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1 AMENDMENT TO SENATE BILL 459

2 AMENDMENT NO. _____. Amend Senate Bill 459 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Income Tax Act is amended by
5 adding Section 502.1 as follows:

6 (35 ILCS 5/502.1 new)

7 Sec. 502.1. Use tax. Beginning with taxable years ending on
8 or after December 31, 2010, individual purchasers with an
9 annual use tax liability that does not exceed \$600 may, in lieu
10 of the filing and payment requirements of Section 10 of the Use
11 Tax Act, file and pay in compliance with this Section.

12 Beginning with taxable years ending on or after December
13 31, 2010, the Department shall print on its standard individual
14 income tax form a provision indicating that if the taxpayer's
15 annual individual use tax liability does not exceed \$600, he or
16 she may report and pay individual use tax liability at the same

1 time as his or her individual income tax liability. If the
2 taxpayer elects to report and pay his or her individual use tax
3 liability at the same time as his or her standard individual
4 income tax liability in accordance with this Section, then the
5 use tax shown due on the return may be (i) treated as being due
6 at the same time as the income tax obligation, (ii) assessed,
7 collected, and deposited in the same manner as income taxes,
8 and (iii) treated as an income tax liability for all purposes.

9 The individual income tax return instructions shall
10 include information explaining the tax imposed under the Use
11 Tax Act and informing taxpayers how to report and pay their use
12 tax obligations, including specific information on how to
13 report and pay individual use tax at the same time as the
14 individual income tax return is filed.

15 This Section shall not apply to any amended return.

16 Section 10. The Use Tax Act is amended by changing Section
17 10 and by adding Section 10.5 as follows:

18 (35 ILCS 105/10) (from Ch. 120, par. 439.10)

19 Sec. 10. Except as to motor vehicles, aircraft, watercraft,
20 and trailers, and except as to cigarettes as defined in the
21 Cigarette Use Tax Act, when tangible personal property is
22 purchased from a retailer for use in this State by a purchaser
23 who did not pay the tax imposed by this Act to the retailer,
24 and who does not file returns with the Department as a retailer

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

1 registration for an aircraft. However, except as to motor
2 vehicles and aircraft, and except as to cigarettes as defined
3 in the Cigarette Use Tax Act, if the purchaser's annual use tax
4 liability does not exceed \$600, the purchaser may file the
5 return on an annual basis on or before April 15th of the year
6 following the year use tax liability was incurred. Individual
7 purchasers with an annual use tax liability that does not
8 exceed \$600 may, in lieu of the filing and payment requirements
9 in this Section, file and pay in compliance with Section 502.1
10 of the Illinois Income Tax Act.

11 If cigarettes, as defined in the Cigarette Use Tax Act, are
12 purchased from a retailer for use in this State by a purchaser
13 who did not pay the tax imposed by this Act to the retailer,
14 and who does not file returns with the Department as a retailer
15 under Section 9 of this Act, such purchaser must, within 30
16 days after acquiring the cigarettes, file a return with the
17 Department and pay the tax upon that portion of the selling
18 price so paid by the purchaser for the cigarettes.

19 In addition with respect to motor vehicles, aircraft,
20 watercraft, and trailers, a purchaser of such tangible personal
21 property for use in this State, who purchases such tangible
22 personal property from an out-of-state retailer, shall file
23 with the Department, upon a form to be prescribed and supplied
24 by the Department, a return for each such item of tangible
25 personal property purchased, except that if, in the same
26 transaction, (i) a purchaser of motor vehicles, aircraft,

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

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

4 For purposes of this Section, "watercraft" means a Class 2,
5 Class 3, or Class 4 watercraft as defined in Section 3-2 of the
6 Boat Registration and Safety Act, a personal watercraft, or any
7 boat equipped with an inboard motor.

8 The return and tax remittance or proof of exemption from
9 the tax that is imposed by this Act may be transmitted to the
10 Department by way of the State agency with which, or State
11 officer with whom, the tangible personal property must be
12 titled or registered (if titling or registration is required)
13 if the Department and such agency or State officer determine
14 that this procedure will expedite the processing of
15 applications for title or registration.

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

1 title or registration to such tangible personal property.

2 When a purchaser pays a tax imposed by this Act directly to
3 the Department, the Department (upon request therefor from such
4 purchaser) shall issue an appropriate receipt to such purchaser
5 showing that he has paid such tax to the Department. Such
6 receipt shall be sufficient to relieve the purchaser from
7 further liability for the tax to which such receipt may refer.

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

1 included herein.

2 (Source: P.A. 96-520, eff. 8-14-09; revised 10-30-09.)

3 (35 ILCS 105/10.5 new)

4 Sec. 10.5. Individual use tax amnesty. The Department shall
5 establish an amnesty program for all individual taxpayers owing
6 any tax imposed under this Act for their purchases of tangible
7 personal property from a retailer for use in this State
8 (eligible taxes). The amnesty program shall be for a period
9 from January 1, 2011 through October 15, 2011. The amnesty
10 program shall provide that, upon payment by an individual
11 taxpayer of all eligible taxes due from that taxpayer under
12 this Act for any taxable period ending after June 30, 2004 and
13 prior to January 1, 2011, the Department shall abate and not
14 seek to collect any interest or penalties that may be
15 applicable and the Department shall not seek civil or criminal
16 prosecution for any taxpayer for these taxes for the period of
17 time for which amnesty has been granted to the taxpayer.
18 Failure to pay all eligible taxes due to the State for a
19 taxable period shall invalidate any amnesty granted under this
20 Section. Amnesty shall be granted only if all amnesty
21 conditions are satisfied by the taxpayer.

22 Amnesty shall not be granted to business taxpayers. Amnesty
23 shall not be granted to taxpayers who are a party to any
24 criminal investigation or to any civil or criminal litigation
25 that is pending in any circuit court or appellate court or the

1 Supreme Court of this State for nonpayment, delinquency, or
2 fraud in relation to eligible taxes under this Act. Amnesty
3 shall not be granted to any taxpayer who is under audit for
4 eligible taxes or who is contacted in writing by the Department
5 concerning eligible taxes prior to the taxpayer reporting and
6 paying the eligible taxes.

7 Voluntary payments made under this Section shall be made by
8 cash, check, guaranteed remittance, or ACH debit.

9 Section 99. Effective date. This Act takes effect upon
10 becoming law.".