



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

SB0061

Introduced 1/15/2015, 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.

LRB099 04491 HLH 24519 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

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

4 Section 5. The 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 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 Subject to payment of amounts into the Build Illinois Fund,
25 the McCormick Place Expansion Project Fund, the Illinois Tax
26 Increment Fund, and the Energy Infrastructure Fund pursuant to

1 the preceding paragraphs or in any amendments to this Section
2 hereafter enacted, beginning on the first day of the first
3 calendar month to occur on or after the effective date of this
4 amendatory Act of the 98th General Assembly, each month, from
5 the collections made under Section 9 of the Use Tax Act,
6 Section 9 of the Service Use Tax Act, Section 9 of the Service
7 Occupation Tax Act, and Section 3 of the Retailers' Occupation
8 Tax Act, the Department shall pay into the Tax Compliance and
9 Administration Fund, to be used, subject to appropriation, to
10 fund additional auditors and compliance personnel at the
11 Department of Revenue, an amount equal to 1/12 of 5% of 80% of
12 the cash receipts collected during the preceding fiscal year by
13 the Audit Bureau of the Department under the Use Tax Act, the
14 Service Use Tax Act, the Service Occupation Tax Act, the
15 Retailers' Occupation Tax Act, and associated local occupation
16 and use taxes administered by the Department.

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

23 As soon as possible after the first day of each month, upon
24 certification of the Department of Revenue, the Comptroller
25 shall order transferred and the Treasurer shall transfer from
26 the General Revenue Fund to the Motor Fuel Tax Fund an amount

1 equal to 1.7% of 80% of the net revenue realized under this Act
2 for the second preceding month. Beginning April 1, 2000, this
3 transfer is no longer required and shall not be made.

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

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

15 (Source: P.A. 97-95, eff. 7-12-11; 97-333, eff. 8-12-11; 98-24,
16 eff. 6-19-13; 98-109, eff. 7-25-13; 98-496, eff. 1-1-14;
17 98-756, eff. 7-16-14; 98-1098, eff. 8-26-14.)

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

20 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

21 Sec. 3-10. Rate of tax. Unless otherwise provided in this
22 Section, the tax imposed by this Act is at the rate of 6.25% of
23 the selling price of tangible personal property transferred as
24 an incident to the sale of service, but, for the purpose of

1 computing this tax, in no event shall the selling price be less
2 than the cost price of the property to the serviceman.

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

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

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

24 With respect to biodiesel blends, as defined in the Use Tax
25 Act, with no less than 1% and no more than 10% biodiesel, the
26 tax imposed by this Act applies to (i) 80% of the selling price

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

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

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

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

1 Products Act, or drinks containing 50% or more natural fruit or
2 vegetable juice.

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

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

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

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

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

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

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

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

26 If the property that is acquired from a serviceman is

1 acquired outside Illinois and used outside Illinois before
2 being brought to Illinois for use here and is taxable under
3 this Act, the "selling price" on which the tax is computed
4 shall be reduced by an amount that represents a reasonable
5 allowance for depreciation for the period of prior out-of-state
6 use.

7 (Source: P.A. 97-38, eff. 6-28-11; 97-227, eff. 1-1-12; 97-636,
8 eff. 6-1-12; 98-104, eff. 7-22-13; 98-122, eff. 1-1-14; 98-756,
9 eff. 7-16-14.)

10 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

11 Sec. 9. Each serviceman required or authorized to collect
12 the tax herein imposed shall pay to the Department the amount
13 of such tax (except as otherwise provided) at the time when he
14 is required to file his return for the period during which such
15 tax was collected, less a discount of 2.1% prior to January 1,
16 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar
17 year, whichever is greater, which is allowed to reimburse the
18 serviceman for expenses incurred in collecting the tax, keeping
19 records, preparing and filing returns, remitting the tax and
20 supplying data to the Department on request. The Department may
21 disallow the discount for servicemen whose certificate of
22 registration is revoked at the time the return is filed, but
23 only if the Department's decision to revoke the certificate of
24 registration has become final. A serviceman need not remit that
25 part of any tax collected by him to the extent that he is

1 required to pay and does pay the tax imposed by the Service
2 Occupation Tax Act with respect to his sale of service
3 involving the incidental transfer by him of the same property.

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

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

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

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

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

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

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

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

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

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

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

23 If the serviceman is otherwise required to file a monthly
24 return and if the serviceman's average monthly tax liability to
25 the Department does not exceed \$200, the Department may
26 authorize his returns to be filed on a quarter annual basis,

1 with the return for January, February and March of a given year
2 being due by April 20 of such year; with the return for April,
3 May and June of a given year being due by July 20 of such year;
4 with the return for July, August and September of a given year
5 being due by October 20 of such year, and with the return for
6 October, November and December of a given year being due by
7 January 20 of the following year.

8 If the serviceman is otherwise required to file a monthly
9 or quarterly return and if the serviceman's average monthly tax
10 liability to the Department does not exceed \$50, the Department
11 may authorize his returns to be filed on an annual basis, with
12 the return for a given year being due by January 20 of the
13 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 Where a serviceman collects the tax with respect to the
25 selling price of property which he sells and the purchaser
26 thereafter returns such property and the serviceman refunds the

1 selling price thereof to the purchaser, such serviceman shall
2 also refund, to the purchaser, the tax so collected from the
3 purchaser. When filing his return for the period in which he
4 refunds such tax to the purchaser, the serviceman may deduct
5 the amount of the tax so refunded by him to the purchaser from
6 any other Service Use Tax, Service Occupation Tax, retailers'
7 occupation tax or use tax which such serviceman may be required
8 to pay or remit to the Department, as shown by such return,
9 provided that the amount of the tax to be deducted shall
10 previously have been remitted to the Department by such
11 serviceman. If the serviceman shall not previously have
12 remitted the amount of such tax to the Department, he shall be
13 entitled to no deduction hereunder upon refunding such tax to
14 the purchaser.

15 Any serviceman filing a return hereunder shall also include
16 the total tax upon the selling price of tangible personal
17 property purchased for use by him as an incident to a sale of
18 service, and such serviceman shall remit the amount of such tax
19 to the Department when filing such return.

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

26 Where the serviceman has more than one business registered

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

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

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

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

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

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

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

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

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

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

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

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

	Fiscal Year	Total Deposit
21		
22	1993	\$0
23	1994	53,000,000
24	1995	58,000,000
25	1996	61,000,000

1	1997	64,000,000
2	1998	68,000,000
3	1999	71,000,000
4	2000	75,000,000
5	2001	80,000,000
6	2002	93,000,000
7	2003	99,000,000
8	2004	103,000,000
9	2005	108,000,000
10	2006	113,000,000
11	2007	119,000,000
12	2008	126,000,000
13	2009	132,000,000
14	2010	139,000,000
15	2011	146,000,000
16	2012	153,000,000
17	2013	161,000,000
18	2014	170,000,000
19	2015	179,000,000
20	2016	189,000,000
21	2017	199,000,000
22	2018	210,000,000
23	2019	221,000,000
24	2020	233,000,000
25	2021	246,000,000
26	2022	260,000,000

1	2023	275,000,000
2	2024	275,000,000
3	2025	275,000,000
4	2026	279,000,000
5	2027	292,000,000
6	2028	307,000,000
7	2029	322,000,000
8	2030	338,000,000
9	2031	350,000,000
10	2032	350,000,000

11 and
12 each fiscal year
13 thereafter that bonds
14 are outstanding under
15 Section 13.2 of the
16 Metropolitan Pier and
17 Exposition Authority Act,
18 but not after fiscal year 2060.

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

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

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

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

1 Subject to payment of amounts into the Build Illinois Fund,
2 the McCormick Place Expansion Project Fund, the Illinois Tax
3 Increment Fund, and the Energy Infrastructure Fund pursuant to
4 the preceding paragraphs or in any amendments to this Section
5 hereafter enacted, beginning on the first day of the first
6 calendar month to occur on or after the effective date of this
7 amendatory Act of the 98th General Assembly, each month, from
8 the collections made under Section 9 of the Use Tax Act,
9 Section 9 of the Service Use Tax Act, Section 9 of the Service
10 Occupation Tax Act, and Section 3 of the Retailers' Occupation
11 Tax Act, the Department shall pay into the Tax Compliance and
12 Administration Fund, to be used, subject to appropriation, to
13 fund additional auditors and compliance personnel at the
14 Department of Revenue, an amount equal to 1/12 of 5% of 80% of
15 the cash receipts collected during the preceding fiscal year by
16 the Audit Bureau of the Department under the Use Tax Act, the
17 Service Use Tax Act, the Service Occupation Tax Act, the
18 Retailers' Occupation Tax Act, and associated local occupation
19 and use taxes administered by the Department.

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

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

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

12 (Source: P.A. 98-24, eff. 6-19-13; 98-109, eff. 7-25-13;
13 98-298, eff. 8-9-13; 98-496, eff. 1-1-14; 98-756, eff. 7-16-14;
14 98-1098, eff. 8-26-14.)

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

17 (35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

18 Sec. 3-10. Rate of tax. Unless otherwise provided in this
19 Section, the tax imposed by this Act is at the rate of 6.25% of
20 the "selling price", as defined in Section 2 of the Service Use
21 Tax Act, of the tangible personal property. For the purpose of
22 computing this tax, in no event shall the "selling price" be
23 less than the cost price to the serviceman of the tangible
24 personal property transferred. The selling price of each item

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

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

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

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

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

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

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

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

1 purposes of this Section, until September 1, 2009: the term
2 "soft drinks" means any complete, finished, ready-to-use,
3 non-alcoholic drink, whether carbonated or not, including but
4 not limited to soda water, cola, fruit juice, vegetable juice,
5 carbonated water, and all other preparations commonly known as
6 soft drinks of whatever kind or description that are contained
7 in any closed or sealed can, carton, or container, regardless
8 of size; but "soft drinks" does not include coffee, tea,
9 non-carbonated water, infant formula, milk or milk products as
10 defined in the Grade A Pasteurized Milk and Milk Products Act,
11 or drinks containing 50% or more natural fruit or vegetable
12 juice.

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

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

1 off the premises where it is sold" includes all food sold
2 through a vending machine, except soft drinks, candy, and food
3 products that are dispensed hot from a vending machine,
4 regardless of the location of the vending machine.

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

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

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

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

5 Beginning on January 1, 2014 (the effective date of Public
6 Act 98-122), "prescription and nonprescription medicines and
7 drugs" includes medical cannabis purchased from a registered
8 dispensing organization under the Compassionate Use of Medical
9 Cannabis Pilot Program Act.

10 (Source: P.A. 97-38, eff. 6-28-11; 97-227, eff. 1-1-12; 97-636,
11 eff. 6-1-12; 98-104, eff. 7-22-13; 98-122, eff. 1-1-14; 98-756,
12 eff. 7-16-14.)

13 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

14 Sec. 9. Each serviceman required or authorized to collect
15 the tax herein imposed shall pay to the Department the amount
16 of such tax at the time when he is required to file his return
17 for the period during which such tax was collectible, less a
18 discount of 2.1% prior to January 1, 1990, and 1.75% on and
19 after January 1, 1990, or \$5 per calendar year, whichever is
20 greater, which is allowed to reimburse the serviceman for
21 expenses incurred in collecting the tax, keeping records,
22 preparing and filing returns, remitting the tax and supplying
23 data to the Department on request. The Department may disallow
24 the discount for servicemen whose certificate of registration
25 is revoked at the time the return is filed, but only if the

1 Department's decision to revoke the certificate of
2 registration has become final.

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

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

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

- 25 1. The name of the seller;
- 26 2. The address of the principal place of business from

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

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

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

8 5. The amount of tax due;

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

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

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

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

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

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

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

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

1 returns.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24 Beginning October 1, 2009, each month the Department shall
25 pay into the Capital Projects Fund an amount that is equal to
26 an amount estimated by the Department to represent 80% of the

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

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

		Total
	Fiscal Year	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

1	1999	71,000,000
2	2000	75,000,000
3	2001	80,000,000
4	2002	93,000,000
5	2003	99,000,000
6	2004	103,000,000
7	2005	108,000,000
8	2006	113,000,000
9	2007	119,000,000
10	2008	126,000,000
11	2009	132,000,000
12	2010	139,000,000
13	2011	146,000,000
14	2012	153,000,000
15	2013	161,000,000
16	2014	170,000,000
17	2015	179,000,000
18	2016	189,000,000
19	2017	199,000,000
20	2018	210,000,000
21	2019	221,000,000
22	2020	233,000,000
23	2021	246,000,000
24	2022	260,000,000
25	2023	275,000,000
26	2024	275,000,000

1	2025	275,000,000
2	2026	279,000,000
3	2027	292,000,000
4	2028	307,000,000
5	2029	322,000,000
6	2030	338,000,000
7	2031	350,000,000
8	2032	350,000,000

9 and

10 each fiscal year
11 thereafter that bonds
12 are outstanding under
13 Section 13.2 of the
14 Metropolitan Pier and
15 Exposition Authority Act,
16 but not after fiscal year 2060.

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

1 Fund, until the full amount requested for the fiscal year, but
2 not in excess of the amount specified above as "Total Deposit",
3 has been deposited.

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

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

25 Subject to payment of amounts into the Build Illinois Fund,
26 the McCormick Place Expansion Project Fund, the Illinois Tax

1 Increment Fund, and the Energy Infrastructure Fund pursuant to
2 the preceding paragraphs or in any amendments to this Section
3 hereafter enacted, beginning on the first day of the first
4 calendar month to occur on or after the effective date of this
5 amendatory Act of the 98th General Assembly, each month, from
6 the collections made under Section 9 of the Use Tax Act,
7 Section 9 of the Service Use Tax Act, Section 9 of the Service
8 Occupation Tax Act, and Section 3 of the Retailers' Occupation
9 Tax Act, the Department shall pay into the Tax Compliance and
10 Administration Fund, to be used, subject to appropriation, to
11 fund additional auditors and compliance personnel at the
12 Department of Revenue, an amount equal to 1/12 of 5% of 80% of
13 the cash receipts collected during the preceding fiscal year by
14 the Audit Bureau of the Department under the Use Tax Act, the
15 Service Use Tax Act, the Service Occupation Tax Act, the
16 Retailers' Occupation Tax Act, and associated local occupation
17 and use taxes administered by the Department.

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

25 The Department may, upon separate written notice to a
26 taxpayer, require the taxpayer to prepare and file with the

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

22 If the annual information return required by this Section
23 is not filed when and as required, the taxpayer shall be liable
24 as follows:

- 25 (i) Until January 1, 1994, the taxpayer shall be liable
26 for a penalty equal to 1/6 of 1% of the tax due from such

1 taxpayer under this Act during the period to be covered by
2 the annual return for each month or fraction of a month
3 until such return is filed as required, the penalty to be
4 assessed and collected in the same manner as any other
5 penalty provided for in this Act.

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

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

17 The foregoing portion of this Section concerning the filing
18 of an annual information return shall not apply to a serviceman
19 who is not required to file an income tax return with the
20 United States Government.

21 As soon as possible after the first day of each month, upon
22 certification of the Department of Revenue, the Comptroller
23 shall order transferred and the Treasurer shall transfer from
24 the General Revenue Fund to the Motor Fuel Tax Fund an amount
25 equal to 1.7% of 80% of the net revenue realized under this Act
26 for the second preceding month. Beginning April 1, 2000, this

1 transfer is no longer required and shall not be made.

2 Net revenue realized for a month shall be the revenue
3 collected by the State pursuant to this Act, less the amount
4 paid out during that month as refunds to taxpayers for
5 overpayment of liability.

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

14 (Source: P.A. 98-24, eff. 6-19-13; 98-109, eff. 7-25-13;
15 98-298, eff. 8-9-13; 98-496, eff. 1-1-14; 98-756, eff. 7-16-14;
16 98-1098, eff. 8-26-14.)

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

19 (35 ILCS 120/2-10)

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

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 Beginning on August 6, 2010 through August 15, 2010, with
5 respect to sales tax holiday items as defined in Section 2-8 of
6 this Act, the tax is imposed at the rate of 1.25%.

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

22 With respect to gasohol, as defined in the Use Tax Act, the
23 tax imposed by this Act applies to (i) 70% of the proceeds of
24 sales made on or after January 1, 1990, and before July 1,
25 2003, (ii) 80% of the proceeds of sales made on or after July
26 1, 2003 and on or before December 31, 2018, and (iii) 100% of

1 the proceeds of sales made thereafter. If, at any time,
2 however, the tax under this Act on sales of gasohol, as defined
3 in the Use Tax Act, is imposed at the rate of 1.25%, then the
4 tax imposed by this Act applies to 100% of the proceeds of
5 sales of gasohol made during that time.

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

11 With respect to biodiesel blends, as defined in the Use Tax
12 Act, with no less than 1% and no more than 10% biodiesel, the
13 tax imposed by this Act applies to (i) 80% of the proceeds of
14 sales made on or after July 1, 2003 and on or before December
15 31, 2018 and (ii) 100% of the proceeds of sales made
16 thereafter. If, at any time, however, the tax under this Act on
17 sales of biodiesel blends, as defined in the Use Tax Act, with
18 no less than 1% and no more than 10% biodiesel is imposed at
19 the rate of 1.25%, then the tax imposed by this Act applies to
20 100% of the proceeds of sales of biodiesel blends with no less
21 than 1% and no more than 10% biodiesel made during that time.

22 With respect to 100% biodiesel, as defined in the Use Tax
23 Act, and biodiesel blends, as defined in the Use Tax Act, with
24 more than 10% but no more than 99% biodiesel, the tax imposed
25 by this Act does not apply to the proceeds of sales made on or
26 after July 1, 2003 and on or before December 31, 2018 but

1 applies to 100% of the proceeds of sales made thereafter.

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

23 Notwithstanding any other provisions of this Act,
24 beginning September 1, 2009, "soft drinks" means non-alcoholic
25 beverages that contain natural or artificial sweeteners. "Soft
26 drinks" do not include beverages that contain milk or milk

1 products, soy, rice or similar milk substitutes, or greater
2 than 50% of vegetable or fruit juice by volume.

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

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

24 Notwithstanding any other provisions of this Act,
25 beginning September 1, 2009, "nonprescription medicines and
26 drugs" does not include grooming and hygiene products. For

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

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

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

15 Beginning on the effective date of this amendatory Act of
16 the 98th General Assembly, "prescription and nonprescription
17 medicines and drugs" includes medical cannabis purchased from a
18 registered dispensing organization under the Compassionate Use
19 of Medical Cannabis Pilot Program Act.

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

21 (35 ILCS 120/3) (from Ch. 120, par. 442)

22 Sec. 3. Except as provided in this Section, on or before
23 the twentieth day of each calendar month, every person engaged
24 in the business of selling tangible personal property at retail
25 in this State during the preceding calendar month shall file a

1 return with the Department, stating:

2 1. The name of the seller;

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

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

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

18 5. Deductions allowed by law;

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

22 7. The amount of credit provided in Section 2d of this
23 Act;

24 8. The amount of tax due;

25 9. The signature of the taxpayer; and

26 10. Such other reasonable information as the

1 Department may require.

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

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

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

1 used after September 30, 2003 through August 31, 2004 to
2 satisfy any tax liability imposed under this Act, including any
3 audit liability.

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; and
- 23 6. Such other reasonable information as the Department
24 may require.

25 Beginning on October 1, 2003, any person who is not a
26 licensed distributor, importing distributor, or manufacturer,

1 as defined in the Liquor Control Act of 1934, but is engaged in
2 the business of selling, at retail, alcoholic liquor shall file
3 a statement with the Department of Revenue, in a format and at
4 a time prescribed by the Department, showing the total amount
5 paid for alcoholic liquor purchased during the preceding month
6 and such other information as is reasonably required by the
7 Department. The Department may adopt rules to require that this
8 statement be filed in an electronic or telephonic format. Such
9 rules may provide for exceptions from the filing requirements
10 of this paragraph. For the purposes of this paragraph, the term
11 "alcoholic liquor" shall have the meaning prescribed in the
12 Liquor Control Act of 1934.

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

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

15 If a total amount of less than \$1 is payable, refundable or
16 creditable, such amount shall be disregarded if it is less than
17 50 cents and shall be increased to \$1 if it is 50 cents or more.

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

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

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

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

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

1 payments by electronic funds transfer shall make those payments
2 in the manner authorized by the Department.

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

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

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

24 If the retailer is otherwise required to file a monthly or
25 quarterly return and if the retailer's average monthly tax
26 liability with the Department does not exceed \$50, the

1 Department may authorize his returns to be filed on an annual
2 basis, with the return for a given year being due by January 20
3 of the following year.

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

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

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

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

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

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

24 The transaction reporting return, in the case of motor
25 vehicles or trailers that are required to be registered with an
26 agency of this State, shall be the same document as the Uniform

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

19 The transaction reporting return in the case of watercraft
20 or aircraft must show the name and address of the seller; the
21 name and address of the purchaser; the amount of the selling
22 price including the amount allowed by the retailer for
23 traded-in property, if any; the amount allowed by the retailer
24 for the traded-in tangible personal property, if any, to the
25 extent to which Section 1 of this Act allows an exemption for
26 the value of traded-in property; the balance payable after

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

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

21 With each such transaction reporting return, the retailer
22 shall remit the proper amount of tax due (or shall submit
23 satisfactory evidence that the sale is not taxable if that is
24 the case), to the Department or its agents, whereupon the
25 Department shall issue, in the purchaser's name, a use tax
26 receipt (or a certificate of exemption if the Department is

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

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

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

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

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

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

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

24 Except as provided in this Section, the retailer filing the
25 return under this Section shall, at the time of filing such
26 return, pay to the Department the amount of tax imposed by this

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

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

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

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

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

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

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

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

24 The provisions of this paragraph apply on and after October
25 1, 2001. Without regard to whether a taxpayer is required to
26 make quarter monthly payments as specified above, any taxpayer

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

1 previously due.

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

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

1 taxpayer is filing a return, the Department shall issue the
2 taxpayer a credit memorandum for the excess.

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

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

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

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

5 Beginning August 1, 2000, each month the Department shall
6 pay into the Local Government Tax Fund 80% of the net revenue
7 realized for the preceding month from the 1.25% rate on the
8 selling price of motor fuel and gasohol. Beginning September 1,
9 2010, each month the Department shall pay into the Local
10 Government Tax Fund 80% of the net revenue realized for the
11 preceding month from the 1.25% rate on the selling price of
12 sales tax holiday items.

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 now taxed at 6.25%.

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

1 and the Use Tax Act shall not exceed \$2,000,000 in any fiscal
2 year.

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

18 Of the remainder of the moneys received by the Department
19 pursuant to this Act, (a) 1.75% thereof shall be paid into the
20 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
21 and after July 1, 1989, 3.8% thereof shall be paid into the
22 Build Illinois Fund; provided, however, that if in any fiscal
23 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
24 may be, of the moneys received by the Department and required
25 to be paid into the Build Illinois Fund pursuant to this Act,
26 Section 9 of the Use Tax Act, Section 9 of the Service Use Tax

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

12	Fiscal Year	Annual Specified Amount
13	1986	\$54,800,000
14	1987	\$76,650,000
15	1988	\$80,480,000
16	1989	\$88,510,000
17	1990	\$115,330,000
18	1991	\$145,470,000
19	1992	\$182,730,000
20	1993	\$206,520,000;

21 and means the Certified Annual Debt Service Requirement (as
22 defined in Section 13 of the Build Illinois Bond Act) or the
23 Tax Act Amount, whichever is greater, for fiscal year 1994 and
24 each fiscal year thereafter; and further provided, that if on
25 the last business day of any month the sum of (1) the Tax Act
26 Amount required to be deposited into the Build Illinois Bond

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

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

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

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

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

1	2014	170,000,000
2	2015	179,000,000
3	2016	189,000,000
4	2017	199,000,000
5	2018	210,000,000
6	2019	221,000,000
7	2020	233,000,000
8	2021	246,000,000
9	2022	260,000,000
10	2023	275,000,000
11	2024	275,000,000
12	2025	275,000,000
13	2026	279,000,000
14	2027	292,000,000
15	2028	307,000,000
16	2029	322,000,000
17	2030	338,000,000
18	2031	350,000,000
19	2032	350,000,000

20 and

21 each fiscal year
22 thereafter that bonds
23 are outstanding under
24 Section 13.2 of the
25 Metropolitan Pier and
26 Exposition Authority Act,

1 but not after fiscal year 2060.

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

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

23 Subject to payment of amounts into the Build Illinois Fund
24 and the McCormick Place Expansion Project Fund pursuant to the
25 preceding paragraphs or in any amendments thereto hereafter
26 enacted, beginning with the receipt of the first report of

1 taxes paid by an eligible business and continuing for a 25-year
2 period, the Department shall each month pay into the Energy
3 Infrastructure Fund 80% of the net revenue realized from the
4 6.25% general rate on the selling price of Illinois-mined coal
5 that was sold to an eligible business. For purposes of this
6 paragraph, the term "eligible business" means a new electric
7 generating facility certified pursuant to Section 605-332 of
8 the Department of Commerce and Economic Opportunity Law of the
9 Civil Administrative Code of Illinois.

10 Subject to payment of amounts into the Build Illinois Fund,
11 the McCormick Place Expansion Project Fund, the Illinois Tax
12 Increment Fund, and the Energy Infrastructure Fund pursuant to
13 the preceding paragraphs or in any amendments to this Section
14 hereafter enacted, beginning on the first day of the first
15 calendar month to occur on or after the effective date of this
16 amendatory Act of the 98th General Assembly, each month, from
17 the collections made under Section 9 of the Use Tax Act,
18 Section 9 of the Service Use Tax Act, Section 9 of the Service
19 Occupation Tax Act, and Section 3 of the Retailers' Occupation
20 Tax Act, the Department shall pay into the Tax Compliance and
21 Administration Fund, to be used, subject to appropriation, to
22 fund additional auditors and compliance personnel at the
23 Department of Revenue, an amount equal to 1/12 of 5% of 80% of
24 the cash receipts collected during the preceding fiscal year by
25 the Audit Bureau of the Department under the Use Tax Act, the
26 Service Use Tax Act, the Service Occupation Tax Act, the

1 Retailers' Occupation Tax Act, and associated local occupation
2 and use taxes administered by the Department.

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

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

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

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

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

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

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

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

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

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

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

23 Any person who promotes, organizes, provides retail
24 selling space for concessionaires or other types of sellers at
25 the Illinois State Fair, DuQuoin State Fair, county fairs,
26 local fairs, art shows, flea markets and similar exhibitions or

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

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

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

8 (Source: P.A. 97-95, eff. 7-12-11; 97-333, eff. 8-12-11; 98-24,
9 eff. 6-19-13; 98-109, eff. 7-25-13; 98-496, eff. 1-1-14;
10 98-756, eff. 7-16-14; 98-1098, eff. 8-26-14.)