



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

SB2998

Introduced 2/3/2010, by Sen. Deanna Demuzio

SYNOPSIS AS INTRODUCED:

30 ILCS 105/6z-18	from Ch. 127, par. 142z-18
35 ILCS 115/9	from Ch. 120, par. 439.109
35 ILCS 120/3	from Ch. 120, par. 442

Amends the Service Occupation Tax Act and the Retailers' Occupation Tax Act. Requires that 28% of the tax proceeds under those Acts realized from the sale or transfer of coal be deposited to the Local Government Tax Fund, and provides that no amounts realized from the sale or transfer of coal be deposited into the County and Mass Transit District Fund. Amends the State Finance Act concerning the administration of the Local Government Tax Fund. Requires the Department of Revenue to certify the amount to be disbursed to a municipality or county that is realized from the 6.25% general rate on the selling price of coal. Limits the municipality's or county's use of that certified amount to certain economic-development purposes. Effective immediately.

LRB096 19930 HLH 35402 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

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

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

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

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

19 A portion of the money paid into the Local Government Tax
20 Fund from the 6.25% general use tax rate on the selling price
21 of tangible personal property which is purchased outside
22 Illinois at retail from a retailer and which is titled or
23 registered by any agency of this State's government shall be

1 distributed to municipalities as provided in this paragraph.
2 Each municipality shall receive the amount attributable to
3 sales for which Illinois addresses for titling or registration
4 purposes are given as being in such municipality. The remainder
5 of the money paid into the Local Government Tax Fund from such
6 sales shall be distributed to counties. Each county shall
7 receive the amount attributable to sales for which Illinois
8 addresses for titling or registration purposes are given as
9 being located in the unincorporated area of such county.

10 A portion of the money paid into the Local Government Tax
11 Fund from the 6.25% general rate (and, beginning July 1, 2000
12 and through December 31, 2000, the 1.25% rate on motor fuel and
13 gasohol) on sales subject to taxation under the Retailers'
14 Occupation Tax Act and the Service Occupation Tax Act, which
15 occurred in municipalities, shall be distributed to each
16 municipality, based upon the sales which occurred in that
17 municipality. The remainder shall be distributed to each
18 county, based upon the sales which occurred in the
19 unincorporated area of such county.

20 For the purpose of determining allocation to the local
21 government unit, a retail sale by a producer of coal or other
22 mineral mined in Illinois is a sale at retail at the place
23 where the coal or other mineral mined in Illinois is extracted
24 from the earth. This paragraph does not apply to coal or other
25 mineral when it is delivered or shipped by the seller to the
26 purchaser at a point outside Illinois so that the sale is

1 exempt under the United States Constitution as a sale in
2 interstate or foreign commerce.

3 Whenever the Department determines that a refund of money
4 paid into the Local Government Tax Fund should be made to a
5 claimant instead of issuing a credit memorandum, the Department
6 shall notify the State Comptroller, who shall cause the order
7 to be drawn for the amount specified, and to the person named,
8 in such notification from the Department. Such refund shall be
9 paid by the State Treasurer out of the Local Government Tax
10 Fund.

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

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

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

14 When certifying the amount of monthly disbursement to a
15 municipality or county under this Section, the Department shall
16 certify the amount to be disbursed to that municipality or
17 county that is realized for the preceding month from the 6.25%
18 general rate on the selling price of coal. The county or
19 municipality may use that certified amount only for the
20 following purposes:

21 (1) operational support for multiple
22 county-regional-development partnerships;

23 (2) business development, business site selection and
24 development, public infrastructure development, tourism,
25 regional development efforts, technical support, and
26 professional services;

1 (3) technical assistance on business development and
2 financing issues relating to assisting small business in
3 retaining current levels of employment and expanding
4 levels of employment;

5 (4) incentive packages to attract out-of-state
6 businesses to relocate in Illinois;

7 (5) all costs associated with the development of
8 business parks;

9 (6) infrastructure expansion related directly to the
10 creation or retention of jobs;

11 (7) workforce development and workforce training and
12 retraining;

13 (8) the research, development, and delivery of
14 alternate energy, biofuels, and ethanol; and

15 (9) reclamation activities and sight redevelopment
16 activities of mining operations that have shut down.

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

23 In construing any development, redevelopment, annexation,
24 preannexation or other lawful agreement in effect prior to
25 September 1, 1990, which describes or refers to receipts from a
26 county or municipal retailers' occupation tax, use tax or

1 service occupation tax which now cannot be imposed, such
2 description or reference shall be deemed to include the
3 replacement revenue for such abolished taxes, distributed from
4 the Local Government Tax Fund.

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

7 Section 10. The Service Occupation Tax Act is amended by
8 changing Section 9 as follows:

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

10 Sec. 9. Each serviceman required or authorized to collect
11 the tax herein imposed shall pay to the Department the amount
12 of such tax at the time when he is required to file his return
13 for the period during which such tax was collectible, less a
14 discount of 2.1% prior to January 1, 1990, and 1.75% on and
15 after January 1, 1990, or \$5 per calendar year, whichever is
16 greater, which is allowed to reimburse the serviceman for
17 expenses incurred in collecting the tax, keeping records,
18 preparing and filing returns, remitting the tax and supplying
19 data to the Department on request.

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

1 each tax return period, only the tax applicable to the part of
2 the selling price actually received during such tax return
3 period.

4 Except as provided hereinafter in this Section, on or
5 before the twentieth day of each calendar month, such
6 serviceman shall file a return for the preceding calendar month
7 in accordance with reasonable rules and regulations to be
8 promulgated by the Department of Revenue. Such return shall be
9 filed on a form prescribed by the Department and shall contain
10 such information as the Department may reasonably require.

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

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

- 1 5. The amount of tax due;
- 2 5-5. The signature of the taxpayer; and
- 3 6. Such other reasonable information as the Department
- 4 may require.

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

9 Prior to October 1, 2003, and on and after September 1,
10 2004 a serviceman may accept a Manufacturer's Purchase Credit
11 certification from a purchaser in satisfaction of Service Use
12 Tax as provided in Section 3-70 of the Service Use Tax Act if
13 the purchaser provides the appropriate documentation as
14 required by Section 3-70 of the Service Use Tax Act. A
15 Manufacturer's Purchase Credit certification, accepted prior
16 to October 1, 2003 or on or after September 1, 2004 by a
17 serviceman as provided in Section 3-70 of the Service Use Tax
18 Act, may be used by that serviceman to satisfy Service
19 Occupation Tax liability in the amount claimed in the
20 certification, not to exceed 6.25% of the receipts subject to
21 tax from a qualifying purchase. A Manufacturer's Purchase
22 Credit reported on any original or amended return filed under
23 this Act after October 20, 2003 for reporting periods prior to
24 September 1, 2004 shall be disallowed. Manufacturer's Purchase
25 Credit reported on annual returns due on or after January 1,
26 2005 will be disallowed for periods prior to September 1, 2004.

1 No Manufacturer's Purchase Credit may be used after September
2 30, 2003 through August 31, 2004 to satisfy any tax liability
3 imposed under this Act, including any audit liability.

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

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

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

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

1 discontinuing such business.

2 Beginning October 1, 1993, a taxpayer who has an average
3 monthly tax liability of \$150,000 or more shall make all
4 payments required by rules of the Department by electronic
5 funds transfer. Beginning October 1, 1994, a taxpayer who has
6 an average monthly tax liability of \$100,000 or more shall make
7 all payments required by rules of the Department by electronic
8 funds transfer. Beginning October 1, 1995, a taxpayer who has
9 an average monthly tax liability of \$50,000 or more shall make
10 all payments required by rules of the Department by electronic
11 funds transfer. Beginning October 1, 2000, a taxpayer who has
12 an annual tax liability of \$200,000 or more shall make all
13 payments required by rules of the Department by electronic
14 funds transfer. The term "annual tax liability" shall be the
15 sum of the taxpayer's liabilities under this Act, and under all
16 other State and local occupation and use tax laws administered
17 by the Department, for the immediately preceding calendar year.
18 The term "average monthly tax liability" means the sum of the
19 taxpayer's liabilities under this Act, and under all other
20 State and local occupation and use tax laws administered by the
21 Department, for the immediately preceding calendar year
22 divided by 12. Beginning on October 1, 2002, a taxpayer who has
23 a tax liability in the amount set forth in subsection (b) of
24 Section 2505-210 of the Department of Revenue Law shall make
25 all payments required by rules of the Department by electronic
26 funds transfer.

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

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

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

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

16 Where a serviceman collects the tax with respect to the
17 selling price of tangible personal property which he sells and
18 the purchaser thereafter returns such tangible personal
19 property and the serviceman refunds the selling price thereof
20 to the purchaser, such serviceman shall also refund, to the
21 purchaser, the tax so collected from the purchaser. When filing
22 his return for the period in which he refunds such tax to the
23 purchaser, the serviceman may deduct the amount of the tax so
24 refunded by him to the purchaser from any other Service
25 Occupation Tax, Service Use Tax, Retailers' Occupation Tax or
26 Use Tax which such serviceman may be required to pay or remit

1 to the Department, as shown by such return, provided that the
2 amount of the tax to be deducted shall previously have been
3 remitted to the Department by such serviceman. If the
4 serviceman shall not previously have remitted the amount of
5 such tax to the Department, he shall be entitled to no
6 deduction hereunder upon refunding such tax to the purchaser.

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

14 Where the serviceman has more than one business registered
15 with the Department under separate registrations hereunder,
16 such serviceman shall file separate returns for each registered
17 business.

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

1 Beginning January 1, 1990, each month the Department shall
2 pay into the County and Mass Transit District Fund 4% of the
3 revenue realized for the preceding month from the 6.25% general
4 rate, but beginning July 1, 2010, the Department shall not pay
5 into the County and Mass Transit District Fund any revenue
6 realized from the 6.25% general rate on the selling price of
7 coal.

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

12 Through June 30, 2010 ~~Beginning January 1, 1990,~~ each month
13 the Department shall pay into the Local Government Tax Fund 16%
14 of the revenue realized for the preceding month from the 6.25%
15 general rate on transfers of tangible personal property, and
16 beginning July 1, 2010, each month the Department shall pay
17 into the Local Government Tax Fund 28% of the net revenue
18 realized for the preceding month from the 6.25% general rate on
19 the selling price of coal and 16% of the net revenue realized
20 for the preceding month from the 6.25% general rate on the
21 selling price of all other tangible personal property.

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

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

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

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

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

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

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

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

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

1	2012	153,000,000
2	2013	161,000,000
3	2014	170,000,000
4	2015	179,000,000
5	2016	189,000,000
6	2017	199,000,000
7	2018	210,000,000
8	2019	221,000,000
9	2020	233,000,000
10	2021	246,000,000
11	2022	260,000,000
12	2023 and	275,000,000

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

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

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

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

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

1 Civil Administrative Code of Illinois.

2 Remaining moneys received by the Department pursuant to
3 this Act shall be paid into the General Revenue Fund of the
4 State Treasury.

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

1 provided for in this Section.

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

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

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

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

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

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

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

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

20 (Source: P.A. 96-34, eff. 7-13-09; 96-38, eff. 7-13-09.)

21 Section 15. The Retailers' Occupation Tax Act is amended by
22 changing Section 3 as follows:

23 (35 ILCS 120/3) (from Ch. 120, par. 442)

24 Sec. 3. Except as provided in this Section, on or before

1 the twentieth day of each calendar month, every person engaged
2 in the business of selling tangible personal property at retail
3 in this State during the preceding calendar month shall file a
4 return with the Department, stating:

5 1. The name of the seller;

6 2. His residence address and the address of his
7 principal place of business and the address of the
8 principal place of business (if that is a different
9 address) from which he engages in the business of selling
10 tangible personal property at retail in this State;

11 3. Total amount of receipts received by him during the
12 preceding calendar month or quarter, as the case may be,
13 from sales of tangible personal property, and from services
14 furnished, by him during such preceding calendar month or
15 quarter;

16 4. Total amount received by him during the preceding
17 calendar month or quarter on charge and time sales of
18 tangible personal property, and from services furnished,
19 by him prior to the month or quarter for which the return
20 is filed;

21 5. Deductions allowed by law;

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

25 7. The amount of credit provided in Section 2d of this
26 Act;

- 1 8. The amount of tax due;
- 2 9. The signature of the taxpayer; and
- 3 10. Such other reasonable information as the
- 4 Department may require.

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

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

12 Prior to October 1, 2003, and on and after September 1,
13 2004 a retailer may accept a Manufacturer's Purchase Credit
14 certification from a purchaser in satisfaction of Use Tax as
15 provided in Section 3-85 of the Use Tax Act if the purchaser
16 provides the appropriate documentation as required by Section
17 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit
18 certification, accepted by a retailer prior to October 1, 2003
19 and on and after September 1, 2004 as provided in Section 3-85
20 of the Use Tax Act, may be used by that retailer to satisfy
21 Retailers' Occupation Tax liability in the amount claimed in
22 the certification, not to exceed 6.25% of the receipts subject
23 to tax from a qualifying purchase. A Manufacturer's Purchase
24 Credit reported on any original or amended return filed under
25 this Act after October 20, 2003 for reporting periods prior to
26 September 1, 2004 shall be disallowed. Manufacturer's

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

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

- 14 1. The name of the seller;
- 15 2. The address of the principal place of business from
16 which he engages in the business of selling tangible
17 personal property at retail in this State;
- 18 3. The total amount of taxable receipts received by him
19 during the preceding calendar month from sales of tangible
20 personal property by him during such preceding calendar
21 month, including receipts from charge and time sales, but
22 less all deductions allowed by law;
- 23 4. The amount of credit provided in Section 2d of this
24 Act;
- 25 5. The amount of tax due; and
- 26 6. Such other reasonable information as the Department

1 may require.

2 Beginning on October 1, 2003, any person who is not a
3 licensed distributor, importing distributor, or manufacturer,
4 as defined in the Liquor Control Act of 1934, but is engaged in
5 the business of selling, at retail, alcoholic liquor shall file
6 a statement with the Department of Revenue, in a format and at
7 a time prescribed by the Department, showing the total amount
8 paid for alcoholic liquor purchased during the preceding month
9 and such other information as is reasonably required by the
10 Department. The Department may adopt rules to require that this
11 statement be filed in an electronic or telephonic format. Such
12 rules may provide for exceptions from the filing requirements
13 of this paragraph. For the purposes of this paragraph, the term
14 "alcoholic liquor" shall have the meaning prescribed in the
15 Liquor Control Act of 1934.

16 Beginning on October 1, 2003, every distributor, importing
17 distributor, and manufacturer of alcoholic liquor as defined in
18 the Liquor Control Act of 1934, shall file a statement with the
19 Department of Revenue, no later than the 10th day of the month
20 for the preceding month during which transactions occurred, by
21 electronic means, showing the total amount of gross receipts
22 from the sale of alcoholic liquor sold or distributed during
23 the preceding month to purchasers; identifying the purchaser to
24 whom it was sold or distributed; the purchaser's tax
25 registration number; and such other information reasonably
26 required by the Department. A distributor, importing

1 distributor, or manufacturer of alcoholic liquor must
2 personally deliver, mail, or provide by electronic means to
3 each retailer listed on the monthly statement a report
4 containing a cumulative total of that distributor's, importing
5 distributor's, or manufacturer's total sales of alcoholic
6 liquor to that retailer no later than the 10th day of the month
7 for the preceding month during which the transaction occurred.
8 The distributor, importing distributor, or manufacturer shall
9 notify the retailer as to the method by which the distributor,
10 importing distributor, or manufacturer will provide the sales
11 information. If the retailer is unable to receive the sales
12 information by electronic means, the distributor, importing
13 distributor, or manufacturer shall furnish the sales
14 information by personal delivery or by mail. For purposes of
15 this paragraph, the term "electronic means" includes, but is
16 not limited to, the use of a secure Internet website, e-mail,
17 or facsimile.

18 If a total amount of less than \$1 is payable, refundable or
19 creditable, such amount shall be disregarded if it is less than
20 50 cents and shall be increased to \$1 if it is 50 cents or more.

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

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

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

25 Any taxpayer not required to make payments by electronic
26 funds transfer may make payments by electronic funds transfer

1 with the permission of the Department.

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

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

9 Any amount which is required to be shown or reported on any
10 return or other document under this Act shall, if such amount
11 is not a whole-dollar amount, be increased to the nearest
12 whole-dollar amount in any case where the fractional part of a
13 dollar is 50 cents or more, and decreased to the nearest
14 whole-dollar amount where the fractional part of a dollar is
15 less than 50 cents.

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

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

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

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

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

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

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

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

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

22 The transaction reporting return in the case of watercraft
23 or aircraft must show the name and address of the seller; the
24 name and address of the purchaser; the amount of the selling
25 price including the amount allowed by the retailer for
26 traded-in property, if any; the amount allowed by the retailer

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

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

24 With each such transaction reporting return, the retailer
25 shall remit the proper amount of tax due (or shall submit
26 satisfactory evidence that the sale is not taxable if that is

1 the case), to the Department or its agents, whereupon the
2 Department shall issue, in the purchaser's name, a use tax
3 receipt (or a certificate of exemption if the Department is
4 satisfied that the particular sale is tax exempt) which such
5 purchaser may submit to the agency with which, or State officer
6 with whom, he must title or register the tangible personal
7 property that is involved (if titling or registration is
8 required) in support of such purchaser's application for an
9 Illinois certificate or other evidence of title or registration
10 to such tangible personal property.

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

19 If the user who would otherwise pay tax to the retailer
20 wants the transaction reporting return filed and the payment of
21 the tax or proof of exemption made to the Department before the
22 retailer is willing to take these actions and such user has not
23 paid the tax to the retailer, such user may certify to the fact
24 of such delay by the retailer and may (upon the Department
25 being satisfied of the truth of such certification) transmit
26 the information required by the transaction reporting return

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

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

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

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

1 Except as provided in this Section, the retailer filing the
2 return under this Section shall, at the time of filing such
3 return, pay to the Department the amount of tax imposed by this
4 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%
5 on and after January 1, 1990, or \$5 per calendar year,
6 whichever is greater, which is allowed to reimburse the
7 retailer for the expenses incurred in keeping records,
8 preparing and filing returns, remitting the tax and supplying
9 data to the Department on request. Any prepayment made pursuant
10 to Section 2d of this Act shall be included in the amount on
11 which such 2.1% or 1.75% discount is computed. In the case of
12 retailers who report and pay the tax on a transaction by
13 transaction basis, as provided in this Section, such discount
14 shall be taken with each such tax remittance instead of when
15 such retailer files his periodic return.

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

1 1, 2000, if the taxpayer's average monthly tax liability to the
2 Department under this Act, the Use Tax Act, the Service
3 Occupation Tax Act, and the Service Use Tax Act, excluding any
4 liability for prepaid sales tax to be remitted in accordance
5 with Section 2d of this Act, was \$20,000 or more during the
6 preceding 4 complete calendar quarters, he shall file a return
7 with the Department each month by the 20th day of the month
8 next following the month during which such tax liability is
9 incurred and shall make payment to the Department on or before
10 the 7th, 15th, 22nd and last day of the month during which such
11 liability is incurred. If the month during which such tax
12 liability is incurred began prior to January 1, 1985, each
13 payment shall be in an amount equal to 1/4 of the taxpayer's
14 actual liability for the month or an amount set by the
15 Department not to exceed 1/4 of the average monthly liability
16 of the taxpayer to the Department for the preceding 4 complete
17 calendar quarters (excluding the month of highest liability and
18 the month of lowest liability in such 4 quarter period). If the
19 month during which such tax liability is incurred begins on or
20 after January 1, 1985 and prior to 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 27.5% of the taxpayer's
23 liability for the same calendar month of the preceding year. If
24 the month during which such tax liability is incurred begins on
25 or after January 1, 1987 and prior to January 1, 1988, each
26 payment shall be in an amount equal to 22.5% of the taxpayer's

1 actual liability for the month or 26.25% of the taxpayer's
2 liability for the same calendar month of the preceding year. If
3 the month during which such tax liability is incurred begins on
4 or after January 1, 1988, and prior to January 1, 1989, or
5 begins on or after January 1, 1996, each payment shall be in an
6 amount equal to 22.5% of the taxpayer's actual liability for
7 the month or 25% of the taxpayer's liability for the same
8 calendar month of the preceding year. If the month during which
9 such tax liability is incurred begins on or after January 1,
10 1989, and prior to January 1, 1996, each payment shall be in an
11 amount equal to 22.5% of the taxpayer's actual liability for
12 the month or 25% of the taxpayer's liability for the same
13 calendar month of the preceding year or 100% of the taxpayer's
14 actual liability for the quarter monthly reporting period. The
15 amount of such quarter monthly payments shall be credited
16 against the final tax liability of the taxpayer's return for
17 that month. Before October 1, 2000, once applicable, the
18 requirement of the making of quarter monthly payments to the
19 Department by taxpayers having an average monthly tax liability
20 of \$10,000 or more as determined in the manner provided above
21 shall continue until such taxpayer's average monthly liability
22 to the Department during the preceding 4 complete calendar
23 quarters (excluding the month of highest liability and the
24 month of lowest liability) is less than \$9,000, or until such
25 taxpayer's average monthly liability to the Department as
26 computed for each calendar quarter of the 4 preceding complete

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

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

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

1 such tax liability is incurred begins on or after January 1,
2 1986, each payment shall be in an amount equal to 22.5% of the
3 taxpayer's actual liability for the month or 27.5% of the
4 taxpayer's liability for the same calendar month of the
5 preceding calendar year. If the month during which such tax
6 liability is incurred begins on or after January 1, 1987, each
7 payment shall be in an amount equal to 22.5% of the taxpayer's
8 actual liability for the month or 26.25% of the taxpayer's
9 liability for the same calendar month of the preceding year.
10 The amount of such quarter monthly payments shall be credited
11 against the final tax liability of the taxpayer's return for
12 that month filed under this Section or Section 2f, as the case
13 may be. Once applicable, the requirement of the making of
14 quarter monthly payments to the Department pursuant to this
15 paragraph shall continue until such taxpayer's average monthly
16 prepaid tax collections during the preceding 2 complete
17 calendar quarters is \$25,000 or less. If any such quarter
18 monthly payment is not paid at the time or in the amount
19 required, the taxpayer shall be liable for penalties and
20 interest on such difference, except insofar as the taxpayer has
21 previously made payments for that month in excess of the
22 minimum payments previously due.

23 The provisions of this paragraph apply on and after October
24 1, 2001. Without regard to whether a taxpayer is required to
25 make quarter monthly payments as specified above, any taxpayer
26 who is required by Section 2d of this Act to collect and remit

1 prepaid taxes and has collected prepaid taxes that average in
2 excess of \$20,000 per month during the preceding 4 complete
3 calendar quarters shall file a return with the Department as
4 required by Section 2f and shall make payments to the
5 Department on or before the 7th, 15th, 22nd and last day of the
6 month during which the liability is incurred. Each payment
7 shall be in an amount equal to 22.5% of the taxpayer's actual
8 liability for the month or 25% of the taxpayer's liability for
9 the same calendar month of the preceding year. The amount of
10 the quarter monthly payments shall be credited against the
11 final tax liability of the taxpayer's return for that month
12 filed under this Section or Section 2f, as the case may be.
13 Once applicable, the requirement of the making of quarter
14 monthly payments to the Department pursuant to this paragraph
15 shall continue until the taxpayer's average monthly prepaid tax
16 collections during the preceding 4 complete calendar quarters
17 (excluding the month of highest liability and the month of
18 lowest liability) is less than \$19,000 or until such taxpayer's
19 average monthly liability to the Department as computed for
20 each calendar quarter of the 4 preceding complete calendar
21 quarters is less than \$20,000. If any such quarter monthly
22 payment is not paid at the time or in the amount required, the
23 taxpayer shall be liable for penalties and interest on such
24 difference, except insofar as the taxpayer has previously made
25 payments for that month in excess of the minimum payments
26 previously due.

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

23 If a retailer of motor fuel is entitled to a credit under
24 Section 2d of this Act which exceeds the taxpayer's liability
25 to the Department under this Act for the month which the
26 taxpayer is filing a return, the Department shall issue the

1 taxpayer a credit memorandum for the excess.

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

12 Beginning January 1, 1990, each month the Department shall
13 pay into the County and Mass Transit District Fund, a special
14 fund in the State treasury which is hereby created, 4% of the
15 net revenue realized for the preceding month from the 6.25%
16 general rate, but beginning July 1, 2010, the Department shall
17 not pay into the County and Mass Transit District Fund any
18 revenue realized from the 6.25% general rate on the selling
19 price of coal.

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

24 Through June 30, 2010, Beginning January 1, 1990, each
25 month the Department shall pay into the Local Government Tax
26 Fund 16% of the net revenue realized for the preceding month

1 from the 6.25% general rate on the selling price of tangible
2 personal property, and beginning July 1, 2010, each month the
3 Department shall pay into the Local Government Tax Fund 28% of
4 the net revenue realized for the preceding month from the 6.25%
5 general rate on the selling price of coal and 16% of the net
6 revenue realized for the preceding month from the 6.25% general
7 rate on the selling price of all other tangible personal
8 property.

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

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

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

1 to be paid into the Build Illinois Fund pursuant to this Act,
2 Section 9 of the Use Tax Act, Section 9 of the Service Use Tax
3 Act, and Section 9 of the Service Occupation Tax Act, such Acts
4 being hereinafter called the "Tax Acts" and such aggregate of
5 2.2% or 3.8%, as the case may be, of moneys being hereinafter
6 called the "Tax Act Amount", and (2) the amount transferred to
7 the Build Illinois Fund from the State and Local Sales Tax
8 Reform Fund shall be less than the Annual Specified Amount (as
9 hereinafter defined), an amount equal to the difference shall
10 be immediately paid into the Build Illinois Fund from other
11 moneys received by the Department pursuant to the Tax Acts; the
12 "Annual Specified Amount" means the amounts specified below for
13 fiscal years 1986 through 1993:

14	Fiscal Year	Annual Specified Amount
15	1986	\$54,800,000
16	1987	\$76,650,000
17	1988	\$80,480,000
18	1989	\$88,510,000
19	1990	\$115,330,000
20	1991	\$145,470,000
21	1992	\$182,730,000
22	1993	\$206,520,000;

23 and means the Certified Annual Debt Service Requirement (as
24 defined in Section 13 of the Build Illinois Bond Act) or the
25 Tax Act Amount, whichever is greater, for fiscal year 1994 and
26 each fiscal year thereafter; and further provided, that if on

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

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

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

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

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

1	2012	153,000,000
2	2013	161,000,000
3	2014	170,000,000
4	2015	179,000,000
5	2016	189,000,000
6	2017	199,000,000
7	2018	210,000,000
8	2019	221,000,000
9	2020	233,000,000
10	2021	246,000,000
11	2022	260,000,000
12	2023 and	275,000,000

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

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

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

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

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

1 Civil Administrative Code of Illinois.

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

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

1 reasonable information which the Department deems would be
2 helpful in determining the accuracy of the monthly, quarterly
3 or annual returns filed by such retailer as provided for in
4 this Section.

5 If the annual information return required by this Section
6 is not filed when and as required, the taxpayer shall be liable
7 as follows:

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

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

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

26 The provisions of this Section concerning the filing of an

1 annual information return do not apply to a retailer who is not
2 required to file an income tax return with the United States
3 Government.

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

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

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

22 Any person who promotes, organizes, provides retail
23 selling space for concessionaires or other types of sellers at
24 the Illinois State Fair, DuQuoin State Fair, county fairs,
25 local fairs, art shows, flea markets and similar exhibitions or
26 events, including any transient merchant as defined by Section

1 2 of the Transient Merchant Act of 1987, is required to file a
2 report with the Department providing the name of the merchant's
3 business, the name of the person or persons engaged in
4 merchant's business, the permanent address and Illinois
5 Retailers Occupation Tax Registration Number of the merchant,
6 the dates and location of the event and other reasonable
7 information that the Department may require. The report must be
8 filed not later than the 20th day of the month next following
9 the month during which the event with retail sales was held.
10 Any person who fails to file a report required by this Section
11 commits a business offense and is subject to a fine not to
12 exceed \$250.

13 Any person engaged in the business of selling tangible
14 personal property at retail as a concessionaire or other type
15 of seller at the Illinois State Fair, county fairs, art shows,
16 flea markets and similar exhibitions or events, or any
17 transient merchants, as defined by Section 2 of the Transient
18 Merchant Act of 1987, may be required to make a daily report of
19 the amount of such sales to the Department and to make a daily
20 payment of the full amount of tax due. The Department shall
21 impose this requirement when it finds that there is a
22 significant risk of loss of revenue to the State at such an
23 exhibition or event. Such a finding shall be based on evidence
24 that a substantial number of concessionaires or other sellers
25 who are not residents of Illinois will be engaging in the
26 business of selling tangible personal property at retail at the

1 exhibition or event, or other evidence of a significant risk of
2 loss of revenue to the State. The Department shall notify
3 concessionaires and other sellers affected by the imposition of
4 this requirement. In the absence of notification by the
5 Department, the concessionaires and other sellers shall file
6 their returns as otherwise required in this Section.

7 (Source: P.A. 95-331, eff. 8-21-07; 96-34, eff. 7-13-09; 96-38,
8 eff. 7-13-09.)

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