video
26

1 terminal operator that violates one or more requirements of
2 this subsection is guilty of a Class 4 felony and is subject to
3 termination of his or her license by the Board.

4 (d) Licensed technician. A person may not service,
5 maintain, or repair a video gaming terminal in this State
6 unless he or she (1) has a valid technician's license issued
7 under this Act, (2) is a terminal operator, or (3) is employed
8 by a terminal operator, distributor, or manufacturer.

9 (d-5) Licensed terminal handler. No person, including, but
10 not limited to, an employee or independent contractor working
11 for a manufacturer, distributor, supplier, technician, or
12 terminal operator licensed pursuant to this Act, shall have
13 possession or control of a video gaming terminal or access to
14 the inner workings of a video gaming terminal, unless that
15 person possesses a valid terminal handler's license issued
16 under this Act.

17 (e) Licensed establishment. No video gaming terminal may be
18 placed in any licensed establishment, licensed veterans
19 establishment, licensed truck stop establishment, or licensed
20 fraternal establishment unless the owner or agent of the owner
21 of the licensed establishment, licensed veterans
22 establishment, licensed truck stop establishment, or licensed
23 fraternal establishment has entered into a written use
24 agreement with the terminal operator for placement of the
25 terminals. A copy of the use agreement shall be on file in the
26 terminal operator's place of business and available for

1 inspection by individuals authorized by the Board. A licensed
2 establishment, licensed truck stop establishment, licensed
3 veterans establishment, or licensed fraternal establishment
4 may operate up to 5 video gaming terminals on its premises at
5 any time, ~~unless the Board authorizes a greater number.~~

6 (f) (Blank) ~~Residency requirement. Each licensed~~
7 ~~distributor and terminal operator must be an Illinois resident.~~
8 ~~However, if an out of state distributor or terminal operator~~
9 ~~has performed its respective business within Illinois for at~~
10 ~~least 48 months prior to the effective date of this Act, the~~
11 ~~out of state person may be eligible for licensing under this~~
12 ~~Act, upon application to and approval of the Board.~~

13 (g) Financial interest restrictions. As used in this Act,
14 "substantial interest" in a partnership, a corporation, an
15 organization, an association, or a business means:

16 (A) When, with respect to a sole proprietorship, an
17 individual or his or her spouse owns, operates,
18 manages, or conducts, directly or indirectly, the
19 organization, association, or business, or any part
20 thereof; or

21 (B) When, with respect to a partnership, the
22 individual or his or her spouse shares in any of the
23 profits, or potential profits, of the partnership
24 activities; or

25 (C) When, with respect to a corporation, an
26 individual or his or her spouse is an officer or

1 director, or the individual or his or her spouse is a
2 holder, directly or beneficially, of 5% or more of any
3 class of stock of the corporation; or

4 (D) When, with respect to an organization not
5 covered in (A), (B) or (C) above, an individual or his
6 or her spouse is an officer or manages the business
7 affairs, or the individual or his or her spouse is the
8 owner of or otherwise controls 10% or more of the
9 assets of the organization; or

10 (E) When an individual or his or her spouse
11 furnishes 5% or more of the capital, whether in cash,
12 goods, or services, for the operation of any business,
13 association, or organization during any calendar year.

14 (h) Location restriction. A licensed establishment,
15 licensed truck stop establishment, licensed fraternal
16 establishment, or licensed veterans establishment that is (i)
17 located within 1,000 feet of a facility operated by an
18 organizational licensee, an intertrack wagering licensee, or
19 an intertrack wagering location licensee licensed under the
20 Illinois Horse Racing Act of 1975, or the home dock of a
21 riverboat licensed under the Riverboat Gambling Act or (ii)
22 located with a 100 feet of a school, or a place of worship
23 under the Religious Corporation Act, is ineligible to operate a
24 video gaming terminal.

25 (i) The provisions of the Illinois Antitrust Act are fully
26 and equally applicable to the activities of any licensee under

1 this Act.

2 (Source: 09600HB0255sam001, Sec. 25.)

3 (09600HB0255sam001, Sec. 26 new)

4 Sec. 26. Residency requirement. Each licensed distributor,
5 terminal operator, and person with a substantial interest in a
6 licensed distributor or terminal operator must be an Illinois
7 resident. However, if an out-of-state distributor or terminal
8 operator has performed its respective business within Illinois
9 for at least 48 months prior to the effective date of this Act,
10 the out-of-state person may be eligible for licensing under
11 this Act, upon application to and approval of the Board. The
12 Board shall adopt rules to implement this Section.

13 (09600HB0255sam001, Sec. 45)

14 Sec. 45. Issuance of license.

15 (a) The burden is upon each applicant to demonstrate his
16 suitability for licensure. Each video gaming terminal
17 manufacturer, distributor, supplier, operator, handler,
18 licensed establishment, licensed truck stop establishment,
19 licensed fraternal establishment, and licensed veterans
20 establishment shall be licensed by the Board. The Board may
21 issue or deny a license under this Act to any person pursuant
22 to the same criteria set forth in Section 9 of the Riverboat
23 Gambling Act.

24 (b) Each person seeking and possessing a license as a video

1 gaming terminal manufacturer, distributor, supplier, operator,
2 handler, licensed establishment, licensed truck stop
3 establishment, licensed fraternal establishment, or licensed
4 veterans establishment shall submit to a background
5 investigation conducted by the Board with the assistance of the
6 State Police or other law enforcement. The background
7 investigation shall include each beneficiary of a trust, each
8 partner of a partnership, and each director and officer and all
9 stockholders of 5% or more in a parent or subsidiary
10 corporation of a video gaming terminal manufacturer,
11 distributor, supplier, operator, or licensed establishment,
12 licensed truck stop establishment, licensed fraternal
13 establishment, or licensed veterans establishment.

14 (c) Each person seeking and possessing a license as a video
15 gaming terminal manufacturer, distributor, supplier, operator,
16 handler, licensed establishment, licensed truck stop
17 establishment, licensed fraternal establishment, or licensed
18 veterans establishment shall disclose the identity of every
19 person, association, trust, or corporation having a greater
20 than 1% direct or indirect pecuniary interest in the video
21 gaming terminal operation to which the license is sought. If
22 the disclosed entity is a trust, the application shall disclose
23 the names and addresses of the beneficiaries; if a corporation,
24 the names and addresses of all stockholders and directors; if a
25 partnership, the names and addresses of all partners, both
26 general and limited.

1 (d) No person may be licensed as a video gaming terminal
 2 manufacturer, distributor, supplier, operator, handler,
 3 licensed establishment, licensed truck stop establishment,
 4 licensed fraternal establishment, or licensed veterans
 5 establishment if that person has been found by the Board to:

6 (1) have a background, including a criminal record,
 7 reputation, habits, social or business associations, or
 8 prior activities that pose a threat to the public interests
 9 of the State or to the security and integrity of video
 10 gaming;

11 (2) create or enhance the dangers of unsuitable,
 12 unfair, or illegal practices, methods, and activities in
 13 the conduct of video gaming; or

14 (3) present questionable business practices and
 15 financial arrangements incidental to the conduct of video
 16 gaming activities.

17 (e) Any applicant for any license under this Act has the
 18 burden of proving his or her qualifications to the satisfaction
 19 of the Board. The Board may adopt rules to establish additional
 20 qualifications and requirements to preserve the integrity and
 21 security of video gaming in this State.

22 (f) ~~(b)~~ A non-refundable application fee shall be paid at
 23 the time an application for a license is filed with the Board
 24 in the following amounts:

- 25 (1) Manufacturer \$5,000
 26 (2) Distributor..... \$5,000

- 1 (3) Terminal operator..... \$5,000
- 2 (4) Supplier \$2,500
- 3 (5) Technician \$100
- 4 (6) Terminal Handler \$50

5 ~~(c) (Blank).~~

6 (g) ~~(d) Each licensed distributor, terminal operator, or~~
 7 ~~person with a substantial interest in a distributor or terminal~~
 8 ~~operator must have resided in Illinois for at least 24 months~~
 9 ~~prior to application unless he or she has performed his or her~~
 10 ~~respective business in Illinois for at least 48 months prior to~~
 11 ~~the effective date of this Act.~~ The Board shall establish an
 12 annual fee for each license not to exceed the following:

- 13 (1) Manufacturer \$10,000
- 14 (2) Distributor..... \$10,000
- 15 (3) Terminal operator..... \$5,000
- 16 (4) Supplier \$2,000
- 17 (5) Technician \$100
- 18 (6) Licensed establishment, licensed truck stop
- 19 establishment, licensed fraternal establishment,
- 20 or licensed veterans establishment \$100
- 21 (7) Video gaming terminal..... \$100
- 22 (8) Terminal Handler \$50

23 (Source: 09600HB0255sam001, Sec. 45.)

24 (09600HB0255sam001, Sec. 78 new)

25 Sec. 78. Authority of the Illinois Gaming Board.

1 (a) The Board shall have jurisdiction over and shall
2 supervise all gaming operations governed by this Act. The Board
3 shall have all powers necessary and proper to fully and
4 effectively execute the provisions of this Act, including, but
5 not limited to, the following:

6 (1) To investigate applicants and determine the
7 eligibility of applicants for licenses and to select among
8 competing applicants the applicants which best serve the
9 interests of the citizens of Illinois.

10 (2) To have jurisdiction and supervision over all video
11 gaming operations in this State and all persons in
12 establishments where video gaming operations are
13 conducted.

14 (3) To adopt rules for the purpose of administering the
15 provisions of this Act and to prescribe rules, regulations,
16 and conditions under which all video gaming in the State
17 shall be conducted. Such rules and regulations are to
18 provide for the prevention of practices detrimental to the
19 public interest and for the best interests of video gaming,
20 including rules and regulations regarding the inspection
21 of such establishments and the review of any permits or
22 licenses necessary to operate an establishment under any
23 laws or regulations applicable to establishments and to
24 impose penalties for violations of this Act and its rules.

25 (b) Within 60 days after the effective date of this
26 amendatory Act of the 96th General Assembly, the Board shall

1 adopt emergency rules to administer this Act in accordance with
2 Section 5-45 of the Illinois Administrative Procedure Act. For
3 the purposes of the Illinois Administrative Procedure Act, the
4 General Assembly finds that the adoption of rules to implement
5 this Act is deemed an emergency and necessary to the public
6 interest, safety, and welfare.

7 (09600HB0255sam001, Sec. 85 new)

8 Sec. 85. Severability. The provisions of the Video Gaming
9 Act are severable pursuant to Section 1.31 of the Statute on
10 Statutes.

11 Section 30. If and only if House Bill 255 of the 96th
12 General Assembly (as amended by Senate Amendment Nos. 1 and 3)
13 becomes law and takes effect, then the Liquor Control Act of
14 1934 is amended by changing Section 8-1 as follows:

15 (235 ILCS 5/8-1) (from Ch. 43, par. 158)

16 Sec. 8-1. A tax is imposed upon the privilege of engaging
17 in business as a manufacturer or as an importing distributor of
18 alcoholic liquor other than beer at the rate of \$0.185 per
19 gallon until September 1, 2009 and \$0.231 per gallon beginning
20 September 1, 2009 for cider containing not less than 0.5%
21 alcohol by volume nor more than 7% alcohol by volume, \$0.73 per
22 gallon until September ~~August~~ 1, 2009 and \$1.39 per gallon
23 beginning September ~~August~~ 1, 2009 for wine other than cider

1 containing less than 7% alcohol by volume, and \$4.50 per gallon
2 until September ~~August~~ 1, 2009 and \$8.55 per gallon beginning
3 September ~~August~~ 1, 2009 on alcohol and spirits manufactured
4 and sold or used by such manufacturer, or as agent for any
5 other person, or sold or used by such importing distributor, or
6 as agent for any other person. A tax is imposed upon the
7 privilege of engaging in business as a manufacturer of beer or
8 as an importing distributor of beer at the rate of \$0.185 per
9 gallon until September ~~August~~ 1, 2009 and \$0.231 per gallon
10 beginning September ~~August~~ 1, 2009 on all beer manufactured and
11 sold or used by such manufacturer, or as agent for any other
12 person, or sold or used by such importing distributor, or as
13 agent for any other person. Any brewer manufacturing beer in
14 this State shall be entitled to and given a credit or refund of
15 75% of the tax imposed on each gallon of beer up to 4.9 million
16 gallons per year in any given calendar year for tax paid or
17 payable on beer produced and sold in the State of Illinois.

18 For the purpose of this Section, "cider" means any
19 alcoholic beverage obtained by the alcohol fermentation of the
20 juice of apples or pears including, but not limited to,
21 flavored, sparkling, or carbonated cider.

22 The credit or refund created by this Act shall apply to all
23 beer taxes in the calendar years 1982 through 1986.

24 The increases made by this amendatory Act of the 91st
25 General Assembly in the rates of taxes imposed under this
26 Section shall apply beginning on July 1, 1999.

1 A tax at the rate of 1¢ per gallon on beer and 48¢ per
2 gallon on alcohol and spirits is also imposed upon the
3 privilege of engaging in business as a retailer or as a
4 distributor who is not also an importing distributor with
5 respect to all beer and all alcohol and spirits owned or
6 possessed by such retailer or distributor when this amendatory
7 Act of 1969 becomes effective, and with respect to which the
8 additional tax imposed by this amendatory Act upon
9 manufacturers and importing distributors does not apply.
10 Retailers and distributors who are subject to the additional
11 tax imposed by this paragraph of this Section shall be required
12 to inventory such alcoholic liquor and to pay this additional
13 tax in a manner prescribed by the Department.

14 The provisions of this Section shall be construed to apply
15 to any importing distributor engaging in business in this
16 State, whether licensed or not.

17 However, such tax is not imposed upon any such business as
18 to any alcoholic liquor shipped outside Illinois by an Illinois
19 licensed manufacturer or importing distributor, nor as to any
20 alcoholic liquor delivered in Illinois by an Illinois licensed
21 manufacturer or importing distributor to a purchaser for
22 immediate transportation by the purchaser to another state into
23 which the purchaser has a legal right, under the laws of such
24 state, to import such alcoholic liquor, nor as to any alcoholic
25 liquor other than beer sold by one Illinois licensed
26 manufacturer or importing distributor to another Illinois

1 licensed manufacturer or importing distributor to the extent to
2 which the sale of alcoholic liquor other than beer by one
3 Illinois licensed manufacturer or importing distributor to
4 another Illinois licensed manufacturer or importing
5 distributor is authorized by the licensing provisions of this
6 Act, nor to alcoholic liquor whether manufactured in or
7 imported into this State when sold to a "non-beverage user"
8 licensed by the State for use in the manufacture of any of the
9 following when they are unfit for beverage purposes:

10 Patent and proprietary medicines and medicinal,
11 antiseptic, culinary and toilet preparations;

12 Flavoring extracts and syrups and food products;

13 Scientific, industrial and chemical products, excepting
14 denatured alcohol;

15 Or for scientific, chemical, experimental or mechanical
16 purposes;

17 Nor is the tax imposed upon the privilege of engaging in
18 any business in interstate commerce or otherwise, which
19 business may not, under the Constitution and Statutes of the
20 United States, be made the subject of taxation by this State.

21 The tax herein imposed shall be in addition to all other
22 occupation or privilege taxes imposed by the State of Illinois
23 or political subdivision thereof.

24 If any alcoholic liquor manufactured in or imported into
25 this State is sold to a licensed manufacturer or importing
26 distributor by a licensed manufacturer or importing

1 distributor to be used solely as an ingredient in the
2 manufacture of any beverage for human consumption, the tax
3 imposed upon such purchasing manufacturer or importing
4 distributor shall be reduced by the amount of the taxes which
5 have been paid by the selling manufacturer or importing
6 distributor under this Act as to such alcoholic liquor so used
7 to the Department of Revenue.

8 If any person received any alcoholic liquors from a
9 manufacturer or importing distributor, with respect to which
10 alcoholic liquors no tax is imposed under this Article, and
11 such alcoholic liquor shall thereafter be disposed of in such
12 manner or under such circumstances as may cause the same to
13 become the base for the tax imposed by this Article, such
14 person shall make the same reports and returns, pay the same
15 taxes and be subject to all other provisions of this Article
16 relating to manufacturers and importing distributors.

17 Nothing in this Article shall be construed to require the
18 payment to the Department of the taxes imposed by this Article
19 more than once with respect to any quantity of alcoholic liquor
20 sold or used within this State.

21 No tax is imposed by this Act on sales of alcoholic liquor
22 by Illinois licensed foreign importers to Illinois licensed
23 importing distributors.

24 All of the proceeds of the additional tax imposed by this
25 amendatory Act of the 96th General Assembly shall be deposited
26 by the Department into the Capital Projects Fund. The remainder

1 of the tax imposed by this Act shall be deposited by the
2 Department into the General Revenue Fund.

3 The provisions of this Section are severable under Section
4 1.31 of the Statute on Statutes.

5 (Source: 09600HB0255sam001.)

6 Section 35. If and only if House Bill 255 of the 96th
7 General Assembly (as amended by Senate Amendment Nos. 1 and 3)
8 becomes law and takes effect, then the Illinois Vehicle Code is
9 amended by changing Section 6-118 as follows:

10 (625 ILCS 5/6-118) (from Ch. 95 1/2, par. 6-118)

11 Sec. 6-118. Fees.

12 (a) The fee for licenses and permits under this Article is
13 as follows:

14	Original driver's license	\$30
15	Original or renewal driver's license	
16	issued to 18, 19 and 20 year olds	5
17	All driver's licenses for persons	
18	age 69 through age 80	5
19	All driver's licenses for persons	
20	age 81 through age 86	2
21	All driver's licenses for persons	
22	age 87 or older	0
23	Renewal driver's license (except for	
24	applicants ages 18, 19 and 20 or	

1 age 69 and older) 30

2 Original instruction permit issued to

3 persons (except those age 69 and older)

4 who do not hold or have not previously

5 held an Illinois instruction permit or

6 driver's license 20

7 Instruction permit issued to any person

8 holding an Illinois driver's license

9 who wishes a change in classifications,

10 other than at the time of renewal 5

11 Any instruction permit issued to a person

12 age 69 and older 5

13 Instruction permit issued to any person,

14 under age 69, not currently holding a

15 valid Illinois driver's license or

16 instruction permit but who has

17 previously been issued either document

18 in Illinois 10

19 Restricted driving permit 8

20 Monitoring device driving permit 8

21 Duplicate or corrected driver's license

22 or permit 5

23 Duplicate or corrected restricted

24 driving permit 5

25 Duplicate or corrected monitoring

26 device driving permit 5

1 Original or renewal M or L endorsement..... 5

2 SPECIAL FEES FOR COMMERCIAL DRIVER'S LICENSE

3 The fees for commercial driver licenses and permits
4 under Article V shall be as follows:

5 Commercial driver's license:

6 \$6 for the CDLIS/AAMVAnet Fund
7 (Commercial Driver's License Information
8 System/American Association of Motor Vehicle
9 Administrators network Trust Fund);
10 \$20 for the Motor Carrier Safety Inspection Fund;
11 \$10 for the driver's license;
12 and \$24 for the CDL: \$60

13 Renewal commercial driver's license:

14 \$6 for the CDLIS/AAMVAnet Trust Fund;
15 \$20 for the Motor Carrier Safety Inspection Fund;
16 \$10 for the driver's license; and
17 \$24 for the CDL: \$60

18 Commercial driver instruction permit

19 issued to any person holding a valid
20 Illinois driver's license for the
21 purpose of changing to a
22 CDL classification: \$6 for the
23 CDLIS/AAMVAnet Trust Fund;
24 \$20 for the Motor Carrier
25 Safety Inspection Fund; and
26 \$24 for the CDL classification \$50

1	Commercial driver instruction permit	
2	issued to any person holding a valid	
3	Illinois CDL for the purpose of	
4	making a change in a classification,	
5	endorsement or restriction	\$5
6	CDL duplicate or corrected license	\$5

7 In order to ensure the proper implementation of the Uniform
8 Commercial Driver License Act, Article V of this Chapter, the
9 Secretary of State is empowered to pro-rate the \$24 fee for the
10 commercial driver's license proportionate to the expiration
11 date of the applicant's Illinois driver's license.

12 The fee for any duplicate license or permit shall be waived
13 for any person age 60 or older who presents the Secretary of
14 State's office with a police report showing that his license or
15 permit was stolen.

16 No additional fee shall be charged for a driver's license,
17 or for a commercial driver's license, when issued to the holder
18 of an instruction permit for the same classification or type of
19 license who becomes eligible for such license.

20 (b) Any person whose license or privilege to operate a
21 motor vehicle in this State has been suspended or revoked under
22 Section 3-707, any provision of Chapter 6, Chapter 11, or
23 Section 7-205, 7-303, or 7-702 of the Family Financial
24 Responsibility Law of this Code, shall in addition to any other
25 fees required by this Code, pay a reinstatement fee as follows:

26	Suspension under Section 3-707	\$100
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1	Summary suspension under Section 11-501.1	\$250
2	Other suspension	\$70
3	Revocation	\$500

4 However, any person whose license or privilege to operate a
5 motor vehicle in this State has been suspended or revoked for a
6 second or subsequent time for a violation of Section 11-501 or
7 11-501.1 of this Code or a similar provision of a local
8 ordinance or a similar out-of-state offense or Section 9-3 of
9 the Criminal Code of 1961 and each suspension or revocation was
10 for a violation of Section 11-501 or 11-501.1 of this Code or a
11 similar provision of a local ordinance or a similar
12 out-of-state offense or Section 9-3 of the Criminal Code of
13 1961 shall pay, in addition to any other fees required by this
14 Code, a reinstatement fee as follows:

15	Summary suspension under Section 11-501.1	\$500
16	Revocation	\$500

17 (c) All fees collected under the provisions of this Chapter
18 6 shall be paid into the Road Fund in the State Treasury except
19 as follows:

20 1. The following amounts shall be paid into the Driver
21 Education Fund:

22 (A) \$16 of the \$20 fee for an original driver's
23 instruction permit;

24 (B) \$5 of the \$30 fee for an original driver's
25 license;

26 (C) \$5 of the \$30 fee for a 4 year renewal driver's

1 license;

2 (D) \$4 of the \$8 fee for a restricted driving
3 permit; and

4 (E) \$4 of the \$8 fee for a monitoring device
5 driving permit.

6 2. \$30 of the \$250 fee for reinstatement of a license
7 summarily suspended under Section 11-501.1 shall be
8 deposited into the Drunk and Drugged Driving Prevention
9 Fund. However, for a person whose license or privilege to
10 operate a motor vehicle in this State has been suspended or
11 revoked for a second or subsequent time for a violation of
12 Section 11-501 or 11-501.1 of this Code or Section 9-3 of
13 the Criminal Code of 1961, \$190 of the \$500 fee for
14 reinstatement of a license summarily suspended under
15 Section 11-501.1, and \$190 of the \$500 fee for
16 reinstatement of a revoked license shall be deposited into
17 the Drunk and Drugged Driving Prevention Fund.

18 3. \$6 of such original or renewal fee for a commercial
19 driver's license and \$6 of the commercial driver
20 instruction permit fee when such permit is issued to any
21 person holding a valid Illinois driver's license, shall be
22 paid into the CDLIS/AAMVAnet Trust Fund.

23 4. \$30 of the \$70 fee for reinstatement of a license
24 suspended under the Family Financial Responsibility Law
25 shall be paid into the Family Responsibility Fund.

26 5. The \$5 fee for each original or renewal M or L

1 endorsement shall be deposited into the Cycle Rider Safety
2 Training Fund.

3 6. \$20 of any original or renewal fee for a commercial
4 driver's license or commercial driver instruction permit
5 shall be paid into the Motor Carrier Safety Inspection
6 Fund.

7 7. The following amounts shall be paid into the General
8 Revenue Fund:

9 (A) \$190 of the \$250 reinstatement fee for a
10 summary suspension under Section 11-501.1;

11 (B) \$40 of the \$70 reinstatement fee for any other
12 suspension provided in subsection (b) of this Section;
13 and

14 (C) \$440 of the \$500 reinstatement fee for a first
15 offense revocation and \$310 of the \$500 reinstatement
16 fee for a second or subsequent revocation.

17 (d) All of the proceeds of the additional fees imposed by
18 this amendatory Act of the 96th General Assembly shall be
19 deposited into the Capital Projects Fund.

20 (e) The additional fees imposed by this amendatory Act of
21 the 96th General Assembly shall become effective 90 days after
22 becoming law.

23 (Source: P.A. 94-1035, eff. 7-1-07; 95-855, eff. 1-1-09;
24 09600HB0255sam001.)

25 Section 99. Effective date. This Act takes effect upon
26 becoming law.