

1 AN ACT with respect to taxation.

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

4 Section 5. The State Finance Act is amended by changing
5 Sections 6z-18 and 6z-20 as follows:

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

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

19 A portion of the money paid into the Local Government Tax
20 Fund from the 6.25% general use tax rate on the selling price
21 of tangible personal property which is purchased outside
22 Illinois at retail from a retailer and which is titled or
23 registered by any agency of this State's government shall be
24 distributed to municipalities as provided in this paragraph.
25 Each municipality shall receive the amount attributable to
26 sales for which Illinois addresses for titling or
27 registration purposes are given as being in such
28 municipality. The remainder of the money paid into the Local
29 Government Tax Fund from such sales shall be distributed to
30 counties. Each county shall receive the amount attributable
31 to sales for which Illinois addresses for titling or

1 registration purposes are given as being located in the
2 unincorporated area of such county.

3 A portion of the money paid into the Local Government Tax
4 Fund from the 6.25% general rate (and, beginning July 1, 2000
5 and through December 31, 2000, the 1.25% rate on motor fuel
6 and gasohol, and, beginning July 1, 2001 and as long as it
7 remains at that rate, the 1.25% rate on motor fuel and
8 gasohol in Madison, Monroe, and St. Clair Counties) on sales
9 subject to taxation under the Retailers' Occupation Tax Act
10 and the Service Occupation Tax Act, which occurred in
11 municipalities, shall be distributed to each municipality,
12 based upon the sales which occurred in that municipality. The
13 remainder shall be distributed to each county, based upon the
14 sales which occurred in the unincorporated area of such
15 county.

16 For the purpose of determining allocation to the local
17 government unit, a retail sale by a producer of coal or other
18 mineral mined in Illinois is a sale at retail at the place
19 where the coal or other mineral mined in Illinois is
20 extracted from the earth. This paragraph does not apply to
21 coal or other mineral when it is delivered or shipped by the
22 seller to the purchaser at a point outside Illinois so that
23 the sale is exempt under the United States Constitution as a
24 sale in interstate or foreign commerce.

25 Whenever the Department determines that a refund of money
26 paid into the Local Government Tax Fund should be made to a
27 claimant instead of issuing a credit memorandum, the
28 Department shall notify the State Comptroller, who shall
29 cause the order to be drawn for the amount specified, and to
30 the person named, in such notification from the Department.
31 Such refund shall be paid by the State Treasurer out of the
32 Local Government Tax Fund.

33 On or before the 25th day of each calendar month, the
34 Department shall prepare and certify to the Comptroller the

1 disbursement of stated sums of money to named municipalities
2 and counties, the municipalities and counties to be those
3 entitled to distribution of taxes or penalties paid to the
4 Department during the second preceding calendar month. The
5 amount to be paid to each municipality or county shall be the
6 amount (not including credit memoranda) collected during the
7 second preceding calendar month by the Department and paid
8 into the Local Government Tax Fund, plus an amount the
9 Department determines is necessary to offset any amounts
10 which were erroneously paid to a different taxing body, and
11 not including an amount equal to the amount of refunds made
12 during the second preceding calendar month by the Department,
13 and not including any amount which the Department determines
14 is necessary to offset any amounts which are payable to a
15 different taxing body but were erroneously paid to the
16 municipality or county. Within 10 days after receipt, by the
17 Comptroller, of the disbursement certification to the
18 municipalities and counties, provided for in this Section to
19 be given to the Comptroller by the Department, the
20 Comptroller shall cause the orders to be drawn for the
21 respective amounts in accordance with the directions
22 contained in such certification.

23 When certifying the amount of monthly disbursement to a
24 municipality or county under this Section, the Department
25 shall increase or decrease that amount by an amount necessary
26 to offset any misallocation of previous disbursements. The
27 offset amount shall be the amount erroneously disbursed
28 within the 6 months preceding the time a misallocation is
29 discovered.

30 The provisions directing the distributions from the
31 special fund in the State Treasury provided for in this
32 Section shall constitute an irrevocable and continuing
33 appropriation of all amounts as provided herein. The State
34 Treasurer and State Comptroller are hereby authorized to make

1 distributions as provided in this Section.

2 In construing any development, redevelopment, annexation,
3 preannexation or other lawful agreement in effect prior to
4 September 1, 1990, which describes or refers to receipts from
5 a county or municipal retailers' occupation tax, use tax or
6 service occupation tax which now cannot be imposed, such
7 description or reference shall be deemed to include the
8 replacement revenue for such abolished taxes, distributed
9 from the Local Government Tax Fund.

10 (Source: P.A. 90-491, eff. 1-1-98; 91-51, eff. 6-30-99;
11 91-872, eff. 7-1-00.)

12 (30 ILCS 105/6z-20) (from Ch. 127, par. 142z-20)

13 Sec. 6z-20. Of the money received from the 6.25% general
14 rate (and, beginning July 1, 2000 and through December 31,
15 2000, the 1.25% rate on motor fuel and gasohol, and,
16 beginning July 1, 2001 and as long as it remains at that
17 rate, the 1.25% rate on motor fuel and gasohol in Madison,
18 Monroe, and St. Clair Counties) on sales subject to taxation
19 under the Retailers' Occupation Tax Act and Service
20 Occupation Tax Act and paid into the County and Mass Transit
21 District Fund, distribution to the Regional Transportation
22 Authority tax fund, created pursuant to Section 4.03 of the
23 Regional Transportation Authority Act, for deposit therein
24 shall be made based upon the retail sales occurring in a
25 county having more than 3,000,000 inhabitants. The remainder
26 shall be distributed to each county having 3,000,000 or fewer
27 inhabitants based upon the retail sales occurring in each
28 such county.

29 For the purpose of determining allocation to the local
30 government unit, a retail sale by a producer of coal or other
31 mineral mined in Illinois is a sale at retail at the place
32 where the coal or other mineral mined in Illinois is
33 extracted from the earth. This paragraph does not apply to

1 coal or other mineral when it is delivered or shipped by the
2 seller to the purchaser at a point outside Illinois so that
3 the sale is exempt under the United States Constitution as a
4 sale in interstate or foreign commerce.

5 Of the money received from the 6.25% general use tax rate
6 on tangible personal property which is purchased outside
7 Illinois at retail from a retailer and which is titled or
8 registered by any agency of this State's government and paid
9 into the County and Mass Transit District Fund, the amount
10 for which Illinois addresses for titling or registration
11 purposes are given as being in each county having more than
12 3,000,000 inhabitants shall be distributed into the Regional
13 Transportation Authority tax fund, created pursuant to
14 Section 4.03 of the Regional Transportation Authority Act.
15 The remainder of the money paid from such sales shall be
16 distributed to each county based on sales for which Illinois
17 addresses for titling or registration purposes are given as
18 being located in the county. Any money paid into the
19 Regional Transportation Authority Occupation and Use Tax
20 Replacement Fund from the County and Mass Transit District
21 Fund prior to January 14, 1991, which has not been paid to
22 the Authority prior to that date, shall be transferred to the
23 Regional Transportation Authority tax fund.

24 Whenever the Department determines that a refund of money
25 paid into the County and Mass Transit District Fund should be
26 made to a claimant instead of issuing a credit memorandum,
27 the Department shall notify the State Comptroller, who shall
28 cause the order to be drawn for the amount specified, and to
29 the person named, in such notification from the Department.
30 Such refund shall be paid by the State Treasurer out of the
31 County and Mass Transit District Fund.

32 On or before the 25th day of each calendar month, the
33 Department shall prepare and certify to the Comptroller the
34 disbursement of stated sums of money to the Regional

1 Transportation Authority and to named counties, the counties
2 to be those entitled to distribution, as hereinabove
3 provided, of taxes or penalties paid to the Department during
4 the second preceding calendar month. The amount to be paid
5 to the Regional Transportation Authority and each county
6 having 3,000,000 or fewer inhabitants shall be the amount
7 (not including credit memoranda) collected during the second
8 preceding calendar month by the Department and paid into the
9 County and Mass Transit District Fund, plus an amount the
10 Department determines is necessary to offset any amounts
11 which were erroneously paid to a different taxing body, and
12 not including an amount equal to the amount of refunds made
13 during the second preceding calendar month by the Department,
14 and not including any amount which the Department determines
15 is necessary to offset any amounts which were payable to a
16 different taxing body but were erroneously paid to the
17 Regional Transportation Authority or county. Within 10 days
18 after receipt, by the Comptroller, of the disbursement
19 certification to the Regional Transportation Authority and
20 counties, provided for in this Section to be given to the
21 Comptroller by the Department, the Comptroller shall cause
22 the orders to be drawn for the respective amounts in
23 accordance with the directions contained in such
24 certification.

25 When certifying the amount of a monthly disbursement to
26 the Regional Transportation Authority or to a county under
27 this Section, the Department shall increase or decrease that
28 amount by an amount necessary to offset any misallocation of
29 previous disbursements. The offset amount shall be the
30 amount erroneously disbursed within the 6 months preceding
31 the time a misallocation is discovered.

32 The provisions directing the distributions from the
33 special fund in the State Treasury provided for in this
34 Section and from the Regional Transportation Authority tax

1 fund created by Section 4.03 of the Regional Transportation
2 Authority Act shall constitute an irrevocable and continuing
3 appropriation of all amounts as provided herein. The State
4 Treasurer and State Comptroller are hereby authorized to make
5 distributions as provided in this Section.

6 In construing any development, redevelopment, annexation,
7 preannexation or other lawful agreement in effect prior to
8 September 1, 1990, which describes or refers to receipts from
9 a county or municipal retailers' occupation tax, use tax or
10 service occupation tax which now cannot be imposed, such
11 description or reference shall be deemed to include the
12 replacement revenue for such abolished taxes, distributed
13 from the County and Mass Transit District Fund or Local
14 Government Distributive Fund, as the case may be.

15 (Source: P.A. 90-491, eff. 1-1-98; 91-872, eff. 7-1-00.)

16 Section 10. The Use Tax Act is amended by changing
17 Sections 3-10 and 9 as follows:

18 (35 ILCS 105/3-10) (from Ch. 120, par. 439.3-10)

19 Sec. 3-10. Rate of tax. Unless otherwise provided in
20 this Section, the tax imposed by this Act is at the rate of
21 6.25% of either the selling price or the fair market value,
22 if any, of the tangible personal property. In all cases
23 where property functionally used or consumed is the same as
24 the property that was purchased at retail, then the tax is
25 imposed on the selling price of the property. In all cases
26 where property functionally used or consumed is a by-product
27 or waste product that has been refined, manufactured, or
28 produced from property purchased at retail, then the tax is
29 imposed on the lower of the fair market value, if any, of the
30 specific property so used in this State or on the selling
31 price of the property purchased at retail. For purposes of
32 this Section "fair market value" means the price at which

1 property would change hands between a willing buyer and a
2 willing seller, neither being under any compulsion to buy or
3 sell and both having reasonable knowledge of the relevant
4 facts. The fair market value shall be established by Illinois
5 sales by the taxpayer of the same property as that
6 functionally used or consumed, or if there are no such sales
7 by the taxpayer, then comparable sales or purchases of
8 property of like kind and character in Illinois.

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

13 Beginning on July 1, 2001, with respect to motor fuel, as
14 defined in Section 1.1 of the Motor Fuel Tax Law, and
15 gasohol, as defined in Section 3-40, the tax is imposed in
16 Madison, Monroe, and St. Clair Counties at the rate of 1.25%.
17 If, however, the aggregate tax revenues from motor fuel and
18 gasohol in Madison, Monroe, and St. Clair Counties under the
19 Motor Fuel Tax Law during the period from July 1, 2001
20 through June 30, 2003 are not at least 15% more than the
21 aggregate tax revenues in Madison, Monroe, and St. Clair
22 Counties from motor fuel and gasohol under that Law during
23 the period from July 1, 1999 through June 30, 2001 as
24 determined by the Department under Section 2-11 of the
25 Retailers' Occupation Tax Act, then beginning July 1, 2004
26 the tax is imposed on motor fuel and gasohol at the 6.25%
27 general rate. The changes made to this Section by this
28 amendatory Act of the 92nd General Assembly are exempt from
29 Section 3-90.

30 With respect to gasohol, the tax imposed by this Act
31 applies to 70% of the proceeds of sales made on or after
32 January 1, 1990, and before July 1, 2003, and to 100% of the
33 proceeds of sales made thereafter.

34 With respect to food for human consumption that is to be

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

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

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

33 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;
34 91-51, eff. 6-30-99; 91-872, eff. 7-1-00.)

1 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

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

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

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

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

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

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

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

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

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

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

26 Any taxpayer not required to make payments by electronic
27 funds transfer may make payments by electronic funds transfer
28 with the permission of the Department.

29 All taxpayers required to make payment by electronic
30 funds transfer and any taxpayers authorized to voluntarily
31 make payments by electronic funds transfer shall make those
32 payments in the manner authorized by the Department.

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

1 requirements of this Section.

2 Before October 1, 2000, if the taxpayer's average monthly
3 tax liability to the Department under this Act, the
4 Retailers' Occupation Tax Act, the Service Occupation Tax
5 Act, the Service Use Tax Act was \$10,000 or more during the
6 preceding 4 complete calendar quarters, he shall file a
7 return with the Department each month by the 20th day of the
8 month next following the month during which such tax
9 liability is incurred and shall make payments to the
10 Department on or before the 7th, 15th, 22nd and last day of
11 the month during which such liability is incurred. On and
12 after October 1, 2000, if the taxpayer's average monthly tax
13 liability to the Department under this Act, the Retailers'
14 Occupation Tax Act, the Service Occupation Tax Act, and the
15 Service Use Tax Act was \$20,000 or more during the preceding
16 4 complete calendar quarters, he shall file a return with the
17 Department each month by the 20th day of the month next
18 following the month during which such tax liability is
19 incurred and shall make payment to the Department on or
20 before the 7th, 15th, 22nd and last day of the month during
21 which such liability is incurred. If the month during which
22 such tax liability is incurred began prior to January 1,
23 1985, each payment shall be in an amount equal to 1/4 of the
24 taxpayer's actual liability for the month or an amount set by
25 the Department not to exceed 1/4 of the average monthly
26 liability of the taxpayer to the Department for the preceding
27 4 complete calendar quarters (excluding the month of highest
28 liability and the month of lowest liability in such 4 quarter
29 period). If the month during which such tax liability is
30 incurred begins on or after January 1, 1985, and prior to
31 January 1, 1987, each payment shall be in an amount equal to
32 22.5% of the taxpayer's actual liability for the month or
33 27.5% of the taxpayer's liability for the same calendar month
34 of the preceding year. If the month during which such tax

1 liability is incurred begins on or after January 1, 1987, and
2 prior to January 1, 1988, each payment shall be in an amount
3 equal to 22.5% of the taxpayer's actual liability for the
4 month or 26.25% of the taxpayer's liability for the same
5 calendar month of the preceding year. If the month during
6 which such tax liability is incurred begins on or after
7 January 1, 1988, and prior to January 1, 1989, or begins on
8 or after January 1, 1996, each payment shall be in an amount
9 equal to 22.5% of the taxpayer's actual liability for the
10 month or 25% of the taxpayer's liability for the same
11 calendar month of the preceding year. If the month during
12 which such tax liability is incurred begins on or after
13 January 1, 1989, and prior to January 1, 1996, each payment
14 shall be in an amount equal to 22.5% of the taxpayer's actual
15 liability for the month or 25% of the taxpayer's liability
16 for the same calendar month of the preceding year or 100% of
17 the taxpayer's actual liability for the quarter monthly
18 reporting period. The amount of such quarter monthly
19 payments shall be credited against the final tax liability of
20 the taxpayer's return for that month. Before October 1,
21 2000, once applicable, the requirement of the making of
22 quarter monthly payments to the Department shall continue
23 until such taxpayer's average monthly liability to the
24 Department during the preceding 4 complete calendar quarters
25 (excluding the month of highest liability and the month of
26 lowest liability) is less than \$9,000, or until such
27 taxpayer's average monthly liability to the Department as
28 computed for each calendar quarter of the 4 preceding
29 complete calendar quarter period is less than \$10,000.
30 However, if a taxpayer can show the Department that a
31 substantial change in the taxpayer's business has occurred
32 which causes the taxpayer to anticipate that his average
33 monthly tax liability for the reasonably foreseeable future
34 will fall below the \$10,000 threshold stated above, then such

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

32 If any such payment provided for in this Section exceeds
33 the taxpayer's liabilities under this Act, the Retailers'
34 Occupation Tax Act, the Service Occupation Tax Act and the

1 Service Use Tax Act, as shown by an original monthly return,
2 the Department shall issue to the taxpayer a credit
3 memorandum no later than 30 days after the date of payment,
4 which memorandum may be submitted by the taxpayer to the
5 Department in payment of tax liability subsequently to be
6 remitted by the taxpayer to the Department or be assigned by
7 the taxpayer to a similar taxpayer under this Act, the
8 Retailers' Occupation Tax Act, the Service Occupation Tax Act
9 or the Service Use Tax Act, in accordance with reasonable
10 rules and regulations to be prescribed by the Department,
11 except that if such excess payment is shown on an original
12 monthly return and is made after December 31, 1986, no credit
13 memorandum shall be issued, unless requested by the taxpayer.
14 If no such request is made, the taxpayer may credit such
15 excess payment against tax liability subsequently to be
16 remitted by the taxpayer to the Department under this Act,
17 the Retailers' Occupation Tax Act, the Service Occupation Tax
18 Act or the Service Use Tax Act, in accordance with reasonable
19 rules and regulations prescribed by the Department. If the
20 Department subsequently determines that all or any part of
21 the credit taken was not actually due to the taxpayer, the
22 taxpayer's 2.1% or 1.75% vendor's discount shall be reduced
23 by 2.1% or 1.75% of the difference between the credit taken
24 and that actually due, and the taxpayer shall be liable for
25 penalties and interest on such difference.

26 If the retailer is otherwise required to file a monthly
27 return and if the retailer's average monthly tax liability to
28 the Department does not exceed \$200, the Department may
29 authorize his returns to be filed on a quarter annual basis,
30 with the return for January, February, and March of a given
31 year being due by April 20 of such year; with the return for
32 April, May and June of a given year being due by July 20 of
33 such year; with the return for July, August and September of
34 a given year being due by October 20 of such year, and with

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

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

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

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

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

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

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

29 The transaction reporting return in the case of
30 watercraft and aircraft must show the name and address of the
31 seller; the name and address of the purchaser; the amount of
32 the selling price including the amount allowed by the
33 retailer for traded-in property, if any; the amount allowed
34 by the retailer for the traded-in tangible personal property,

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

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

24 With each such transaction reporting return, the retailer
25 shall remit the proper amount of tax due (or shall submit
26 satisfactory evidence that the sale is not taxable if that is
27 the case), to the Department or its agents, whereupon the
28 Department shall issue, in the purchaser's name, a tax
29 receipt (or a certificate of exemption if the Department is
30 satisfied that the particular sale is tax exempt) which such
31 purchaser may submit to the agency with which, or State
32 officer with whom, he must title or register the tangible
33 personal property that is involved (if titling or
34 registration is required) in support of such purchaser's

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

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

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

30 Where a retailer collects the tax with respect to the
31 selling price of tangible personal property which he sells
32 and the purchaser thereafter returns such tangible personal
33 property and the retailer refunds the selling price thereof
34 to the purchaser, such retailer shall also refund, to the

1 purchaser, the tax so collected from the purchaser. When
2 filing his return for the period in which he refunds such tax
3 to the purchaser, the retailer may deduct the amount of the
4 tax so refunded by him to the purchaser from any other use
5 tax which such retailer may be required to pay or remit to
6 the Department, as shown by such return, if the amount of the
7 tax to be deducted was previously remitted to the Department
8 by such retailer. If the retailer has not previously
9 remitted the amount of such tax to the Department, he is
10 entitled to no deduction under this Act upon refunding such
11 tax to the purchaser.

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

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

26 Where the retailer has more than one business registered
27 with the Department under separate registration under this
28 Act, such retailer may not file each return that is due as a
29 single return covering all such registered businesses, but
30 shall file separate returns for each such registered
31 business.

32 Beginning January 1, 1990, each month the Department
33 shall pay into the State and Local Sales Tax Reform Fund, a
34 special fund in the State Treasury which is hereby created,

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

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

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

24 Beginning August 1, 2000, each month the Department shall
25 pay into the State and Local Sales Tax Reform Fund 100% of
26 the net revenue realized for the preceding month from the
27 1.25% rate on the selling price of motor fuel and gasohol.

28 Beginning August 1, 2001, each month the Department shall
29 pay into the State and Local Sales Tax Reform Fund 100% of
30 the net revenue realized for the preceding month form the
31 1.25% rate on the selling price of motor fuel and gasohol in
32 Madison, Monroe, and St. Clair Counties.

33 Beginning January 1, 1990, each month the Department
34 shall pay into the Local Government Tax Fund 16% of the net

1 revenue realized for the preceding month from the 6.25%
2 general rate on the selling price of tangible personal
3 property which is purchased outside Illinois at retail from a
4 retailer and which is titled or registered by an agency of
5 this State's government.

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

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

1 into the Build Illinois Fund are subject to the pledge, claim
 2 and charge set forth in Section 12 of the Build Illinois Bond
 3 Act.

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

17	Fiscal Year	Total Deposit
18	1993	\$0
19	1994	53,000,000
20	1995	58,000,000
21	1996	61,000,000
22	1997	64,000,000
23	1998	68,000,000
24	1999	71,000,000
25	2000	75,000,000
26	2001	80,000,000
27	2002	84,000,000
28	2003	89,000,000
29	2004	93,000,000
30	2005	97,000,000
31	2006	102,000,000
32	2007	108,000,000
33	2008	115,000,000
34	2009	120,000,000

1	2010	126,000,000
2	2011	132,000,000
3	2012	138,000,000
4	2013 and	145,000,000

5 each fiscal year
6 thereafter that bonds
7 are outstanding under
8 Section 13.2 of the
9 Metropolitan Pier and
10 Exposition Authority
11 Act, but not after fiscal year 2029.

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

25 Subject to payment of amounts into the Build Illinois
26 Fund and the McCormick Place Expansion Project Fund pursuant
27 to the preceding paragraphs or in any amendment thereto
28 hereafter enacted, each month the Department shall pay into
29 the Local Government Distributive Fund .4% of the net revenue
30 realized for the preceding month from the 5% general rate, or
31 .4% of 80% of the net revenue realized for the preceding
32 month from the 6.25% general rate, as the case may be, on the
33 selling price of tangible personal property which amount
34 shall, subject to appropriation, be distributed as provided

1 in Section 2 of the State Revenue Sharing Act. No payments or
2 distributions pursuant to this paragraph shall be made if the
3 tax imposed by this Act on photoprocessing products is
4 declared unconstitutional, or if the proceeds from such tax
5 are unavailable for distribution because of litigation.

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

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

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

29 Net revenue realized for a month shall be the revenue
30 collected by the State pursuant to this Act, less the amount
31 paid out during that month as refunds to taxpayers for
32 overpayment of liability.

33 For greater simplicity of administration, manufacturers,
34 importers and wholesalers whose products are sold at retail

1 in Illinois by numerous retailers, and who wish to do so, may
 2 assume the responsibility for accounting and paying to the
 3 Department all tax accruing under this Act with respect to
 4 such sales, if the retailers who are affected do not make
 5 written objection to the Department to this arrangement.

6 (Source: P.A. 90-491, eff. 1-1-99; 90-612, eff. 7-8-98;
 7 91-37, eff. 7-1-99; 91-51, eff. 6-30-99; 91-101, eff.
 8 7-12-99; 91-541, eff. 8-13-99; 91-872, eff. 7-1-00; 91-901,
 9 eff. 1-1-01; revised 8-30-00.)

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

12 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

13 Sec. 3-10. Rate of tax. Unless otherwise provided in
 14 this Section, the tax imposed by this Act is at the rate of
 15 6.25% of the selling price of tangible personal property
 16 transferred as an incident to the sale of service, but, for
 17 the purpose of computing this tax, in no event shall the
 18 selling price be less than the cost price of the property to
 19 the serviceman.

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

24 Beginning on July 1, 2001, with respect to motor fuel, as
 25 defined in Section 1.1 of the Motor Fuel Tax Law, and
 26 gasohol, as defined in Section 3-40 of the Use Tax Act, the
 27 tax is imposed in Madison, Monroe, and St. Clair Counties at
 28 the rate of 1.25%. If, however, the aggregate tax revenues
 29 from motor fuel and gasohol in Madison, Monroe, and St. Clair
 30 Counties under the Motor Fuel Tax Law during the period from
 31 July 1, 2001 through June 30, 2003 are not at least 15% more
 32 than the aggregate tax revenues in Madison, Monroe, and St.

1 Clair Counties from motor fuel and gasohol under that Law
2 during the period from July 1, 1999 through June 30, 2001 as
3 determined by the Department under Section 2-11 of the
4 Retailers' Occupation Tax Act, then beginning July 1, 2004
5 the tax is imposed on motor fuel and gasohol at the 6.25%
6 general rate. The changes made to this Section by this
7 amendatory Act of the 92nd General Assembly are exempt from
8 Section 3-75.

9 With respect to gasohol, as defined in the Use Tax Act,
10 the tax imposed by this Act applies to 70% of the selling
11 price of property transferred as an incident to the sale of
12 service on or after January 1, 1990, and before July 1, 2003,
13 and to 100% of the selling price thereafter.

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

24 The tax shall be imposed at the rate of 1% on food
25 prepared for immediate consumption and transferred incident
26 to a sale of service subject to this Act or the Service
27 Occupation Tax Act by an entity licensed under the Hospital
28 Licensing Act, the Nursing Home Care Act, or the Child Care
29 Act of 1969. The tax shall also be imposed at the rate of 1%
30 on food for human consumption that is to be consumed off the
31 premises where it is sold (other than alcoholic beverages,
32 soft drinks, and food that has been prepared for immediate
33 consumption and is not otherwise included in this paragraph)
34 and prescription and nonprescription medicines, drugs,

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

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

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

29 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;
30 91-51, eff. 6-30-99; 91-541, eff. 8-13-99; 91-872, eff.
31 7-1-00.)

32 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

33 Sec. 9. Each serviceman required or authorized to

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

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

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

- 30 1. The name of the seller;
- 31 2. The address of the principal place of business
32 from which he engages in business as a serviceman in this
33 State;
- 34 3. The total amount of taxable receipts received by

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

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

6 5. The amount of tax due;

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

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

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

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

1 divided by 12.

2 Before August 1 of each year beginning in 1993, the
3 Department shall notify all taxpayers required to make
4 payments by electronic funds transfer. All taxpayers required
5 to make payments by electronic funds transfer shall make
6 those payments for a minimum of one year beginning on October
7 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
12 funds transfer and any taxpayers authorized to voluntarily
13 make payments by electronic funds transfer shall make those
14 payments 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 If the serviceman is otherwise required to file a monthly
19 return and if the serviceman's average monthly tax liability
20 to the Department does not exceed \$200, the Department may
21 authorize his returns to be filed on a quarter annual basis,
22 with the return for January, February and March of a given
23 year being due by April 20 of such year; with the return for
24 April, May and June of a given year being due by July 20 of
25 such year; with the return for July, August and September of
26 a given year being due by October 20 of such year, and with
27 the return for October, November and December of a given year
28 being due by January 20 of the following year.

29 If the serviceman is otherwise required to file a monthly
30 or quarterly return and if the serviceman's average monthly
31 tax liability to the Department does not exceed \$50, the
32 Department may authorize his returns to be filed on an annual
33 basis, with the return for a given year being due by January
34 20 of the following year.

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

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

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

28 Any serviceman filing a return hereunder shall also
29 include the total tax upon the selling price of tangible
30 personal property purchased for use by him as an incident to
31 a sale of service, and such serviceman shall remit the amount
32 of such tax to the Department when filing such return.

33 If experience indicates such action to be practicable,
34 the Department may prescribe and furnish a combination or

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

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

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

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

29 Beginning August 1, 2000, each month the Department shall
30 pay into the State and Local Sales Tax Reform Fund 100% of
31 the net revenue realized for the preceding month from the
32 1.25% rate on the selling price of motor fuel and gasohol.

33 Beginning August 1, 2001, each month the Department shall
34 pay into the State and Local Sales Tax Reform Fund 100% of

1 the net revenue realized for the preceding month from the
2 1.25% rate on the selling price of motor fuel and gasohol in
3 Madison, Monroe and St. Clair Counties.

4 Of the remainder of the moneys received by the Department
5 pursuant to this Act, (a) 1.75% thereof shall be paid into
6 the Build Illinois Fund and (b) prior to July 1, 1989, 2.2%
7 and on and after July 1, 1989, 3.8% thereof shall be paid
8 into the Build Illinois Fund; provided, however, that if in
9 any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%,
10 as the case may be, of the moneys received by the Department
11 and required to be paid into the Build Illinois Fund pursuant
12 to Section 3 of the Retailers' Occupation Tax Act, Section 9
13 of the Use Tax Act, Section 9 of the Service Use Tax Act, and
14 Section 9 of the Service Occupation Tax Act, such Acts being
15 hereinafter called the "Tax Acts" and such aggregate of 2.2%
16 or 3.8%, as the case may be, of moneys being hereinafter
17 called the "Tax Act Amount", and (2) the amount transferred
18 to the Build Illinois Fund from the State and Local Sales Tax
19 Reform Fund shall be less than the Annual Specified Amount
20 (as defined in Section 3 of the Retailers' Occupation Tax
21 Act), an amount equal to the difference shall be immediately
22 paid into the Build Illinois Fund from other moneys received
23 by the Department pursuant to the Tax Acts; and further
24 provided, that if on the last business day of any month the
25 sum of (1) the Tax Act Amount required to be deposited into
26 the Build Illinois Bond Account in the Build Illinois Fund
27 during such month and (2) the amount transferred during such
28 month to the Build Illinois Fund from the State and Local
29 Sales Tax Reform Fund shall have been less than 1/12 of the
30 Annual Specified Amount, an amount equal to the difference
31 shall be immediately paid into the Build Illinois Fund from
32 other moneys received by the Department pursuant to the Tax
33 Acts; and, further provided, that in no event shall the
34 payments required under the preceding proviso result in

1 aggregate payments into the Build Illinois Fund pursuant to
2 this clause (b) for any fiscal year in excess of the greater
3 of (i) the Tax Act Amount or (ii) the Annual Specified Amount
4 for such fiscal year; and, further provided, that the amounts
5 payable into the Build Illinois Fund under this clause (b)
6 shall be payable only until such time as the aggregate amount
7 on deposit under each trust indenture securing Bonds issued
8 and outstanding pursuant to the Build Illinois Bond Act is
9 sufficient, taking into account any future investment income,
10 to fully provide, in accordance with such indenture, for the
11 defeasance of or the payment of the principal of, premium, if
12 any, and interest on the Bonds secured by such indenture and
13 on any Bonds expected to be issued thereafter and all fees
14 and costs payable with respect thereto, all as certified by
15 the Director of the Bureau of the Budget. If on the last
16 business day of any month in which Bonds are outstanding
17 pursuant to the Build Illinois Bond Act, the aggregate of the
18 moneys deposited in the Build Illinois Bond Account in the
19 Build Illinois Fund in such month shall be less than the
20 amount required to be transferred in such month from the
21 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
26 Fund; provided, however, that any amounts paid to the Build
27 Illinois Fund in any fiscal year pursuant to this sentence
28 shall be deemed to constitute payments pursuant to clause (b)
29 of the preceding sentence and shall reduce the amount
30 otherwise payable for such fiscal year pursuant to clause (b)
31 of the preceding sentence. The moneys received by the
32 Department pursuant to this Act and required to be deposited
33 into the Build Illinois Fund are subject to the pledge, claim
34 and charge set forth in Section 12 of the Build Illinois Bond

1 Act.

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

15	Fiscal Year	Total Deposit
16	1993	\$0
17	1994	53,000,000
18	1995	58,000,000
19	1996	61,000,000
20	1997	64,000,000
21	1998	68,000,000
22	1999	71,000,000
23	2000	75,000,000
24	2001	80,000,000
25	2002	84,000,000
26	2003	89,000,000
27	2004	93,000,000
28	2005	97,000,000
29	2006	102,000,000
30	2007	108,000,000
31	2008	115,000,000
32	2009	120,000,000
33	2010	126,000,000
34	2011	132,000,000

1	2012	138,000,000
2	2013 and	145,000,000

3 each fiscal year
 4 thereafter that bonds
 5 are outstanding under
 6 Section 13.2 of the
 7 Metropolitan Pier and
 8 Exposition Authority Act,
 9 but not after fiscal year 2029.

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

23 Subject to payment of amounts into the Build Illinois
 24 Fund and the McCormick Place Expansion Project Fund pursuant
 25 to the preceding paragraphs or in any amendment thereto
 26 hereafter enacted, each month the Department shall pay into
 27 the Local Government Distributive Fund 0.4% of the net
 28 revenue realized for the preceding month from the 5% general
 29 rate or 0.4% of 80% of the net revenue realized for the
 30 preceding month from the 6.25% general rate, as the case may
 31 be, on the selling price of tangible personal property which
 32 amount shall, subject to appropriation, be distributed as
 33 provided in Section 2 of the State Revenue Sharing Act. No
 34 payments or distributions pursuant to this paragraph shall be

1 made if the tax imposed by this Act on photo processing
2 products is declared unconstitutional, or if the proceeds
3 from such tax are unavailable for distribution because of
4 litigation.

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

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

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

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

29 (Source: P.A. 90-612, eff. 7-8-98; 91-37, eff. 7-1-99; 91-51,
30 eff. 6-30-99; 91-101, eff. 7-12-99; 91-541, eff. 8-13-99;
31 91-872, eff. 7-1-00.)

32 Section 20. The Service Occupation Tax Act is amended by
33 changing Sections 3-10 and 9 as follows:

1 (35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

2 Sec. 3-10. Rate of tax. Unless otherwise provided in
3 this Section, the tax imposed by this Act is at the rate of
4 6.25% of the "selling price", as defined in Section 2 of the
5 Service Use Tax Act, of the tangible personal property. For
6 the purpose of computing this tax, in no event shall the
7 "selling price" be less than the cost price to the serviceman
8 of the tangible personal property transferred. The selling
9 price of each item of tangible personal property transferred
10 as an incident of a sale of service may be shown as a
11 distinct and separate item on the serviceman's billing to the
12 service customer. If the selling price is not so shown, the
13 selling price of the tangible personal property is deemed to
14 be 50% of the serviceman's entire billing to the service
15 customer. When, however, a serviceman contracts to design,
16 develop, and produce special order machinery or equipment,
17 the tax imposed by this Act shall be based on the
18 serviceman's cost price of the tangible personal property
19 transferred incident to the completion of the contract.

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

24 Beginning on July 1, 2001, with respect to motor fuel, as
25 defined in Section 1.1 of the Motor Fuel Tax Law, and
26 gasohol, as defined in Section 3-40 of the Use Tax Act, the
27 tax is imposed in Madison, Monroe, and St. Clair Counties at
28 the rate of 1.25%. If, however, the aggregate tax revenues
29 from motor fuel and gasohol in Madison, Monroe, and St. Clair
30 Counties under the Motor Fuel Tax Law during the period from
31 July 1, 2001 through June 30, 2003 are not at least 15% more
32 than the aggregate tax revenues in Madison, Monroe, and St.
33 Clair Counties from motor fuel and gasohol under that Law
34 during the period from July 1, 1999 through June 30, 2001 as

1 determined by the Department under Section 2-11 of the
2 Retailers' Occupation Tax Act, then beginning July 1, 2004
3 the tax is imposed on motor fuel and gasohol at the 6.25%
4 general rate. The changes made to this Section by this
5 amendatory Act of the 92nd General Assembly are exempt from
6 Section 3-55.

7 With respect to gasohol, as defined in the Use Tax Act,
8 the tax imposed by this Act shall apply to 70% of the cost
9 price of property transferred as an incident to the sale of
10 service on or after January 1, 1990, and before July 1, 2003,
11 and to 100% of the cost price thereafter.

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

22 The tax shall be imposed at the rate of 1% on food
23 prepared for immediate consumption and transferred incident
24 to a sale of service subject to this Act or the Service
25 Occupation Tax Act by an entity licensed under the Hospital
26 Licensing Act, the Nursing Home Care Act, or the Child Care
27 Act of 1969. The tax shall also be imposed at the rate of 1%
28 on food for human consumption that is to be consumed off the
29 premises where it is sold (other than alcoholic beverages,
30 soft drinks, and food that has been prepared for immediate
31 consumption and is not otherwise included in this paragraph)
32 and prescription and nonprescription medicines, drugs,
33 medical appliances, modifications to a motor vehicle for the
34 purpose of rendering it usable by a disabled person, and

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

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

20 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;
21 91-51, 6-30-99; 91-541, eff. 8-13-99; 91-872, eff. 7-1-00.)

22 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

23 Sec. 9. Each serviceman required or authorized to
24 collect the tax herein imposed shall pay to the Department
25 the amount of such tax at the time when he is required to
26 file his return for the period during which such tax was
27 collectible, less a discount of 2.1% prior to January 1,
28 1990, and 1.75% on and after January 1, 1990, or \$5 per
29 calendar year, whichever is greater, which is allowed to
30 reimburse the serviceman for expenses incurred in collecting
31 the tax, keeping records, preparing and filing returns,
32 remitting the tax and supplying data to the Department on
33 request.

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

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

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

- 25 1. The name of the seller;
- 26 2. The address of the principal place of business
27 from which he engages in business as a serviceman in this
28 State;
- 29 3. The total amount of taxable receipts received by
30 him during the preceding calendar month, including
31 receipts from charge and time sales, but less all
32 deductions allowed by law;
- 33 4. The amount of credit provided in Section 2d of
34 this 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
- 4 Department may require.

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

9 A serviceman may accept a Manufacturer's Purchase Credit
10 certification from a purchaser in satisfaction of Service Use
11 Tax as provided in Section 3-70 of the Service Use Tax Act if
12 the purchaser provides the appropriate documentation as
13 required by Section 3-70 of the Service Use Tax Act. A
14 Manufacturer's Purchase Credit certification, accepted by a
15 serviceman as provided in Section 3-70 of the Service Use Tax
16 Act, may be used by that serviceman to satisfy Service
17 Occupation Tax liability in the amount claimed in the
18 certification, not to exceed 6.25% of the receipts subject to
19 tax from a qualifying purchase.

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

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

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

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

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

33 Before August 1 of each year beginning in 1993, the
34 Department shall notify all taxpayers required to make

1 payments by electronic funds transfer. All taxpayers
2 required to make payments by electronic funds transfer shall
3 make those payments for a minimum of one year beginning on
4 October 1.

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

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

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

15 Where a serviceman collects the tax with respect to the
16 selling price of tangible personal property which he sells
17 and the purchaser thereafter returns such tangible personal
18 property and the serviceman refunds the selling price thereof
19 to the purchaser, such serviceman shall also refund, to the
20 purchaser, the tax so collected from the purchaser. When
21 filing his return for the period in which he refunds such tax
22 to the purchaser, the serviceman may deduct the amount of the
23 tax so refunded by him to the purchaser from any other
24 Service Occupation Tax, Service Use Tax, Retailers'
25 Occupation Tax or Use Tax which such serviceman may be
26 required to pay or remit to the Department, as shown by such
27 return, provided that the amount of the tax to be deducted
28 shall previously have been remitted to the Department by such
29 serviceman. If the serviceman shall not previously have
30 remitted the amount of such tax to the Department, he shall
31 be entitled to no deduction hereunder upon refunding such tax
32 to the purchaser.

33 If experience indicates such action to be practicable,
34 the Department may prescribe and furnish a combination or

1 joint return which will enable servicemen, who are required
2 to file returns hereunder and also under the Retailers'
3 Occupation Tax Act, the Use Tax Act or the Service Use Tax
4 Act, to furnish all the return information required by all
5 said Acts on the one form.

6 Where the serviceman has more than one business
7 registered with the Department under separate registrations
8 hereunder, such serviceman shall file separate returns for
9 each registered business.

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

19 Beginning January 1, 1990, each month the Department
20 shall pay into the County and Mass Transit District Fund 4%
21 of the revenue realized for the preceding month from the
22 6.25% general rate.

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

27 Beginning August 1, 2001, each month the Department shall
28 pay into the County and Mass Transit District Fund 20% of the
29 net revenue realized for the preceding month form the 1.25%
30 rate on the selling price of motor fuel and gasohol in
31 Madison, Monroe, and St. Clair Counties.

32 Beginning January 1, 1990, each month the Department
33 shall pay into the Local Government Tax Fund 16% of the
34 revenue realized for the preceding month from the 6.25%

1 general rate on transfers of tangible personal property.

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

6 Beginning August 1, 2001, each month the Department shall
7 pay into the Local Government Tax Fund 80% of the net revenue
8 realized for the preceding month form the 1.25% rate on the
9 selling price of motor fuel and gasohol in Madison, Monroe,
10 and St. Clair Counties.

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

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

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

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

22	Fiscal Year	Total Deposit
23	1993	\$0
24	1994	53,000,000
25	1995	58,000,000
26	1996	61,000,000
27	1997	64,000,000
28	1998	68,000,000
29	1999	71,000,000
30	2000	75,000,000
31	2001	80,000,000
32	2002	84,000,000
33	2003	89,000,000
34	2004	93,000,000

1	2005	97,000,000
2	2006	102,000,000
3	2007	108,000,000
4	2008	115,000,000
5	2009	120,000,000
6	2010	126,000,000
7	2011	132,000,000
8	2012	138,000,000
9	2013 and	145,000,000

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
16 Act, but not after fiscal year 2029.

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

30 Subject to payment of amounts into the Build Illinois
31 Fund and the McCormick Place Expansion Project Fund pursuant
32 to the preceding paragraphs or in any amendment thereto
33 hereafter enacted, each month the Department shall pay into
34 the Local Government Distributive Fund 0.4% of the net

1 revenue realized for the preceding month from the 5% general
2 rate or 0.4% of 80% of the net revenue realized for the
3 preceding month from the 6.25% general rate, as the case may
4 be, on the selling price of tangible personal property which
5 amount shall, subject to appropriation, be distributed as
6 provided in Section 2 of the State Revenue Sharing Act. No
7 payments or distributions pursuant to this paragraph shall be
8 made if the tax imposed by this Act on photoprocessing
9 products is declared unconstitutional, or if the proceeds
10 from such tax are unavailable for distribution because of
11 litigation.

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

21 Remaining moneys received by the Department pursuant to
22 this Act shall be paid into the General Revenue Fund of the
23 State Treasury.

24 The Department may, upon separate written notice to a
25 taxpayer, require the taxpayer to prepare and file with the
26 Department on a form prescribed by the Department within not
27 less than 60 days after receipt of the notice an annual
28 information return for the tax year specified in the notice.
29 Such annual return to the Department shall include a
30 statement of gross receipts as shown by the taxpayer's last
31 Federal income tax return. If the total receipts of the
32 business as reported in the Federal income tax return do not
33 agree with the gross receipts reported to the Department of
34 Revenue for the same period, the taxpayer shall attach to his

1 annual return a schedule showing a reconciliation of the 2
2 amounts and the reasons for the difference. The taxpayer's
3 annual return to the Department shall also disclose the cost
4 of goods sold by the taxpayer during the year covered by such
5 return, opening and closing inventories of such goods for
6 such year, cost of goods used from stock or taken from stock
7 and given away by the taxpayer during such year, pay roll
8 information of the taxpayer's business during such year and
9 any additional reasonable information which the Department
10 deems would be helpful in determining the accuracy of the
11 monthly, quarterly or annual returns filed by such taxpayer
12 as hereinbefore provided for in this Section.

13 If the annual information return required by this Section
14 is not filed when and as required, the taxpayer shall be
15 liable as follows:

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

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

26 The chief executive officer, proprietor, owner or highest
27 ranking manager shall sign the annual return to certify the
28 accuracy of the information contained therein. Any person
29 who willfully signs the annual return containing false or
30 inaccurate information shall be guilty of perjury and
31 punished accordingly. The annual return form prescribed by
32 the Department shall include a warning that the person
33 signing the return may be liable for perjury.

34 The foregoing portion of this Section concerning the

1 filing of an annual information return shall not apply to a
2 serviceman who is not required to file an income tax return
3 with the United States Government.

4 As soon as possible after the first day of each month,
5 upon certification of the Department of Revenue, the
6 Comptroller shall order transferred and the Treasurer shall
7 transfer from the General Revenue Fund to the Motor Fuel Tax
8 Fund an amount equal to 1.7% of 80% of the net revenue
9 realized under this Act for the second preceding month.
10 Beginning April 1, 2000, this transfer is no longer required
11 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, it shall be
17 permissible for manufacturers, importers and wholesalers
18 whose products are sold by numerous servicemen in Illinois,
19 and who wish to do so, to assume the responsibility for
20 accounting and paying to the Department all tax accruing
21 under this Act with respect to such sales, if the servicemen
22 who are affected do not make written objection to the
23 Department to this arrangement.

24 (Source: P.A. 90-612, eff. 7-8-98; 91-37, eff. 7-1-99; 91-51,
25 eff. 6-30-99; 91-101, eff. 7-12-99; 91-541, eff. 8-13-99;
26 91-872, eff. 7-1-00.)

27 Section 25. The Retailers' Occupation Tax Act is amended
28 by changing Sections 2-10, 2d, and 3 and by adding Section
29 2-11 as follows:

30 (35 ILCS 120/2-10) (from Ch. 120, par. 441-10)

31 Sec. 2-10. Rate of tax. Unless otherwise provided in
32 this Section, the tax imposed by this Act is at the rate of

1 6.25% of gross receipts from sales of tangible personal
2 property made in the course of business.

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
6 of the Use Tax Act, the tax is imposed at the rate of 1.25%.

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

22 Beginning on July 1, 2001, with respect to motor fuel, as
23 defined in Section 1.1 of the Motor Fuel Tax Law, and
24 gasohol, as defined in Section 3-40 of the Use Tax Act, the
25 tax is imposed in Madison, Monroe, and St. Clair Counties at
26 the rate of 1.25%. If, however, the aggregate tax revenues
27 from motor fuel and gasohol in Madison, Monroe, and St. Clair
28 Counties under the Motor Fuel Tax Law during the period from
29 July 1, 2001 through June 30, 2003 are not at least 15% more
30 than the aggregate tax revenues in Madison, Monroe, and St.
31 Clair Counties from motor fuel and gasohol under that Law
32 during the period from July 1, 1999 through June 30, 2001 as
33 determined by the Department under Section 2-11 of the
34 Retailers' Occupation Tax Act, then beginning July 1, 2004

1 the tax is imposed on motor fuel and gasohol at the 6.25%
2 general rate. The changes made to this Section by this
3 amendatory Act of the 92nd General Assembly are exempt from
4 Section 2-70.

5 With respect to gasohol, as defined in the Use Tax Act,
6 the tax imposed by this Act applies to 70% of the proceeds of
7 sales made on or after January 1, 1990, and before July 1,
8 2003, and to 100% of the proceeds of sales made thereafter.

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

29 Notwithstanding any other provisions of this Act, "food
30 for human consumption that is to be consumed off the premises
31 where it is sold" includes all food sold through a vending
32 machine, except soft drinks and food products that are
33 dispensed hot from a vending machine, regardless of the
34 location of the vending machine.

1 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;
2 91-51, eff. 6-30-99; 91-872, eff. 7-1-00.)

3 (35 ILCS 120/2-11 new)

4 Sec. 2-11. Pilot project study of regional tax reduction
5 on motor fuel.

6 (a) The Department of Revenue shall study the impact on
7 State revenues as a result of the 3-year pilot project
8 eliminating the State's portion of the State use and
9 occupation taxes imposed on motor fuel and gasohol in
10 Madison, Monroe, and St. Clair Counties under this amendatory
11 Act of the 92nd General Assembly. The Department shall issue
12 a report to the General Assembly for each year of the pilot
13 project on or before January 1, 2003, January 1, 2004, and
14 January 1, 2005, respectively. The requirement for reporting
15 to the General Assembly shall be satisfied by filing copies
16 of the report as required under Section 3.1 of the General
17 Assembly Organization Act.

18 (b) The Department of Revenue shall make a determination
19 as to whether the State revenue generated during the
20 elimination of the State's portion of the State imposed use
21 and occupation taxes on motor fuel and gasohol in Madison,
22 Monroe, and St. Clair Counties satisfies the requirements
23 imposed by this amendatory Act of the 92nd General Assembly
24 under Section 3-10 of the Use Tax Act, 3-10 of the Service
25 Use Tax Act, 3-10 of the Service Occupation Tax Act, and 2-10
26 of this Act. The Department shall compare the aggregate tax
27 revenues from motor fuel and gasohol in Madison, Monroe, and
28 St. Clair Counties under the Motor Fuel Tax Law during the
29 period from July 1, 2001 through June 30, 2003 with the
30 aggregate tax revenues in Madison, Monroe, and St. Clair
31 Counties from motor fuel and gasohol under that Law during
32 the period from July 1, 1999 through June 30, 2001. If the
33 aggregate tax revenues from motor fuel and gasohol in

1 Madison, Monroe, and St. Clair Counties under the Motor Fuel
2 Tax Law during the period from July 1, 2001 through June 30,
3 2003 are not at least 15% more than the aggregate tax
4 revenues in Madison, Monroe, and St. Clair Counties from
5 motor fuel and gasohol under that Law during the period from
6 July 1, 1999 through June 30, 2001, then the rate of the tax
7 shall revert to 6.25%. If the aggregate tax revenues from
8 motor fuel and gasohol in Madison, Monroe, and St. Clair
9 Counties under the Motor Fuel Tax Law during the period from
10 July 1, 2001 through June 30, 2003 are at least 15% more than
11 the aggregate tax revenues in Madison, Monroe, and St. Clair
12 Counties from motor fuel and gasohol under that Law during
13 the period from July 1, 1999 through June 30, 2001, then the
14 rate of the tax shall remain at 1.25%.

15 (35 ILCS 120/2d) (from Ch. 120, par. 441d)

16 Sec. 2d. Tax prepayment by motor fuel retailer. Any
17 person engaged in the business of selling motor fuel at
18 retail, as defined in the Motor Fuel Tax Law, and who is not
19 a licensed distributor or supplier, as defined in the Motor
20 Fuel Tax Law, shall prepay to his or her distributor,
21 supplier, or other reseller of motor fuel a portion of the
22 tax imposed by this Act if the distributor, supplier, or
23 other reseller of motor fuel is registered under Section 2a
24 or Section 2c of this Act. The prepayment requirement
25 provided for in this Section does not apply to liquid propane
26 gas.

27 Beginning on July 1, 2000 and through December 31, 2000,
28 the Retailers' Occupation Tax paid to the distributor,
29 supplier, or other reseller shall be an amount equal to \$0.01
30 per gallon of the motor fuel, except gasohol as defined in
31 Section 2-10 of this Act which shall be an amount equal to
32 \$0.01 per gallon, purchased from the distributor, supplier,
33 or other reseller.

1 For (i) all counties before July 1, 2000 and then
2 beginning on January 1, 2001 and through June 30, 2001, and
3 then beginning again if the rate in Madison, Monroe, and St.
4 Clair Counties reverts to 6.25% and thereafter, and (ii) all
5 counties except Madison, Monroe, and St. Clair Counties
6 beginning on July 1, 2001 and until the rate in Madison,
7 Monroe, and St. Clair Counties reverts to 6.25%, the
8 Retailers' Occupation Tax paid to the distributor, supplier,
9 or other reseller shall be an amount equal to \$0.04 per
10 gallon of the motor fuel, except gasohol as defined in
11 Section 2-10 of this Act which shall be an amount equal to
12 \$0.03 per gallon, purchased from the distributor, supplier,
13 or other reseller.

14 In Madison, Monroe, and St. Clair Counties, beginning on
15 July 1, 2001 and until the rate reverts to 6.25%, the
16 Retailers' Occupation Tax paid to the distributor, supplier,
17 or other reseller shall be an amount equal to \$0.01 per
18 gallon of the motor fuel, including gasohol, purchased from
19 the distributor, supplier, or other reseller.

20 Any person engaged in the business of selling motor fuel
21 at retail shall be entitled to a credit against tax due under
22 this Act in an amount equal to the tax paid to the
23 distributor, supplier, or other reseller.

24 Every distributor, supplier, or other reseller registered
25 as provided in Section 2a or Section 2c of this Act shall
26 remit the prepaid tax on all motor fuel that is due from any
27 person engaged in the business of selling at retail motor
28 fuel with the returns filed under Section 2f or Section 3 of
29 this Act, but the vendors discount provided in Section 3
30 shall not apply to the amount of prepaid tax that is
31 remitted. Any distributor or supplier who fails to properly
32 collect and remit the tax shall be liable for the tax. For
33 purposes of this Section, the prepaid tax is due on invoiced
34 gallons sold during a month by the 20th day of the following

1 month.

2 (Source: P.A. 91-872, eff. 7-1-00.)

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

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

9 1. The name of the seller;

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

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

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

25 5. Deductions allowed by law;

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

29 7. The amount of credit provided in Section 2d of
30 this Act;

31 8. The amount of tax due;

32 9. The signature of the taxpayer; and

33 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
5 be 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 A retailer may accept a Manufacturer's Purchase Credit
10 certification from a purchaser in satisfaction of Use Tax as
11 provided in Section 3-85 of the Use Tax Act if the purchaser
12 provides the appropriate documentation as required by Section
13 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit
14 certification, accepted by a retailer as provided in Section
15 3-85 of the Use Tax Act, may be used by that retailer to
16 satisfy Retailers' Occupation Tax liability in the amount
17 claimed in the certification, not to exceed 6.25% of the
18 receipts subject to tax from a qualifying purchase.

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

- 27 1. The name of the seller;
- 28 2. The address of the principal place of business
29 from which he engages in the business of selling tangible
30 personal property at retail in this State;
- 31 3. The total amount of taxable receipts received by
32 him during the preceding calendar month from sales of
33 tangible personal property by him during such preceding
34 calendar month, including receipts from charge and time

1 sales, but less all deductions allowed by law;

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

4 5. The amount of tax due; and

5 6. Such other reasonable information as the
6 Department may require.

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

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

33 Before August 1 of each year beginning in 1993, the
34 Department shall notify all taxpayers required to make

1 payments by electronic funds transfer. All taxpayers
2 required to make payments by electronic funds transfer shall
3 make those payments for a minimum of one year beginning on
4 October 1.

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

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

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

15 Any amount which is required to be shown or reported on
16 any return or other document under this Act shall, if such
17 amount is not a whole-dollar amount, be increased to the
18 nearest whole-dollar amount in any case where the fractional
19 part of a dollar is 50 cents or more, and decreased to the
20 nearest whole-dollar amount where the fractional part of a
21 dollar is less than 50 cents.

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

33 If the retailer is otherwise required to file a monthly
34 or quarterly return and if the retailer's average monthly tax

1 liability with the Department does not exceed \$50, the
2 Department may authorize his returns to be filed on an annual
3 basis, with the return for a given year being due by January
4 20 of the following year.

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

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

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

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

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

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

19 The transaction reporting return, in the case of motor
20 vehicles or trailers that are required to be registered with
21 an agency of this State, shall be the same document as the
22 Uniform Invoice referred to in Section 5-402 of The Illinois
23 Vehicle Code and must show the name and address of the
24 seller; the name and address of the purchaser; the amount of
25 the selling price including the amount allowed by the
26 retailer for traded-in property, if any; the amount allowed
27 by the retailer for the traded-in tangible personal property,
28 if any, to the extent to which Section 1 of this Act allows
29 an exemption for the value of traded-in property; the balance
30 payable after deducting such trade-in allowance from the
31 total selling price; the amount of tax due from the retailer
32 with respect to such transaction; the amount of tax collected
33 from the purchaser by the retailer on such transaction (or
34 satisfactory evidence that such tax is not due in that

1 particular instance, if that is claimed to be the fact); the
2 place and date of the sale; a sufficient identification of
3 the property sold; such other information as is required in
4 Section 5-402 of The Illinois Vehicle Code, and such other
5 information as the Department may reasonably require.

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

23 Such transaction reporting return shall be filed not
24 later than 20 days after the day of delivery of the item that
25 is being sold, but may be filed by the retailer at any time
26 sooner than that if he chooses to do so. The transaction
27 reporting return and tax remittance or proof of exemption
28 from the Illinois use tax may be transmitted to the
29 Department by way of the State agency with which, or State
30 officer with whom the tangible personal property must be
31 titled or registered (if titling or registration is required)
32 if the Department and such agency or State officer determine
33 that this procedure will expedite the processing of
34 applications for title or registration.

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

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

22 If the user who would otherwise pay tax to the retailer
23 wants the transaction reporting return filed and the payment
24 of the tax or proof of exemption made to the Department
25 before the retailer is willing to take these actions and such
26 user has not paid the tax to the retailer, such user may
27 certify to the fact of such delay by the retailer and may
28 (upon the Department being satisfied of the truth of such
29 certification) transmit the information required by the
30 transaction reporting return and the remittance for tax or
31 proof of exemption directly to the Department and obtain his
32 tax receipt or exemption determination, in which event the
33 transaction reporting return and tax remittance (if a tax
34 payment was required) shall be credited by the Department to

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

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

24 Except as provided in this Section, the retailer filing
25 the return under this Section shall, at the time of filing
26 such return, pay to the Department the amount of tax imposed
27 by this Act less a discount of 2.1% prior to January 1, 1990
28 and 1.75% on and after January 1, 1990, or \$5 per calendar
29 year, whichever is greater, which is allowed to reimburse the
30 retailer for the expenses incurred in keeping records,
31 preparing and filing returns, remitting the tax and supplying
32 data to the Department on request. Any prepayment made
33 pursuant to Section 2d of this Act shall be included in the
34 amount on which such 2.1% or 1.75% discount is computed. In

1 the case of retailers who report and pay the tax on a
2 transaction by transaction basis, as provided in this
3 Section, such discount shall be taken with each such tax
4 remittance instead of when such retailer files his periodic
5 return.

6 Before October 1, 2000, if the taxpayer's average monthly
7 tax liability to the Department under this Act, the Use Tax
8 Act, the Service Occupation Tax Act, and the Service Use Tax
9 Act, excluding any liability for prepaid sales tax to be
10 remitted in accordance with Section 2d of this Act, was
11 \$10,000 or more during the preceding 4 complete calendar
12 quarters, he shall file a return with the Department each
13 month by the 20th day of the month next following the month
14 during which such tax liability is incurred and shall make
15 payments to the Department on or before the 7th, 15th, 22nd
16 and last day of the month during which such liability is
17 incurred. On and after October 1, 2000, if the taxpayer's
18 average monthly tax liability to the Department under this
19 Act, the Use Tax Act, the Service Occupation Tax Act, and the
20 Service Use Tax Act, excluding any liability for prepaid
21 sales tax to be remitted in accordance with Section 2d of
22 this Act, was \$20,000 or more during the preceding 4 complete
23 calendar quarters, he shall file a return with the Department
24 each month by the 20th day of the month next following the
25 month during which such tax liability is incurred and shall
26 make payment to the Department on or before the 7th, 15th,
27 22nd and last day of the month during which such liability is
28 incurred. If the month during which such tax liability is
29 incurred began prior to January 1, 1985, each payment shall
30 be in an amount equal to 1/4 of the taxpayer's actual
31 liability for the month or an amount set by the Department
32 not to exceed 1/4 of the average monthly liability of the
33 taxpayer to the Department for the preceding 4 complete
34 calendar quarters (excluding the month of highest liability

1 and the month of lowest liability in such 4 quarter period).
2 If the month during which such tax liability is incurred
3 begins on or after January 1, 1985 and prior to January 1,
4 1987, each payment shall be in an amount equal to 22.5% of
5 the taxpayer's actual liability for the month or 27.5% of the
6 taxpayer's liability for the same calendar month of the
7 preceding year. If the month during which such tax liability
8 is incurred begins on or after January 1, 1987 and prior to
9 January 1, 1988, each payment shall be in an amount equal to
10 22.5% of the taxpayer's actual liability for the month or
11 26.25% of the taxpayer's liability for the same calendar
12 month of the preceding year. If the month during which such
13 tax liability is incurred begins on or after January 1, 1988,
14 and prior to January 1, 1989, or begins on or after January
15 1, 1996, each payment shall be in an amount equal to 22.5% of
16 the taxpayer's actual liability for the month or 25% of the
17 taxpayer's liability for the same calendar month of the
18 preceding year. If the month during which such tax liability
19 is incurred begins on or after January 1, 1989, and prior to
20 January 1, 1996, each payment shall be in an amount equal to
21 22.5% of the taxpayer's actual liability for the month or 25%
22 of the taxpayer's liability for the same calendar month of
23 the preceding year or 100% of the taxpayer's actual liability
24 for the quarter monthly reporting period. The amount of such
25 quarter monthly payments shall be credited against the final
26 tax liability of the taxpayer's return for that month.
27 Before October 1, 2000, once applicable, the requirement of
28 the making of quarter monthly payments to the Department by
29 taxpayers having an average monthly tax liability of \$10,000
30 or more as determined in the manner provided above shall
31 continue until such taxpayer's average monthly liability to
32 the Department during the preceding 4 complete calendar
33 quarters (excluding the month of highest liability and the
34 month of lowest liability) is less than \$9,000, or until such

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

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

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

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

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

33 If a retailer of motor fuel is entitled to a credit under
34 Section 2d of this Act which exceeds the taxpayer's liability

1 to the Department under this Act for the month which the
2 taxpayer is filing a return, the Department shall issue the
3 taxpayer a credit memorandum for the excess.

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

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

23 Beginning August 1, 2001, each month the Department shall
24 pay into the County and Mass Transit District Fund 20% of the
25 net revenue realized for the preceding month form the 1.25%
26 rate on the selling price of motor fuel and gasohol in
27 Madison, Monroe, and St. Clair Counties.

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

33 Beginning August 1, 2000, each month the Department shall
34 pay into the Local Government Tax Fund 80% of the net revenue

1 realized for the preceding month from the 1.25% rate on the
2 selling price of motor fuel and gasohol.

3 Beginning August 1, 2001, each month the Department shall
4 pay into the Local Government Tax Fund 80% of the net revenue
5 realized for the preceding month form the 1.25% rate on the
6 selling price of motor fuel and gasohol in Madison, Monroe,
7 and St. Clair Counties.

8 Of the remainder of the moneys received by the Department
9 pursuant to this Act, (a) 1.75% thereof shall be paid into
10 the Build Illinois Fund and (b) prior to July 1, 1989, 2.2%
11 and on and after July 1, 1989, 3.8% thereof shall be paid
12 into the Build Illinois Fund; provided, however, that if in
13 any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%,
14 as the case may be, of the moneys received by the Department
15 and required to be paid into the Build Illinois Fund pursuant
16 to this Act, Section 9 of the Use Tax Act, Section 9 of the
17 Service Use Tax Act, and Section 9 of the Service Occupation
18 Tax Act, such Acts being hereinafter called the "Tax Acts"
19 and such aggregate of 2.2% or 3.8%, as the case may be, of
20 moneys being hereinafter called the "Tax Act Amount", and (2)
21 the amount transferred to the Build Illinois Fund from the
22 State and Local Sales Tax Reform Fund shall be less than the
23 Annual Specified Amount (as hereinafter defined), an amount
24 equal to the difference shall be immediately paid into the
25 Build Illinois Fund from other moneys received by the
26 Department pursuant to the Tax Acts; the "Annual Specified
27 Amount" means the amounts specified below for fiscal years
28 1986 through 1993:

29	Fiscal Year	Annual Specified Amount
30	1986	\$54,800,000
31	1987	\$76,650,000
32	1988	\$80,480,000
33	1989	\$88,510,000
34	1990	\$115,330,000

1	1991	\$145,470,000
2	1992	\$182,730,000
3	1993	\$206,520,000;

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

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

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

33	Fiscal Year	Total Deposit
34	1993	\$0

1	1994	53,000,000
2	1995	58,000,000
3	1996	61,000,000
4	1997	64,000,000
5	1998	68,000,000
6	1999	71,000,000
7	2000	75,000,000
8	2001	80,000,000
9	2002	84,000,000
10	2003	89,000,000
11	2004	93,000,000
12	2005	97,000,000
13	2006	102,000,000
14	2007	108,000,000
15	2008	115,000,000
16	2009	120,000,000
17	2010	126,000,000
18	2011	132,000,000
19	2012	138,000,000
20	2013 and	145,000,000

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
 27 Act, but not after fiscal year 2029.

28 Beginning July 20, 1993 and in each month of each fiscal
 29 year thereafter, one-eighth of the amount requested in the
 30 certificate of the Chairman of the Metropolitan Pier and
 31 Exposition Authority for that fiscal year, less the amount
 32 deposited into the McCormick Place Expansion Project Fund by
 33 the State Treasurer in the respective month under subsection
 34 (g) of Section 13 of the Metropolitan Pier and Exposition

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

7 Subject to payment of amounts into the Build Illinois
8 Fund and the McCormick Place Expansion Project Fund pursuant
9 to the preceding paragraphs or in any amendment thereto
10 hereafter enacted, each month the Department shall pay into
11 the Local Government Distributive Fund 0.4% of the net
12 revenue realized for the preceding month from the 5% general
13 rate or 0.4% of 80% of the net revenue realized for the
14 preceding month from the 6.25% general rate, as the case may
15 be, on the selling price of tangible personal property which
16 amount shall, subject to appropriation, be distributed as
17 provided in Section 2 of the State Revenue Sharing Act. No
18 payments or distributions pursuant to this paragraph shall be
19 made if the tax imposed by this Act on photoprocessing
20 products is declared unconstitutional, or if the proceeds
21 from such tax are unavailable for distribution because of
22 litigation.

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

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

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

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

27 If the annual information return required by this Section
28 is not filed when and as required, the taxpayer shall be
29 liable as follows:

30 (i) Until January 1, 1994, the taxpayer shall be
31 liable for a penalty equal to 1/6 of 1% of the tax due
32 from such taxpayer under this Act during the period to be
33 covered by the annual return for each month or fraction
34 of a month until such return is filed as required, the

1 penalty to be assessed and collected in the same manner
2 as any other penalty provided for in this Act.

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

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

14 The provisions of this Section concerning the filing of
15 an annual information return do not apply to a retailer who
16 is not required to file an income tax return with the United
17 States Government.

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

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

30 For greater simplicity of administration, manufacturers,
31 importers and wholesalers whose products are sold at retail
32 in Illinois by numerous retailers, and who wish to do so, may
33 assume the responsibility for accounting and paying to the
34 Department all tax accruing under this Act with respect to

1 such sales, if the retailers who are affected do not make
2 written objection to the Department to this arrangement.

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

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

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

7 (Source: P.A. 90-491, eff. 1-1-99; 90-612, eff. 7-8-98;
8 91-37, eff. 7-1-99; 91-51, eff. 6-30-99; 91-101, eff.
9 7-12-99; 91-541, eff. 8-13-99; 91-872, eff. 7-1-00; 91-901,
10 eff. 1-1-01; revised 1-15-01.)

11 Section 30. The Motor Fuel Tax Law is amended by
12 changing Section 13a as follows:

13 (35 ILCS 505/13a) (from Ch. 120, par. 429a)

14 Sec. 13a. Commercial vehicle motor fuel use tax.

15 (1) A tax is hereby imposed upon the use of motor fuel
16 upon highways of this State by commercial motor vehicles. The
17 tax shall be comprised of 2 parts. Part (a) shall be at the
18 rate established by Section 2 of this Act, as heretofore or
19 hereafter amended. Part (b) shall be at the rate established
20 by subsection (2) of this Section as now or hereafter
21 amended.

22 (2) Except as otherwise provided in this subsection (2),
23 a rate shall be established by the Department as of January 1
24 of each year using the average "selling price", as defined in
25 the Retailers' Occupation Tax Act, per gallon of motor fuel
26 sold in this State during the previous 12 months and
27 multiplying it by 6 1/4% to determine the cents per gallon
28 rate.

29 For the period beginning on July 1, 2000 and through
30 December 31, 2000, the Department shall establish a rate
31 using the average "selling price", as defined in the
32 Retailers' Occupation Tax Act, per gallon of motor fuel sold

1 in this State during calendar year 1999 and multiplying it by
2 1.25% to determine the cents per gallon rate.

3 In Madison, Monroe, and St. Clair Counties, for the
4 period beginning on July 1, 2001 and through December 31,
5 2001, the Department shall establish a rate using the average
6 "selling price", as defined in the Retailers' Occupation Tax
7 Act, per gallon of motor fuel sold in the State during the
8 calendar year 2000 and multiplying it by 1.25% to determine
9 the cents per gallon rate.

10 In Madison, Monroe, and St. Clair Counties, for the
11 calendar years 2002 and 2003, the Department shall establish
12 a rate using the average "selling price", as defined in the
13 Retailers' Occupation Tax Act, per gallon of motor fuel sold
14 in the State during the previous 12 months and multiplying it
15 by 1.25% to determine the cents per gallon rate.

16 In Madison, Monroe, and St. Clair Counties, for the
17 period beginning on January 1, 2004 and through June 30,
18 2004, the Department shall establish a rate using the average
19 "selling price", as defined in the Retailers' Occupation Tax
20 Act, per gallon of motor fuel sold in the State during the
21 calendar year 2003 and multiplying it by 1.25% to determine
22 the cents per gallon rate.

23 Beginning again on July 1, 2004, the Department shall
24 impose the tax in Madison, Monroe, and St. Clair Counties in
25 accordance with the rate established in this subsection (2)
26 corresponding to the rate of tax imposed in those counties on
27 motor fuel under the Use Tax Act, the Service Use Tax Act,
28 the Service Occupation Tax Act, and the Retailers' Occupation
29 Tax Act.

30 (Source: P.A. 91-872, eff. 7-1-00.)

31 Section 99. Effective date. This Act takes effect upon
32 becoming law.