



## 98TH GENERAL ASSEMBLY

### State of Illinois

#### 2013 and 2014

#### SB2848

Introduced 2/4/2014, by Sen. Martin A. Sandoval

#### SYNOPSIS AS INTRODUCED:

35 ILCS 105/3-10	
35 ILCS 105/9	from Ch. 120, par. 439.9
35 ILCS 110/3-10	from Ch. 120, par. 439.33-10
35 ILCS 110/9	from Ch. 120, par. 439.39
35 ILCS 115/3-10	from Ch. 120, par. 439.103-10
35 ILCS 115/9	from Ch. 120, par. 439.109
35 ILCS 120/2-10	
35 ILCS 120/3	from Ch. 120, par. 442

Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Provides that the tax on diapers and baby wipes shall be imposed at the rate of 1%. Makes changes concerning the distribution of the proceeds from the tax imposed on diapers and baby wipes.

LRB098 16005 HLH 51055 b

FISCAL NOTE ACT  
MAY APPLY

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 Use Tax Act is amended by changing Sections  
5 3-10 and 9 as follows:

6 (35 ILCS 105/3-10)

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

1 Illinois sales by the taxpayer of the same property as that  
2 functionally used or consumed, or if there are no such sales by  
3 the taxpayer, then comparable sales or purchases of property of  
4 like kind and character in Illinois.

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

9 Beginning on August 6, 2010 through August 15, 2010, with  
10 respect to sales tax holiday items as defined in Section 3-6 of  
11 this Act, the tax is imposed at the rate of 1.25%.

12 With respect to gasohol, the tax imposed by this Act  
13 applies to (i) 70% of the proceeds of sales made on or after  
14 January 1, 1990, and before July 1, 2003, (ii) 80% of the  
15 proceeds of sales made on or after July 1, 2003 and on or  
16 before December 31, 2018, and (iii) 100% of the proceeds of  
17 sales made thereafter. If, at any time, however, the tax under  
18 this Act on sales of gasohol is imposed at the rate of 1.25%,  
19 then the tax imposed by this Act applies to 100% of the  
20 proceeds of sales of gasohol made during that time.

21 With respect to majority blended ethanol fuel, the tax  
22 imposed by this Act does not apply to the proceeds of sales  
23 made on or after July 1, 2003 and on or before December 31,  
24 2018 but applies to 100% of the proceeds of sales made  
25 thereafter.

26 With respect to biodiesel blends with no less than 1% and

1 no more than 10% biodiesel, the tax imposed by this Act applies  
2 to (i) 80% of the proceeds of sales made on or after July 1,  
3 2003 and on or before December 31, 2018 and (ii) 100% of the  
4 proceeds of sales made thereafter. If, at any time, however,  
5 the tax under this Act on sales of biodiesel blends with no  
6 less than 1% and no more than 10% biodiesel is imposed at the  
7 rate of 1.25%, then the tax imposed by this Act applies to 100%  
8 of the proceeds of sales of biodiesel blends with no less than  
9 1% and no more than 10% biodiesel made during that time.

10 With respect to 100% biodiesel and biodiesel blends with  
11 more than 10% but no more than 99% biodiesel, the tax imposed  
12 by this Act does not apply to the proceeds of sales made on or  
13 after July 1, 2003 and on or before December 31, 2018 but  
14 applies to 100% of the proceeds of sales made thereafter.

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

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

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

16 Until August 1, 2009, and notwithstanding any other  
17 provisions of this Act, "food for human consumption that is to  
18 be consumed off the premises where it is sold" includes all  
19 food sold through a vending machine, except soft drinks and  
20 food products that are dispensed hot from a vending machine,  
21 regardless of the location of the vending machine. Beginning  
22 August 1, 2009, and notwithstanding any other provisions of  
23 this Act, "food for human consumption that is to be consumed  
24 off the premises where it is sold" includes all food sold  
25 through a vending machine, except soft drinks, candy, and food  
26 products that are dispensed hot from a vending machine,

1 regardless of the location of the vending machine.

2 Notwithstanding any other provisions of this Act,  
3 beginning September 1, 2009, "food for human consumption that  
4 is to be consumed off the premises where it is sold" does not  
5 include candy. For purposes of this Section, "candy" means a  
6 preparation of sugar, honey, or other natural or artificial  
7 sweeteners in combination with chocolate, fruits, nuts or other  
8 ingredients or flavorings in the form of bars, drops, or  
9 pieces. "Candy" does not include any preparation that contains  
10 flour or requires refrigeration.

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

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

25 (B) A statement of the "active ingredient(s)" with a  
26 list of those ingredients contained in the compound,

1 substance or preparation.

2 Beginning on the effective date of this amendatory Act of  
3 the 98th General Assembly, "prescription and nonprescription  
4 medicines and drugs" includes medical cannabis purchased from a  
5 registered dispensing organization under the Compassionate Use  
6 of Medical Cannabis Pilot Program Act.

7 If the property that is purchased at retail from a retailer  
8 is acquired outside Illinois and used outside Illinois before  
9 being brought to Illinois for use here and is taxable under  
10 this Act, the "selling price" on which the tax is computed  
11 shall be reduced by an amount that represents a reasonable  
12 allowance for depreciation for the period of prior out-of-state  
13 use.

14 (Source: P.A. 97-636, eff. 6-1-12; 98-122, eff. 1-1-14.)

15 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

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

1 tax, keeping records, preparing and filing returns, remitting  
2 the tax and supplying data to the Department on request. In the  
3 case of retailers who report and pay the tax on a transaction  
4 by transaction basis, as provided in this Section, such  
5 discount shall be taken with each such tax remittance instead  
6 of when such retailer files his periodic return. The Department  
7 may disallow the discount for retailers whose certificate of  
8 registration is revoked at the time the return is filed, but  
9 only if the Department's decision to revoke the certificate of  
10 registration has become final. A retailer need not remit that  
11 part of any tax collected by him to the extent that he is  
12 required to remit and does remit the tax imposed by the  
13 Retailers' Occupation Tax Act, with respect to the sale of the  
14 same property.

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

25 Except as provided in this Section, on or before the  
26 twentieth day of each calendar month, such retailer shall file



1 a return for the preceding calendar month. Such return shall be  
2 filed on forms prescribed by the Department and shall furnish  
3 such information as the Department may reasonably require.

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

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

26 If a taxpayer fails to sign a return within 30 days after

1 the proper notice and demand for signature by the Department,  
2 the return shall be considered valid and any amount shown to be  
3 due on the return shall be deemed assessed.

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

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

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

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

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

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

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

1 incurred. On and after October 1, 2000, if the taxpayer's  
2 average monthly tax liability to the Department under this Act,  
3 the Retailers' Occupation Tax Act, the Service Occupation Tax  
4 Act, and the Service Use Tax Act was \$20,000 or more during the  
5 preceding 4 complete calendar quarters, he shall file a return  
6 with the Department each month by the 20th day of the month  
7 next following the month during which such tax liability is  
8 incurred and shall make payment to the Department on or before  
9 the 7th, 15th, 22nd and last day of the month during which such  
10 liability is incurred. If the month during which such tax  
11 liability is incurred began prior to January 1, 1985, each  
12 payment shall be in an amount equal to 1/4 of the taxpayer's  
13 actual liability for the month or an amount set by the  
14 Department not to exceed 1/4 of the average monthly liability  
15 of the taxpayer to the Department for the preceding 4 complete  
16 calendar quarters (excluding the month of highest liability and  
17 the month of lowest liability in such 4 quarter period). If the  
18 month during which such tax liability is incurred begins on or  
19 after January 1, 1985, and prior to January 1, 1987, each  
20 payment shall be in an amount equal to 22.5% of the taxpayer's  
21 actual liability for the month or 27.5% of the taxpayer's  
22 liability for the same calendar month of the preceding year. If  
23 the month during which such tax liability is incurred begins on  
24 or after January 1, 1987, and prior to January 1, 1988, each  
25 payment shall be in an amount equal to 22.5% of the taxpayer's  
26 actual liability for the month or 26.25% of the taxpayer's

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

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

1 payment actually and timely paid, except insofar as the  
2 taxpayer has previously made payments for that month to the  
3 Department in excess of the minimum payments previously due as  
4 provided in this Section. The Department shall make reasonable  
5 rules and regulations to govern the quarter monthly payment  
6 amount and quarter monthly payment dates for taxpayers who file  
7 on other than a calendar monthly basis.

8 If any such payment provided for in this Section exceeds  
9 the taxpayer's liabilities under this Act, the Retailers'  
10 Occupation Tax Act, the Service Occupation Tax Act and the  
11 Service Use Tax Act, as shown by an original monthly return,  
12 the Department shall issue to the taxpayer a credit memorandum  
13 no later than 30 days after the date of payment, which  
14 memorandum may be submitted by the taxpayer to the Department  
15 in payment of tax liability subsequently to be remitted by the  
16 taxpayer to the Department or be assigned by the taxpayer to a  
17 similar taxpayer under this Act, the Retailers' Occupation Tax  
18 Act, the Service Occupation Tax Act or the Service Use Tax Act,  
19 in accordance with reasonable rules and regulations to be  
20 prescribed by the Department, except that if such excess  
21 payment is shown on an original monthly return and is made  
22 after December 31, 1986, no credit memorandum shall be issued,  
23 unless requested by the taxpayer. If no such request is made,  
24 the taxpayer may credit such excess payment against tax  
25 liability subsequently to be remitted by the taxpayer to the  
26 Department under this Act, the Retailers' Occupation Tax Act,

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

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

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

26 Such quarter annual and annual returns, as to form and



1 substance, shall be subject to the same requirements as monthly  
2 returns.

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

10 In addition, with respect to motor vehicles, watercraft,  
11 aircraft, and trailers that are required to be registered with  
12 an agency of this State, every retailer selling this kind of  
13 tangible personal property shall file, with the Department,  
14 upon a form to be prescribed and supplied by the Department, a  
15 separate return for each such item of tangible personal  
16 property which the retailer sells, except that if, in the same  
17 transaction, (i) a retailer of aircraft, watercraft, motor  
18 vehicles or trailers transfers more than one aircraft,  
19 watercraft, motor vehicle or trailer to another aircraft,  
20 watercraft, motor vehicle or trailer retailer for the purpose  
21 of resale or (ii) a retailer of aircraft, watercraft, motor  
22 vehicles, or trailers transfers more than one aircraft,  
23 watercraft, motor vehicle, or trailer to a purchaser for use as  
24 a qualifying rolling stock as provided in Section 3-55 of this  
25 Act, then that seller may report the transfer of all the  
26 aircraft, watercraft, motor vehicles or trailers involved in

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

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

1 require.

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

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

1 if the Department and such agency or State officer determine  
2 that this procedure will expedite the processing of  
3 applications for title or registration.

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

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

25 If the user who would otherwise pay tax to the retailer  
26 wants the transaction reporting return filed and the payment of

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

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

1 Department, as shown by such return, if the amount of the tax  
2 to be deducted was previously remitted to the Department by  
3 such retailer. If the retailer has not previously remitted the  
4 amount of such tax to the Department, he is entitled to no  
5 deduction under this Act upon refunding such tax to the  
6 purchaser.

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

19	Fiscal Year	Total Deposit
20	1993	\$0
21	1994	53,000,000
22	1995	58,000,000
23	1996	61,000,000
24	1997	64,000,000
25	1998	68,000,000
26	1999	71,000,000

1	2000	75,000,000
2	2001	80,000,000
3	2002	93,000,000
4	2003	99,000,000
5	2004	103,000,000
6	2005	108,000,000
7	2006	113,000,000
8	2007	119,000,000
9	2008	126,000,000
10	2009	132,000,000
11	2010	139,000,000
12	2011	146,000,000
13	2012	153,000,000
14	2013	161,000,000
15	2014	170,000,000
16	2015	179,000,000
17	2016	189,000,000
18	2017	199,000,000
19	2018	210,000,000
20	2019	221,000,000
21	2020	233,000,000
22	2021	246,000,000
23	2022	260,000,000
24	2023	275,000,000
25	2024	275,000,000
26	2025	275,000,000

1	2026	279,000,000
2	2027	292,000,000
3	2028	307,000,000
4	2029	322,000,000
5	2030	338,000,000
6	2031	350,000,000
7	2032	350,000,000

8 and

9 each fiscal year

10 thereafter that bonds

11 are outstanding under

12 Section 13.2 of the

13 Metropolitan Pier and

14 Exposition Authority Act,

15 but not after fiscal year 2060.

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

1 not in excess of the amount specified above as "Total Deposit",  
2 has been deposited.

3 Subject to payment of amounts into the Build Illinois Fund  
4 and the McCormick Place Expansion Project Fund pursuant to the  
5 preceding paragraphs or in any amendments thereto hereafter  
6 enacted, beginning July 1, 1993 and ending on September 30,  
7 2013, the Department shall each month pay into the Illinois Tax  
8 Increment Fund 0.27% of 80% of the net revenue realized for the  
9 preceding month from the 6.25% general rate on the selling  
10 price of tangible personal property.

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

24 Of the remainder of the moneys received by the Department  
25 pursuant to this Act, 75% thereof shall be paid into the State  
26 Treasury and 25% shall be reserved in a special account and

1 used only for the transfer to the Common School Fund as part of  
2 the monthly transfer from the General Revenue Fund in  
3 accordance with Section 8a of the State Finance Act.

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 (Source: P.A. 97-95, eff. 7-12-11; 97-333, eff. 8-12-11; 98-24,  
23 eff. 6-19-13; 98-109, eff. 7-25-13; 98-496, eff. 1-1-14;  
24 revised 9-9-13.)

25 Section 10. The Service Use Tax Act is amended by changing



1 Sections 3-10 and 9 as follows:

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

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

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

13 With respect to gasohol, as defined in the Use Tax Act, the  
14 tax imposed by this Act applies to (i) 70% of the selling price  
15 of property transferred as an incident to the sale of service  
16 on or after January 1, 1990, and before July 1, 2003, (ii) 80%  
17 of the selling price of property transferred as an incident to  
18 the sale of service on or after July 1, 2003 and on or before  
19 December 31, 2018, and (iii) 100% of the selling price  
20 thereafter. If, at any time, however, the tax under this Act on  
21 sales of gasohol, as defined in the Use Tax Act, is imposed at  
22 the rate of 1.25%, then the tax imposed by this Act applies to  
23 100% of the proceeds of sales of gasohol made during that time.

24 With respect to majority blended ethanol fuel, as defined  
25 in the Use Tax Act, the tax imposed by this Act does not apply

1 to the selling price of property transferred as an incident to  
2 the sale of service on or after July 1, 2003 and on or before  
3 December 31, 2018 but applies to 100% of the selling price  
4 thereafter.

5 With respect to biodiesel blends, as defined in the Use Tax  
6 Act, with no less than 1% and no more than 10% biodiesel, the  
7 tax imposed by this Act applies to (i) 80% of the selling price  
8 of property transferred as an incident to the sale of service  
9 on or after July 1, 2003 and on or before December 31, 2018 and  
10 (ii) 100% of the proceeds of the selling price thereafter. If,  
11 at any time, however, the tax under this Act on sales of  
12 biodiesel blends, as defined in the Use Tax Act, with no less  
13 than 1% and no more than 10% biodiesel is imposed at the rate  
14 of 1.25%, then the tax imposed by this Act applies to 100% of  
15 the proceeds of sales of biodiesel blends with no less than 1%  
16 and no more than 10% biodiesel made during that time.

17 With respect to 100% biodiesel, as defined in the Use Tax  
18 Act, and biodiesel blends, as defined in the Use Tax Act, with  
19 more than 10% but no more than 99% biodiesel, the tax imposed  
20 by this Act does not apply to the proceeds of the selling price  
21 of property transferred as an incident to the sale of service  
22 on or after July 1, 2003 and on or before December 31, 2018 but  
23 applies to 100% of the selling price thereafter.

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

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

8 The tax shall be imposed at the rate of 1% on food prepared  
9 for immediate consumption and transferred incident to a sale of  
10 service subject to this Act or the Service Occupation Tax Act  
11 by an entity licensed under the Hospital Licensing Act, the  
12 Nursing Home Care Act, the ID/DD Community Care Act, the  
13 Specialized Mental Health Rehabilitation Act of 2013, or the  
14 Child Care Act of 1969. The tax shall also be imposed at the  
15 rate of 1% on food for human consumption that is to be consumed  
16 off the premises where it is sold (other than alcoholic  
17 beverages, soft drinks, and food that has been prepared for  
18 immediate consumption and is not otherwise included in this  
19 paragraph) and prescription and nonprescription medicines,  
20 drugs, medical appliances, modifications to a motor vehicle for  
21 the purpose of rendering it usable by a disabled person,  
22 diapers, baby wipes, and insulin, urine testing materials,  
23 syringes, and needles used by diabetics, for human use. For the  
24 purposes of this Section, until September 1, 2009: the term  
25 "soft drinks" means any complete, finished, ready-to-use,  
26 non-alcoholic drink, whether carbonated or not, including but

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

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

16 Until August 1, 2009, and notwithstanding any other  
17 provisions of this Act, "food for human consumption that is to  
18 be consumed off the premises where it is sold" includes all  
19 food sold through a vending machine, except soft drinks and  
20 food products that are dispensed hot from a vending machine,  
21 regardless of the location of the vending machine. Beginning  
22 August 1, 2009, and notwithstanding any other provisions of  
23 this Act, "food for human consumption that is to be consumed  
24 off the premises where it is sold" includes all food sold  
25 through a vending machine, except soft drinks, candy, and food  
26 products that are dispensed hot from a vending machine,

1 regardless of the location of the vending machine.

2 Notwithstanding any other provisions of this Act,  
3 beginning September 1, 2009, "food for human consumption that  
4 is to be consumed off the premises where it is sold" does not  
5 include candy. For purposes of this Section, "candy" means a  
6 preparation of sugar, honey, or other natural or artificial  
7 sweeteners in combination with chocolate, fruits, nuts or other  
8 ingredients or flavorings in the form of bars, drops, or  
9 pieces. "Candy" does not include any preparation that contains  
10 flour or requires refrigeration.

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

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

25 (B) A statement of the "active ingredient(s)" with a  
26 list of those ingredients contained in the compound,

1 substance or preparation.

2 Beginning on January 1, 2014 (the effective date of Public  
3 Act 98-122) ~~this amendatory Act of the 98th General Assembly,~~  
4 "prescription and nonprescription medicines and drugs"  
5 includes medical cannabis purchased from a registered  
6 dispensing organization under the Compassionate Use of Medical  
7 Cannabis Pilot Program Act.

8 If the property that is acquired from a serviceman is  
9 acquired outside Illinois and used outside Illinois before  
10 being brought to Illinois for use here and is taxable under  
11 this Act, the "selling price" on which the tax is computed  
12 shall be reduced by an amount that represents a reasonable  
13 allowance for depreciation for the period of prior out-of-state  
14 use.

15 (Source: P.A. 97-38, eff. 6-28-11; 97-227, eff. 1-1-12; 97-636,  
16 eff. 6-1-12; 98-104, eff. 7-22-13; 98-122, eff. 1-1-14; revised  
17 8-9-13.)

18 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

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

1 serviceman for expenses incurred in collecting the tax, keeping  
2 records, preparing and filing returns, remitting the tax and  
3 supplying data to the Department on request. The Department may  
4 disallow the discount for servicemen whose certificate of  
5 registration is revoked at the time the return is filed, but  
6 only if the Department's decision to revoke the certificate of  
7 registration has become final. A serviceman need not remit that  
8 part of any tax collected by him to the extent that he is  
9 required to pay and does pay the tax imposed by the Service  
10 Occupation Tax Act with respect to his sale of service  
11 involving the incidental transfer by him of the same property.

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

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

- 26 1. The name of the seller;

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

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

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

9           5. The amount of tax due;

10          5-5. The signature of the taxpayer; and

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

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

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



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

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

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

24 All taxpayers required to make payment by electronic funds  
25 transfer and any taxpayers authorized to voluntarily make  
26 payments by electronic funds transfer shall make those payments

1 in the manner authorized by the Department.

2 The Department shall adopt such rules as are necessary to  
3 effectuate a program of electronic funds transfer and the  
4 requirements of this Section.

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

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

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

25 Notwithstanding any other provision in this Act concerning  
26 the time within which a serviceman may file his return, in the

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

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

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

1 to the Department when filing such return.

2 If experience indicates such action to be practicable, the  
3 Department may prescribe and furnish a combination or joint  
4 return which will enable servicemen, who are required to file  
5 returns hereunder and also under the Service Occupation Tax  
6 Act, to furnish all the return information required by both  
7 Acts on the one form.

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

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

23 Beginning January 1, 1990, each month the Department shall  
24 pay into the State and Local Sales Tax Reform Fund 20% of the  
25 net revenue realized for the preceding month from the 6.25%  
26 general rate on transfers of tangible personal property, other

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

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

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

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

1 average monthly claims for payment by the fund and the average  
2 monthly revenues deposited into the fund, excluding payments  
3 made pursuant to this paragraph.

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

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

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

17 Subject to payment of amounts into the Build Illinois Fund  
18 as provided in the preceding paragraph or in any amendment  
19 thereto hereafter enacted, the following specified monthly  
20 installment of the amount requested in the certificate of the  
21 Chairman of the Metropolitan Pier and Exposition Authority  
22 provided under Section 8.25f of the State Finance Act, but not  
23 in excess of the sums designated as "Total Deposit", shall be  
24 deposited in the aggregate from collections under Section 9 of  
25 the Use Tax Act, Section 9 of the Service Use Tax Act, Section  
26 9 of the Service Occupation Tax Act, and Section 3 of the



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

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

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

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

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

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

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

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

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

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

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

1 (Source: P.A. 98-24, eff. 6-19-13; 98-109, eff. 7-25-13;  
2 98-298, eff. 8-9-13; 98-496, eff. 1-1-14; revised 9-9-13.)

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

5 (35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

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

24 Beginning on July 1, 2000 and through December 31, 2000,

1 with respect to motor fuel, as defined in Section 1.1 of the  
2 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of  
3 the Use Tax Act, the tax is imposed at the rate of 1.25%.

4 With respect to gasohol, as defined in the Use Tax Act, the  
5 tax imposed by this Act shall apply to (i) 70% of the cost  
6 price of property transferred as an incident to the sale of  
7 service on or after January 1, 1990, and before July 1, 2003,  
8 (ii) 80% of the selling price of property transferred as an  
9 incident to the sale of service on or after July 1, 2003 and on  
10 or before December 31, 2018, and (iii) 100% of the cost price  
11 thereafter. If, at any time, however, the tax under this Act on  
12 sales of gasohol, as defined in the Use Tax Act, is imposed at  
13 the rate of 1.25%, then the tax imposed by this Act applies to  
14 100% of the proceeds of sales of gasohol made during that time.

15 With respect to majority blended ethanol fuel, as defined  
16 in the Use Tax Act, the tax imposed by this Act does not apply  
17 to the selling price of property transferred as an incident to  
18 the sale of service on or after July 1, 2003 and on or before  
19 December 31, 2018 but applies to 100% of the selling price  
20 thereafter.

21 With respect to biodiesel blends, as defined in the Use Tax  
22 Act, with no less than 1% and no more than 10% biodiesel, the  
23 tax imposed by this Act applies to (i) 80% of the selling price  
24 of property transferred as an incident to the sale of service  
25 on or after July 1, 2003 and on or before December 31, 2018 and  
26 (ii) 100% of the proceeds of the selling price thereafter. If,

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

7 With respect to 100% biodiesel, as defined in the Use Tax  
8 Act, and biodiesel blends, as defined in the Use Tax Act, with  
9 more than 10% but no more than 99% biodiesel material, the tax  
10 imposed by this Act does not apply to the proceeds of the  
11 selling price of property transferred as an incident to the  
12 sale of service on or after July 1, 2003 and on or before  
13 December 31, 2018 but applies to 100% of the selling price  
14 thereafter.

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

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

1 service subject to this Act or the Service Occupation Tax Act  
2 by an entity licensed under the Hospital Licensing Act, the  
3 Nursing Home Care Act, the ID/DD Community Care Act, the  
4 Specialized Mental Health Rehabilitation Act of 2013, or the  
5 Child Care Act of 1969. The tax shall also be imposed at the  
6 rate of 1% on food for human consumption that is to be consumed  
7 off the premises where it is sold (other than alcoholic  
8 beverages, soft drinks, and food that has been prepared for  
9 immediate consumption and is not otherwise included in this  
10 paragraph) and prescription and nonprescription medicines,  
11 drugs, medical appliances, modifications to a motor vehicle for  
12 the purpose of rendering it usable by a disabled person,  
13 diapers, baby wipes, and insulin, urine testing materials,  
14 syringes, and needles used by diabetics, for human use. For the  
15 purposes of this Section, until September 1, 2009: the term  
16 "soft drinks" means any complete, finished, ready-to-use,  
17 non-alcoholic drink, whether carbonated or not, including but  
18 not limited to soda water, cola, fruit juice, vegetable juice,  
19 carbonated water, and all other preparations commonly known as  
20 soft drinks of whatever kind or description that are contained  
21 in any closed or sealed can, carton, or container, regardless  
22 of size; but "soft drinks" does not include coffee, tea,  
23 non-carbonated water, infant formula, milk or milk products as  
24 defined in the Grade A Pasteurized Milk and Milk Products Act,  
25 or drinks containing 50% or more natural fruit or vegetable  
26 juice.



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

7           Until August 1, 2009, and notwithstanding any other  
8 provisions of this Act, "food for human consumption that is to  
9 be consumed off the premises where it is sold" includes all  
10 food sold through a vending machine, except soft drinks and  
11 food products that are dispensed hot from a vending machine,  
12 regardless of the location of the vending machine. Beginning  
13 August 1, 2009, and notwithstanding any other provisions of  
14 this Act, "food for human consumption that is to be consumed  
15 off the premises where it is sold" includes all food sold  
16 through a vending machine, except soft drinks, candy, and food  
17 products that are dispensed hot from a vending machine,  
18 regardless of the location of the vending machine.

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

1 flour or requires refrigeration.

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

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

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

19 Beginning on January 1, 2014 (the effective date of Public  
20 Act 98-122) ~~this amendatory Act of the 98th General Assembly,~~  
21 "prescription and nonprescription medicines and drugs"  
22 includes medical cannabis purchased from a registered  
23 dispensing organization under the Compassionate Use of Medical  
24 Cannabis Pilot Program Act.

25 (Source: P.A. 97-38, eff. 6-28-11; 97-227, eff. 1-1-12; 97-636,  
26 eff. 6-1-12; 98-104, eff. 7-22-13; 98-122, eff. 1-1-14; revised

1 8-9-13.)

2 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

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

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

25 Except as provided hereinafter in this Section, on or

1 before the twentieth day of each calendar month, such  
2 serviceman shall file a return for the preceding calendar month  
3 in accordance with reasonable rules and regulations to be  
4 promulgated by the Department of Revenue. Such return shall be  
5 filed on a form prescribed by the Department and shall contain  
6 such information as the Department may reasonably require.

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 business as a serviceman in this State;
- 17 3. The total amount of taxable receipts received by him  
18 during the preceding calendar month, including receipts  
19 from charge and time sales, but less all deductions allowed  
20 by law;
- 21 4. The amount of credit provided in Section 2d of this  
22 Act;
- 23 5. The amount of tax due;
- 24 5-5. The signature of the taxpayer; and
- 25 6. Such other reasonable information as the Department  
26 may require.

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

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

26           If the serviceman's average monthly tax liability to the

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

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

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

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

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

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

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

1 for a minimum of one year beginning on October 1.

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

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

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

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



1 such tax to the Department, he shall be entitled to no  
2 deduction hereunder upon refunding such tax to the purchaser.

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

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

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

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

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

5           Beginning January 1, 1990, each month the Department shall  
6 pay into the Local Government Tax Fund 16% of the revenue  
7 realized for the preceding month from the 6.25% general rate on  
8 transfers of tangible personal 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 are ~~is~~ now taxed at 6.25%.

20           Beginning July 1, 2013, each month the Department shall pay  
21 into the Underground Storage Tank Fund from the proceeds  
22 collected under this Act, the Use Tax Act, the Service Use Tax  
23 Act, and the Retailers' Occupation Tax Act an amount equal to  
24 the average monthly deficit in the Underground Storage Tank  
25 Fund during the prior year, as certified annually by the  
26 Illinois Environmental Protection Agency, but the total

1 payment into the Underground Storage Tank Fund under this Act,  
2 the Use Tax Act, the Service Use Tax Act, and the Retailers'  
3 Occupation Tax Act shall not exceed \$18,000,000 in any State  
4 fiscal year. As used in this paragraph, the "average monthly  
5 deficit" shall be equal to the difference between the average  
6 monthly claims for payment by the fund and the average monthly  
7 revenues deposited into the fund, excluding payments made  
8 pursuant to this paragraph.

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

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

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

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

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

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

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

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

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

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



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

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

21           The Department may, upon separate written notice to a  
22 taxpayer, require the taxpayer to prepare and file with the  
23 Department on a form prescribed by the Department within not  
24 less than 60 days after receipt of the notice an annual  
25 information return for the tax year specified in the notice.  
26 Such annual return to the Department shall include a statement

1 of gross receipts as shown by the taxpayer's last Federal  
2 income tax return. If the total receipts of the business as  
3 reported in the Federal income tax return do not agree with the  
4 gross receipts reported to the Department of Revenue for the  
5 same period, the taxpayer shall attach to his annual return a  
6 schedule showing a reconciliation of the 2 amounts and the  
7 reasons for the difference. The taxpayer's annual return to the  
8 Department shall also disclose the cost of goods sold by the  
9 taxpayer during the year covered by such return, opening and  
10 closing inventories of such goods for such year, cost of goods  
11 used from stock or taken from stock and given away by the  
12 taxpayer during such year, pay roll information of the  
13 taxpayer's business during such year and any additional  
14 reasonable information which the Department deems would be  
15 helpful in determining the accuracy of the monthly, quarterly  
16 or annual returns filed by such taxpayer as hereinbefore  
17 provided for in this Section.

18 If the annual information return required by this Section  
19 is not filed when and as required, the taxpayer shall be liable  
20 as follows:

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

1 penalty provided for in this Act.

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

5 The chief executive officer, proprietor, owner or highest  
6 ranking manager shall sign the annual return to certify the  
7 accuracy of the information contained therein. Any person who  
8 willfully signs the annual return containing false or  
9 inaccurate information shall be guilty of perjury and punished  
10 accordingly. The annual return form prescribed by the  
11 Department shall include a warning that the person signing the  
12 return may be liable for perjury.

13 The foregoing portion of this Section concerning the filing  
14 of an annual information return shall not apply to a serviceman  
15 who is not required to file an income tax return with the  
16 United States Government.

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

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

1 overpayment of liability.

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

10 (Source: P.A. 98-24, eff. 6-19-13; 98-109, eff. 7-25-13;  
11 98-298, eff. 8-9-13; 98-496, eff. 1-1-14; revised 9-9-13.)

12 Section 20. The Retailers' Occupation Tax Act is amended by  
13 changing Sections 2-10 and 3 as follows:

14 (35 ILCS 120/2-10)

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

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

23 Beginning on August 6, 2010 through August 15, 2010, with  
24 respect to sales tax holiday items as defined in Section 2-8 of

1 this Act, the tax is imposed at the rate of 1.25%.

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

17       With respect to gasohol, as defined in the Use Tax Act, the  
18 tax imposed by this Act applies to (i) 70% of the proceeds of  
19 sales made on or after January 1, 1990, and before July 1,  
20 2003, (ii) 80% of the proceeds of sales made on or after July  
21 1, 2003 and on or before December 31, 2018, and (iii) 100% of  
22 the proceeds of sales made thereafter. If, at any time,  
23 however, the tax under this Act on sales of gasohol, as defined  
24 in the Use Tax Act, is imposed at the rate of 1.25%, then the  
25 tax imposed by this Act applies to 100% of the proceeds of  
26 sales of gasohol made during that time.

1           With respect to majority blended ethanol fuel, as defined  
2 in the Use Tax Act, the tax imposed by this Act does not apply  
3 to the proceeds of sales made on or after July 1, 2003 and on or  
4 before December 31, 2018 but applies to 100% of the proceeds of  
5 sales made thereafter.

6           With respect to biodiesel blends, as defined in the Use Tax  
7 Act, with no less than 1% and no more than 10% biodiesel, the  
8 tax imposed by this Act applies to (i) 80% of the proceeds of  
9 sales made on or after July 1, 2003 and on or before December  
10 31, 2018 and (ii) 100% of the proceeds of sales made  
11 thereafter. If, at any time, however, the tax under this Act on  
12 sales of biodiesel blends, as defined in the Use Tax Act, with  
13 no less than 1% and no more than 10% biodiesel is imposed at  
14 the rate of 1.25%, then the tax imposed by this Act applies to  
15 100% of the proceeds of sales of biodiesel blends with no less  
16 than 1% and no more than 10% biodiesel made during that time.

17           With respect to 100% biodiesel, as defined in the Use Tax  
18 Act, and biodiesel blends, as defined in the Use Tax Act, with  
19 more than 10% but no more than 99% biodiesel, the tax imposed  
20 by this Act does not apply to the proceeds of sales made on or  
21 after July 1, 2003 and on or before December 31, 2018 but  
22 applies to 100% of the proceeds of sales made thereafter.

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

1 nonprescription medicines, drugs, medical appliances,  
2 modifications to a motor vehicle for the purpose of rendering  
3 it usable by a disabled person, diapers, baby wipes, and  
4 insulin, urine testing materials, syringes, and needles used by  
5 diabetics, for human use, the tax is imposed at the rate of 1%.  
6 For the purposes of this Section, until September 1, 2009: the  
7 term "soft drinks" means any complete, finished, ready-to-use,  
8 non-alcoholic drink, whether carbonated or not, including but  
9 not limited to soda water, cola, fruit juice, vegetable juice,  
10 carbonated water, and all other preparations commonly known as  
11 soft drinks of whatever kind or description that are contained  
12 in any closed or sealed bottle, can, carton, or container,  
13 regardless of size; but "soft drinks" does not include coffee,  
14 tea, non-carbonated water, infant formula, milk or milk  
15 products as defined in the Grade A Pasteurized Milk and Milk  
16 Products Act, or drinks containing 50% or more natural fruit or  
17 vegetable juice.

18 Notwithstanding any other provisions of this Act,  
19 beginning September 1, 2009, "soft drinks" means non-alcoholic  
20 beverages that contain natural or artificial sweeteners. "Soft  
21 drinks" do not include beverages that contain milk or milk  
22 products, soy, rice or similar milk substitutes, or greater  
23 than 50% of vegetable or fruit juice by volume.

24 Until August 1, 2009, and notwithstanding any other  
25 provisions of this Act, "food for human consumption that is to  
26 be consumed off the premises where it is sold" includes all

1 food sold through a vending machine, except soft drinks and  
2 food products that are dispensed hot from a vending machine,  
3 regardless of the location of the vending machine. Beginning  
4 August 1, 2009, and notwithstanding any other provisions of  
5 this Act, "food for human consumption that is to be consumed  
6 off the premises where it is sold" includes all food sold  
7 through a vending machine, except soft drinks, candy, and food  
8 products that are dispensed hot from a vending machine,  
9 regardless of the location of the vending machine.

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

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



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

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

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

10 Beginning on the effective date of this amendatory Act of  
11 the 98th General Assembly, "prescription and nonprescription  
12 medicines and drugs" includes medical cannabis purchased from a  
13 registered dispensing organization under the Compassionate Use  
14 of Medical Cannabis Pilot Program Act.

15 (Source: P.A. 97-636, eff. 6-1-12; 98-122, eff. 1-1-14.)

16 (35 ILCS 120/3) (from Ch. 120, par. 442)

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

22 1. The name of the seller;

23 2. His residence address and the address of his  
24 principal place of business and the address of the  
25 principal place of business (if that is a different

1 address) from which he engages in the business of selling  
2 tangible personal property at retail in this State;

3 3. Total amount of receipts received by him during the  
4 preceding calendar month or quarter, as the case may be,  
5 from sales of tangible personal property, and from services  
6 furnished, by him during such preceding calendar month or  
7 quarter;

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

13 5. Deductions allowed by law;

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

17 7. The amount of credit provided in Section 2d of this  
18 Act;

19 8. The amount of tax due;

20 9. The signature of the taxpayer; and

21 10. Such other reasonable information as the  
22 Department may require.

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

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

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

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

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

6 1. The name of the seller;

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

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

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

17 5. The amount of tax due; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



1 returns.

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

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

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

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

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

19 The transaction reporting return, in the case of motor  
20 vehicles or trailers that are required to be registered with an  
21 agency of this State, shall be the same document as the Uniform  
22 Invoice referred to in Section 5-402 of The Illinois Vehicle  
23 Code and must show the name and address of the seller; the name  
24 and address of the purchaser; the amount of the selling price  
25 including the amount allowed by the retailer for traded-in  
26 property, if any; the amount allowed by the retailer for the

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

14 The transaction reporting return in the case of watercraft  
15 or aircraft must show the name and address of the seller; the  
16 name and address of the purchaser; the amount of the selling  
17 price including the amount allowed by the retailer for  
18 traded-in property, if any; the amount allowed by the retailer  
19 for the traded-in tangible personal property, if any, to the  
20 extent to which Section 1 of this Act allows an exemption for  
21 the value of traded-in property; the balance payable after  
22 deducting such trade-in allowance from the total selling price;  
23 the amount of tax due from the retailer with respect to such  
24 transaction; the amount of tax collected from the purchaser by  
25 the retailer on such transaction (or satisfactory evidence that  
26 such tax is not due in that particular instance, if that is

1 claimed to be the fact); the place and date of the sale, a  
2 sufficient identification of the property sold, and such other  
3 information as the Department may reasonably require.

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

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

1 Illinois certificate or other evidence of title or registration  
2 to such tangible personal property.

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

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

1 same amount and in the same form in which it would be remitted  
2 if the tax had been remitted to the Department by the retailer.

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

11 Where the seller is a corporation, the return filed on  
12 behalf of such corporation shall be signed by the president,  
13 vice-president, secretary or treasurer or by the properly  
14 accredited agent of such corporation.

15 Where the seller is a limited liability company, the return  
16 filed on behalf of the limited liability company shall be  
17 signed by a manager, member, or properly accredited agent of  
18 the limited liability company.

19 Except as provided in this Section, the retailer filing the  
20 return under this Section shall, at the time of filing such  
21 return, pay to the Department the amount of tax imposed by this  
22 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%  
23 on and after January 1, 1990, or \$5 per calendar year,  
24 whichever is greater, which is allowed to reimburse the  
25 retailer for the expenses incurred in keeping records,  
26 preparing and filing returns, remitting the tax and supplying

1 data to the Department on request. Any prepayment made pursuant  
2 to Section 2d of this Act shall be included in the amount on  
3 which such 2.1% or 1.75% discount is computed. In the case of  
4 retailers who report and pay the tax on a transaction by  
5 transaction basis, as provided in this Section, such discount  
6 shall be taken with each such tax remittance instead of when  
7 such retailer files his periodic return. The Department may  
8 disallow the discount for retailers whose certificate of  
9 registration is revoked at the time the return is filed, but  
10 only if the Department's decision to revoke the certificate of  
11 registration has become final.

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

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



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

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

1 amount of such quarter monthly payment actually and timely  
2 paid, except insofar as the taxpayer has previously made  
3 payments for that month to the Department in excess of the  
4 minimum payments previously due as provided in this Section.  
5 The Department shall make reasonable rules and regulations to  
6 govern the quarter monthly payment amount and quarter monthly  
7 payment dates for taxpayers who file on other than a calendar  
8 monthly basis.

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

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

19 The provisions of this paragraph apply on and after October  
20 1, 2001. Without regard to whether a taxpayer is required to  
21 make quarter monthly payments as specified above, any taxpayer  
22 who is required by Section 2d of this Act to collect and remit  
23 prepaid taxes and has collected prepaid taxes that average in  
24 excess of \$20,000 per month during the preceding 4 complete  
25 calendar quarters shall file a return with the Department as  
26 required by Section 2f and shall make payments to the

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

23 If any payment provided for in this Section exceeds the  
24 taxpayer's liabilities under this Act, the Use Tax Act, the  
25 Service Occupation Tax Act and the Service Use Tax Act, as  
26 shown on an original monthly return, the Department shall, if

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

19 If a retailer of motor fuel is entitled to a credit under  
20 Section 2d of this Act which exceeds the taxpayer's liability  
21 to the Department under this Act for the month which the  
22 taxpayer is filing a return, the Department shall issue the  
23 taxpayer a credit memorandum for the excess.

24 Beginning January 1, 1990, each month the Department shall  
25 pay into the Local Government Tax Fund, a special fund in the  
26 State treasury which is hereby created, the net revenue

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

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

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

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

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

1 pay into the Local Government Tax Fund 80% of the net revenue  
2 realized for the preceding month from the 1.25% rate on the  
3 selling price of motor fuel and gasohol. Beginning September 1,  
4 2010, each month the Department shall pay into the Local  
5 Government Tax Fund 80% of the net revenue realized for the  
6 preceding month from the 1.25% rate on the selling price of  
7 sales tax holiday items.

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

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

24 Beginning July 1, 2013, each month the Department shall pay  
25 into the Underground Storage Tank Fund from the proceeds  
26 collected under this Act, the Use Tax Act, the Service Use Tax



1 Act, and the Service Occupation Tax Act an amount equal to the  
2 average monthly deficit in the Underground Storage Tank Fund  
3 during the prior year, as certified annually by the Illinois  
4 Environmental Protection Agency, but the total payment into the  
5 Underground Storage Tank Fund under this Act, the Use Tax Act,  
6 the Service Use Tax Act, and the Service Occupation Tax Act  
7 shall not exceed \$18,000,000 in any State fiscal year. As used  
8 in this paragraph, the "average monthly deficit" shall be equal  
9 to the difference between the average monthly claims for  
10 payment by the fund and the average monthly revenues deposited  
11 into the fund, excluding payments made pursuant to this  
12 paragraph.

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

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

7	Fiscal Year	Annual Specified Amount
8	1986	\$54,800,000
9	1987	\$76,650,000
10	1988	\$80,480,000
11	1989	\$88,510,000
12	1990	\$115,330,000
13	1991	\$145,470,000
14	1992	\$182,730,000
15	1993	\$206,520,000;

16 and means the Certified Annual Debt Service Requirement (as  
17 defined in Section 13 of the Build Illinois Bond Act) or the  
18 Tax Act Amount, whichever is greater, for fiscal year 1994 and  
19 each fiscal year thereafter; and further provided, that if on  
20 the last business day of any month the sum of (1) the Tax Act  
21 Amount required to be deposited into the Build Illinois Bond  
22 Account in the Build Illinois Fund during such month and (2)  
23 the amount transferred to the Build Illinois Fund from the  
24 State and Local Sales Tax Reform Fund shall have been less than  
25 1/12 of the Annual Specified Amount, an amount equal to the  
26 difference shall be immediately paid into the Build Illinois

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

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

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

25	Total
Fiscal Year	Deposit

1	1993	\$0
2	1994	53,000,000
3	1995	58,000,000
4	1996	61,000,000
5	1997	64,000,000
6	1998	68,000,000
7	1999	71,000,000
8	2000	75,000,000
9	2001	80,000,000
10	2002	93,000,000
11	2003	99,000,000
12	2004	103,000,000
13	2005	108,000,000
14	2006	113,000,000
15	2007	119,000,000
16	2008	126,000,000
17	2009	132,000,000
18	2010	139,000,000
19	2011	146,000,000
20	2012	153,000,000
21	2013	161,000,000
22	2014	170,000,000
23	2015	179,000,000
24	2016	189,000,000
25	2017	199,000,000
26	2018	210,000,000

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

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

23                   Beginning July 20, 1993 and in each month of each fiscal  
24                   year thereafter, one-eighth of the amount requested in the  
25                   certificate of the Chairman of the Metropolitan Pier and  
26                   Exposition Authority for that fiscal year, less the amount

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

25 Any person who promotes, organizes, provides retail  
26 selling space for concessionaires or other types of sellers at

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

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

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

10 (Source: P.A. 97-95, eff. 7-12-11; 97-333, eff. 8-12-11; 98-24,  
11 eff. 6-19-13; 98-109, eff. 7-25-13; 98-496, eff. 1-1-14;  
12 revised 9-9-13.)