

1 AN ACT regarding 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, 2002, the 1.25% rate on  
7 textbooks required for use at State universities and public  
8 community colleges) on sales subject to taxation under the  
9 Retailers' Occupation Tax Act and the Service Occupation Tax  
10 Act, which occurred in municipalities, shall be distributed  
11 to each municipality, based upon the sales which occurred in  
12 that municipality. The remainder shall be distributed to each  
13 county, based upon the sales which occurred in the  
14 unincorporated area of such county.

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

24 Whenever the Department determines that a refund of money  
25 paid into the Local Government Tax Fund should be made to a  
26 claimant instead of issuing a credit memorandum, the  
27 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 Local Government Tax 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 named municipalities

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

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

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

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

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

11          (30 ILCS 105/6z-20) (from Ch. 127, par. 142z-20)

12          Sec. 6z-20. Of the money received from the 6.25% general  
13          rate (and, beginning July 1, 2000 and through December 31,  
14          2000, the 1.25% rate on motor fuel and gasohol and, beginning  
15          July 1, 2002, the 1.25% rate on textbooks required for use at  
16          State universities and public community colleges) on sales  
17          subject to taxation under the Retailers' Occupation Tax Act  
18          and Service Occupation Tax Act and paid into the County and  
19          Mass Transit District Fund, distribution to the Regional  
20          Transportation Authority tax fund, created pursuant to  
21          Section 4.03 of the Regional Transportation Authority Act,  
22          for deposit therein shall be made based upon the retail sales  
23          occurring in a county having more than 3,000,000 inhabitants.  
24          The remainder shall be distributed to each county having  
25          3,000,000 or fewer inhabitants based upon the retail sales  
26          occurring in each such county.

27          For the purpose of determining allocation to the local  
28          government unit, a retail sale by a producer of coal or other  
29          mineral mined in Illinois is a sale at retail at the place  
30          where the coal or other mineral mined in Illinois is  
31          extracted from the earth. This paragraph does not apply to  
32          coal or other mineral when it is delivered or shipped by the  
33          seller to the purchaser at a point outside Illinois so that

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

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

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

30 On or before the 25th day of each calendar month, the  
31 Department shall prepare and certify to the Comptroller the  
32 disbursement of stated sums of money to the Regional  
33 Transportation Authority and to named counties, the counties  
34 to be those entitled to distribution, as hereinabove

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

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

30 The provisions directing the distributions from the  
31 special fund in the State Treasury provided for in this  
32 Section and from the Regional Transportation Authority tax  
33 fund created by Section 4.03 of the Regional Transportation  
34 Authority Act shall constitute an irrevocable and continuing

1 appropriation of all amounts as provided herein. The State  
2 Treasurer and State Comptroller are hereby authorized to make  
3 distributions as provided in this Section.

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

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

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

16 (35 ILCS 105/3-10) (from Ch. 120, par. 439.3-10)

17 Sec. 3-10. Rate of tax. Unless otherwise provided in  
18 this Section, the tax imposed by this Act is at the rate of  
19 6.25% of either the selling price or the fair market value,  
20 if any, of the tangible personal property. In all cases  
21 where property functionally used or consumed is the same as  
22 the property that was purchased at retail, then the tax is  
23 imposed on the selling price of the property. In all cases  
24 where property functionally used or consumed is a by-product  
25 or waste product that has been refined, manufactured, or  
26 produced from property purchased at retail, then the tax is  
27 imposed on the lower of the fair market value, if any, of the  
28 specific property so used in this State or on the selling  
29 price of the property purchased at retail. For purposes of  
30 this Section "fair market value" means the price at which  
31 property would change hands between a willing buyer and a  
32 willing seller, neither being under any compulsion to buy or

1 sell and both having reasonable knowledge of the relevant  
2 facts. The fair market value shall be established by Illinois  
3 sales by the taxpayer of the same property as that  
4 functionally used or consumed, or if there are no such sales  
5 by the taxpayer, then comparable sales or purchases of  
6 property of like kind and character in Illinois.

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

11 With respect to gasohol, the tax imposed by this Act  
12 applies to 70% of the proceeds of sales made on or after  
13 January 1, 1990, and before July 1, 2003, and to 100% of the  
14 proceeds of sales made thereafter.

15 Beginning July 1, 2002, with respect to textbooks  
16 required for use at State universities and public community  
17 colleges, the tax is imposed at the rate of 1.25%. The  
18 Department may adopt rules necessary to implement and  
19 administer the 1.25% rate on textbooks.

20 With respect to food for human consumption that is to be  
21 consumed off the premises where it is sold (other than  
22 alcoholic beverages, soft drinks, and food that has been  
23 prepared for immediate consumption) and prescription and  
24 nonprescription medicines, drugs, medical appliances,  
25 modifications to a motor vehicle for the purpose of rendering  
26 it usable by a disabled person, and insulin, urine testing  
27 materials, syringes, and needles used by diabetics, for human  
28 use, the tax is imposed at the rate of 1%. For the purposes  
29 of this Section, the term "soft drinks" means any complete,  
30 finished, ready-to-use, non-alcoholic drink, whether  
31 carbonated or not, including but not limited to soda water,  
32 cola, fruit juice, vegetable juice, carbonated water, and all  
33 other preparations commonly known as soft drinks of whatever  
34 kind or description that are contained in any closed or



1 sealed bottle, can, carton, or container, regardless of size.  
2 "Soft drinks" does not include coffee, tea, non-carbonated  
3 water, infant formula, milk or milk products as defined in  
4 the Grade A Pasteurized Milk and Milk Products Act, or drinks  
5 containing 50% or more natural fruit or vegetable juice.

6 Notwithstanding any other provisions of this Act, "food  
7 for human consumption that is to be consumed off the premises  
8 where it is sold" includes all food sold through a vending  
9 machine, except soft drinks and food products that are  
10 dispensed hot from a vending machine, regardless of the  
11 location of the vending machine.

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

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

21 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

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

1 data to the Department on request. In the case of retailers  
2 who report and pay the tax on a transaction by transaction  
3 basis, as provided in this Section, such discount shall be  
4 taken with each such tax remittance instead of when such  
5 retailer files his periodic return. A retailer need not  
6 remit that part of any tax collected by him to the extent  
7 that he is required to remit and does remit the tax imposed  
8 by the Retailers' Occupation Tax Act, with respect to the  
9 sale of the same property.

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

20 Except as provided in this Section, on or before the  
21 twentieth day of each calendar month, such retailer shall  
22 file a return for the preceding calendar month. Such return  
23 shall be filed on forms prescribed by the Department and  
24 shall furnish such information as the Department may  
25 reasonably require.

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

- 34 1. The name of the seller;

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

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

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

11          5. The amount of tax due;

12          5-5. The signature of the taxpayer; and

13          6. Such other reasonable information as the  
14          Department may require.

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

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

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

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

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

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

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

27 Before October 1, 2000, if the taxpayer's average monthly  
28 tax liability to the Department under this Act, the  
29 Retailers' Occupation Tax Act, the Service Occupation Tax  
30 Act, the Service Use Tax Act was \$10,000 or more during the  
31 preceding 4 complete calendar quarters, he shall file a  
32 return with the Department each month by the 20th day of the  
33 month next following the month during which such tax  
34 liability is incurred and shall make payments to the

1 Department on or before the 7th, 15th, 22nd and last day of  
2 the month during which such liability is incurred. On and  
3 after October 1, 2000, if the taxpayer's average monthly tax  
4 liability to the Department under this Act, the Retailers'  
5 Occupation Tax Act, the Service Occupation Tax Act, and the  
6 Service Use Tax Act was \$20,000 or more during the preceding  
7 4 complete calendar quarters, he shall file a return with the  
8 Department each month by the 20th day of the month next  
9 following the month during which such tax liability is  
10 incurred and shall make payment to the Department on or  
11 before the 7th, 15th, 22nd and last day of the month during  
12 which such liability is incurred. If the month during which  
13 such tax liability is incurred began prior to January 1,  
14 1985, each payment shall be in an amount equal to 1/4 of the  
15 taxpayer's actual liability for the month or an amount set by  
16 the Department not to exceed 1/4 of the average monthly  
17 liability of the taxpayer to the Department for the preceding  
18 4 complete calendar quarters (excluding the month of highest  
19 liability and the month of lowest liability in such 4 quarter  
20 period). If the month during which such tax liability is  
21 incurred begins on or after January 1, 1985, and prior to  
22 January 1, 1987, each payment shall be in an amount equal to  
23 22.5% of the taxpayer's actual liability for the month or  
24 27.5% of the taxpayer's liability for the same calendar month  
25 of the preceding year. If the month during which such tax  
26 liability is incurred begins on or after January 1, 1987, and  
27 prior to January 1, 1988, 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. If the month during  
31 which such tax liability is incurred begins on or after  
32 January 1, 1988, and prior to January 1, 1989, or begins on  
33 or after January 1, 1996, each payment shall be in an amount  
34 equal to 22.5% of the taxpayer's actual liability for the

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

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

23 If any such payment provided for in this Section exceeds  
24 the taxpayer's liabilities under this Act, the Retailers'  
25 Occupation Tax Act, the Service Occupation Tax Act and the  
26 Service Use Tax Act, as shown by an original monthly return,  
27 the Department shall issue to the taxpayer a credit  
28 memorandum no later than 30 days after the date of payment,  
29 which memorandum may be submitted by the taxpayer to the  
30 Department in payment of tax liability subsequently to be  
31 remitted by the taxpayer to the Department or be assigned by  
32 the taxpayer to a similar taxpayer under this Act, the  
33 Retailers' Occupation Tax Act, the Service Occupation Tax Act  
34 or the Service Use Tax Act, in accordance with reasonable

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

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

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

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



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

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

10 In addition, with respect to motor vehicles, watercraft,  
11 aircraft, and trailers that are required to be registered  
12 with an agency of this State, every retailer selling this  
13 kind of tangible personal property shall file, with the  
14 Department, upon a form to be prescribed and supplied by the  
15 Department, a separate return for each such item of tangible  
16 personal property which the retailer sells, except that if,  
17 in the same transaction, (i) a retailer of aircraft,  
18 watercraft, motor vehicles or trailers transfers more than  
19 one aircraft, watercraft, motor vehicle or trailer to another  
20 aircraft, watercraft, motor vehicle or trailer retailer for  
21 the purpose of resale or (ii) a retailer of aircraft,  
22 watercraft, motor vehicles, or trailers transfers more than  
23 one aircraft, watercraft, motor vehicle, or trailer to a  
24 purchaser for use as a qualifying rolling stock as provided  
25 in Section 3-55 of this Act, then that seller may report the  
26 transfer of all the aircraft, watercraft, motor vehicles or  
27 trailers involved in that transaction to the Department on  
28 the same uniform invoice-transaction reporting return form.  
29 For purposes of this Section, "watercraft" means a Class 2,  
30 Class 3, or Class 4 watercraft as defined in Section 3-2 of  
31 the Boat Registration and Safety Act, a personal watercraft,  
32 or any boat equipped with an inboard motor.

33 The transaction reporting return in the case of motor  
34 vehicles or trailers that are required to be registered with

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

20 The transaction reporting return in the case of  
21 watercraft and aircraft must show the name and address of the  
22 seller; the name and address of the purchaser; the amount of  
23 the selling price including the amount allowed by the  
24 retailer for traded-in property, if any; the amount allowed  
25 by the retailer for the traded-in tangible personal property,  
26 if any, to the extent to which Section 2 of this Act allows  
27 an exemption for the value of traded-in property; the balance  
28 payable after deducting such trade-in allowance from the  
29 total selling price; the amount of tax due from the retailer  
30 with respect to such transaction; the amount of tax collected  
31 from the purchaser by the retailer on such transaction (or  
32 satisfactory evidence that such tax is not due in that  
33 particular instance, if that is claimed to be the fact); the  
34 place and date of the sale, a sufficient identification of

1 the property sold, and such other information as the  
2 Department may reasonably require.

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

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

28 No retailer's failure or refusal to remit tax under this  
29 Act precludes a user, who has paid the proper tax to the  
30 retailer, from obtaining his certificate of title or other  
31 evidence of title or registration (if titling or registration  
32 is required) upon satisfying the Department that such user  
33 has paid the proper tax (if tax is due) to the retailer. The  
34 Department shall adopt appropriate rules to carry out the

1 mandate of this paragraph.

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

21 Where a retailer collects the tax with respect to the  
22 selling price of tangible personal property which he sells  
23 and the purchaser thereafter returns such tangible personal  
24 property and the retailer refunds the selling price thereof  
25 to the purchaser, such retailer shall also refund, to the  
26 purchaser, the tax so collected from the purchaser. When  
27 filing his return for the period in which he refunds such tax  
28 to the purchaser, the retailer may deduct the amount of the  
29 tax so refunded by him to the purchaser from any other use  
30 tax which such retailer may be required to pay or remit to  
31 the Department, as shown by such return, if the amount of the  
32 tax to be deducted was previously remitted to the Department  
33 by such retailer. If the retailer has not previously  
34 remitted the amount of such tax to the Department, he is

1 entitled to no deduction under this Act upon refunding such  
2 tax to the purchaser.

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

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

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

23 Beginning January 1, 1990, each month the Department  
24 shall pay into the State and Local Sales Tax Reform Fund, a  
25 special fund in the State Treasury which is hereby created,  
26 the net revenue realized for the preceding month from the 1%  
27 tax on sales of food for human consumption which is to be  
28 consumed off the premises where it is sold (other than  
29 alcoholic beverages, soft drinks and food which has been  
30 prepared for immediate consumption) and prescription and  
31 nonprescription medicines, drugs, medical appliances and  
32 insulin, urine testing materials, syringes and needles used  
33 by diabetics.

34 Beginning January 1, 1990, each month the Department

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

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

15 Beginning August 1, 2000, each month the Department shall  
16 pay into the State and Local Sales Tax Reform Fund 100% of  
17 the net revenue realized for the preceding month from the  
18 1.25% rate on the selling price of motor fuel and gasohol.

19 Beginning August 1, 2002, each month the Department shall  
20 pay into the State and Local Sales Tax Reform Fund 100% of  
21 the net revenue realized for the preceding month from the  
22 1.25% rate on the selling price of textbooks required for use  
23 at State universities and public community colleges.

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

31 Of the remainder of the moneys received by the Department  
32 pursuant to this Act, (a) 1.75% thereof shall be paid into  
33 the Build Illinois Fund and (b) prior to July 1, 1989, 2.2%  
34 and on and after July 1, 1989, 3.8% thereof shall be paid

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

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

29 Subject to payment of amounts into the Build Illinois  
30 Fund as provided in the preceding paragraph or in any  
31 amendment thereto hereafter enacted, the following specified  
32 monthly installment of the amount requested in the  
33 certificate of the Chairman of the Metropolitan Pier and  
34 Exposition Authority provided under Section 8.25f of the



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

8	Fiscal Year	Total Deposit
9	1993	\$0
10	1994	53,000,000
11	1995	58,000,000
12	1996	61,000,000
13	1997	64,000,000
14	1998	68,000,000
15	1999	71,000,000
16	2000	75,000,000
17	2001	80,000,000
18	2002	93,000,000
19	2003	99,000,000
20	2004	103,000,000
21	2005	108,000,000
22	2006	113,000,000
23	2007	119,000,000
24	2008	126,000,000
25	2009	132,000,000
26	2010	139,000,000
27	2011	146,000,000
28	2012	153,000,000
29	2013	161,000,000
30	2014	170,000,000
31	2015	179,000,000
32	2016	189,000,000
33	2017	199,000,000
34	2018	210,000,000

1	2019	221,000,000
2	2020	233,000,000
3	2021	246,000,000
4	2022	260,000,000
5	2023 and	275,000,000

6 each fiscal year  
7 thereafter that bonds  
8 are outstanding under  
9 Section 13.2 of the  
10 Metropolitan Pier and  
11 Exposition Authority  
12 Act, but not after fiscal year 2042.

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

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

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

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

16 Subject to payment of amounts into the Build Illinois  
17 Fund, the McCormick Place Expansion Project Fund, and the  
18 Local Government Distributive Fund pursuant to the preceding  
19 paragraphs or in any amendments thereto hereafter enacted,  
20 beginning with the receipt of the first report of taxes paid  
21 by an eligible business and continuing for a 25-year period,  
22 the Department shall each month pay into the Energy  
23 Infrastructure Fund 80% of the net revenue realized from the  
24 6.25% general rate on the selling price of Illinois-mined  
25 coal that was sold to an eligible business. For purposes of  
26 this paragraph, the term "eligible business" means a new  
27 electric generating facility certified pursuant to Section  
28 605-332 of the Department of Commerce and Community Affairs  
29 Law of the Civil Administrative Code of Illinois.

30 Of the remainder of the moneys received by the Department  
31 pursuant to this Act, 75% thereof shall be paid into the  
32 State Treasury and 25% shall be reserved in a special account  
33 and used only for the transfer to the Common School Fund as  
34 part of the monthly transfer from the General Revenue Fund in

1 accordance with Section 8a of the State Finance Act.

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

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

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

21 (Source: P.A. 91-37, eff. 7-1-99; 91-51, eff. 6-30-99;  
22 91-101, eff. 7-12-99; 91-541, eff. 8-13-99; 91-872, eff.  
23 7-1-00; 91-901, eff. 1-1-01; 92-12, eff. 7-1-01; 92-16, eff.  
24 6-28-01; 92-208, eff. 8-2-01; 92-492, eff. 1-1-02; revised  
25 9-14-01.)

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

28 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

29 Sec. 3-10. Rate of tax. Unless otherwise provided in  
30 this Section, the tax imposed by this Act is at the rate of  
31 6.25% of the selling price of tangible personal property  
32 transferred as an incident to the sale of service, but, for

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

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

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

13 Beginning July 1, 2002, with respect to textbooks  
14 required for use at State universities and public community  
15 colleges, the tax is imposed at the rate of 1.25%. The  
16 Department may adopt rules necessary to implement and  
17 administer the 1.25% rate on textbooks.

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

28 The tax shall be imposed at the rate of 1% on food  
29 prepared for immediate consumption and transferred incident  
30 to a sale of service subject to this Act or the Service  
31 Occupation Tax Act by an entity licensed under the Hospital  
32 Licensing Act, the Nursing Home Care Act, or the Child Care  
33 Act of 1969. The tax shall also be imposed at the rate of 1%  
34 on food for human consumption that is to be consumed off the

1 premises where it is sold (other than alcoholic beverages,  
2 soft drinks, and food that has been prepared for immediate  
3 consumption and is not otherwise included in this paragraph)  
4 and prescription and nonprescription medicines, drugs,  
5 medical appliances, modifications to a motor vehicle for the  
6 purpose of rendering it usable by a disabled person, and  
7 insulin, urine testing materials, syringes, and needles used  
8 by diabetics, for human use. For the purposes of this  
9 Section, the term "soft drinks" means any complete, finished,  
10 ready-to-use, non-alcoholic drink, whether carbonated or not,  
11 including but not limited to soda water, cola, fruit juice,  
12 vegetable juice, carbonated water, and all other preparations  
13 commonly known as soft drinks of whatever kind or description  
14 that are contained in any closed or sealed bottle, can,  
15 carton, or container, regardless of size. "Soft drinks" does  
16 not include coffee, tea, non-carbonated water, infant  
17 formula, milk or milk products as defined in the Grade A  
18 Pasteurized Milk and Milk Products Act, or drinks containing  
19 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 acquired from a serviceman is  
27 acquired outside Illinois and used outside Illinois before  
28 being brought to Illinois for use here and is taxable under  
29 this Act, the "selling price" on which the tax is computed  
30 shall be reduced by an amount that represents a reasonable  
31 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; 91-541, eff. 8-13-99; 91-872, eff.

1 7-1-00.)

2 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

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

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

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

- 33 1. The name of the seller;

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

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

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

10          5. The amount of tax due;

11          5-5. The signature of the taxpayer; and

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

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

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



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

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

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

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

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

26 If the serviceman is otherwise required to file a monthly  
27 return and if the serviceman's average monthly tax liability  
28 to 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 serviceman is otherwise required to file a monthly  
4 or quarterly return and if the serviceman's average monthly  
5 tax 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 serviceman may file his  
14 return, in the case of any serviceman who ceases to engage in  
15 a kind of business which makes him responsible for filing  
16 returns under this Act, such serviceman shall file a final  
17 return under this Act with the Department not more than 1  
18 month after discontinuing such business.

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

1 upon refunding such tax to the purchaser.

2 Any serviceman filing a return hereunder shall also  
3 include the total tax upon the selling price of tangible  
4 personal property purchased for use by him as an incident to  
5 a sale of service, and such serviceman shall remit the amount  
6 of such tax to the Department when filing such return.

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

13 Where the serviceman has more than one business  
14 registered with the Department under separate registration  
15 hereunder, such serviceman shall not file each return that is  
16 due as a single return covering all such registered  
17 businesses, but shall file separate returns for each such  
18 registered business.

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

29 Beginning January 1, 1990, each month the Department  
30 shall pay into the State and Local Sales Tax Reform Fund 20%  
31 of the net revenue realized for the preceding month from the  
32 6.25% general rate on transfers of tangible personal  
33 property, other than tangible personal property which is  
34 purchased outside Illinois at retail from a retailer and

1 which is titled or registered by an agency of this State's  
2 government.

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

7 Beginning August 1, 2002, each month the Department shall  
8 pay into the State and Local Sales Tax Reform Fund 100% of  
9 the net revenue realized for the preceding month from the  
10 1.25% rate on the selling price of textbooks required for use  
11 at State universities and public community colleges.

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

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

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

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

23	Fiscal Year	Total Deposit
24	1993	\$0
25	1994	53,000,000
26	1995	58,000,000
27	1996	61,000,000
28	1997	64,000,000
29	1998	68,000,000
30	1999	71,000,000
31	2000	75,000,000
32	2001	80,000,000
33	2002	93,000,000
34	2003	99,000,000

1	2004	103,000,000
2	2005	108,000,000
3	2006	113,000,000
4	2007	119,000,000
5	2008	126,000,000
6	2009	132,000,000
7	2010	139,000,000
8	2011	146,000,000
9	2012	153,000,000
10	2013	161,000,000
11	2014	170,000,000
12	2015	179,000,000
13	2016	189,000,000
14	2017	199,000,000
15	2018	210,000,000
16	2019	221,000,000
17	2020	233,000,000
18	2021	246,000,000
19	2022	260,000,000
20	2023 and	275,000,000

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 Act,  
27 but not after fiscal year 2042.

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 photo processing  
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 Subject to payment of amounts into the Build Illinois  
33 Fund, the McCormick Place Expansion Project Fund, and the  
34 Local Government Distributive Fund pursuant to the preceding



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

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

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

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

27 (Source: P.A. 91-37, eff. 7-1-99; 91-51, eff. 6-30-99;  
28 91-101, eff. 7-12-99; 91-541, eff. 8-13-99; 91-872, eff.  
29 7-1-00; 92-12, eff. 7-1-01; 92-208, eff. 8-2-01; 92-492, eff.  
30 1-1-02; revised 9-14-01.)

31 Section 20. The Service Occupation Tax Act is amended by  
32 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 With respect to gasohol, as defined in the Use Tax Act,  
25 the tax imposed by this Act shall apply to 70% of the cost  
26 price of property transferred as an incident to the sale of  
27 service on or after January 1, 1990, and before July 1, 2003,  
28 and to 100% of the cost price thereafter.

29 Beginning July 1, 2002, with respect to textbooks  
30 required for use at State universities and public community  
31 colleges, the tax is imposed at the rate of 1.25%. The  
32 Department may adopt rules necessary to implement and  
33 administer the 1.25% rate on textbooks.

34 At the election of any registered serviceman made for

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

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

1 natural fruit or vegetable juice.

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

8 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;  
9 91-51, 6-30-99; 91-541, eff. 8-13-99; 91-872, eff. 7-1-00.)

10 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

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

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

30 Except as provided hereinafter in this Section, on or  
31 before the twentieth day of each calendar month, such  
32 serviceman shall file a return for the preceding calendar  
33 month in accordance with reasonable rules and regulations to

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

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

31 A serviceman may accept a Manufacturer's Purchase Credit  
32 certification from a purchaser in satisfaction of Service Use  
33 Tax as provided in Section 3-70 of the Service Use Tax Act if  
34 the purchaser provides the appropriate documentation as

1 required by Section 3-70 of the Service Use Tax Act. A  
2 Manufacturer's Purchase Credit certification, accepted by a  
3 serviceman as provided in Section 3-70 of the Service Use Tax  
4 Act, may be used by that serviceman to satisfy Service  
5 Occupation Tax liability in the amount claimed in the  
6 certification, not to exceed 6.25% of the receipts subject to  
7 tax from a qualifying purchase.

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

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

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

26 Notwithstanding any other provision in this Act  
27 concerning the time within which a serviceman may file his  
28 return, in the case of any serviceman who ceases to engage in  
29 a kind of business which makes him responsible for filing  
30 returns under this Act, such serviceman shall file a final  
31 return under this Act with the Department not more than 1  
32 month after discontinuing such business.

33 Beginning October 1, 1993, a taxpayer who has an average  
34 monthly tax liability of \$150,000 or more shall make all

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

25 Before August 1 of each year beginning in 1993, the  
26 Department shall notify all taxpayers required to make  
27 payments by electronic funds transfer. All taxpayers  
28 required to make payments by electronic funds transfer shall  
29 make those payments for a minimum of one year beginning on  
30 October 1.

31 Any taxpayer not required to make payments by electronic  
32 funds transfer may make payments by electronic funds transfer  
33 with the permission of the Department.

34 All taxpayers required to make payment by electronic

1 funds transfer and any taxpayers authorized to voluntarily  
2 make payments by electronic funds transfer shall make those  
3 payments in the manner authorized by the Department.

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

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

25 If experience indicates such action to be practicable,  
26 the Department may prescribe and furnish a combination or  
27 joint return which will enable servicemen, who are required  
28 to file returns hereunder and also under the Retailers'  
29 Occupation Tax Act, the Use Tax Act or the Service Use Tax  
30 Act, to furnish all the return information required by all  
31 said Acts on the one form.

32 Where the serviceman has more than one business  
33 registered with the Department under separate registrations  
34 hereunder, such serviceman shall file separate returns for



1 each registered business.

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

11 Beginning January 1, 1990, each month the Department  
12 shall pay into the County and Mass Transit District Fund 4%  
13 of the revenue realized for the preceding month from the  
14 6.25% general rate.

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

19 Beginning August 1, 2002, 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 textbooks required for use at  
23 State universities and public community colleges.

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

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

32 Beginning August 1, 2002, each month the Department shall  
33 pay into the Local Government Tax Fund 80% of the net revenue  
34 realized for the preceding month from the 1.25% rate on the

1 selling price of textbooks required for use at State  
2 universities and public community colleges.

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

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

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

14	Fiscal Year	Total Deposit
15	1993	\$0
16	1994	53,000,000
17	1995	58,000,000
18	1996	61,000,000
19	1997	64,000,000
20	1998	68,000,000
21	1999	71,000,000
22	2000	75,000,000
23	2001	80,000,000
24	2002	93,000,000
25	2003	99,000,000
26	2004	103,000,000
27	2005	108,000,000
28	2006	113,000,000
29	2007	119,000,000
30	2008	126,000,000
31	2009	132,000,000
32	2010	139,000,000
33	2011	146,000,000
34	2012	153,000,000

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

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

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

32 Subject to payment of amounts into the Build Illinois  
33 Fund and the McCormick Place Expansion Project Fund pursuant  
34 to the preceding paragraphs or in any amendment thereto

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

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

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 with the receipt of the first report of taxes paid  
28 by an eligible business and continuing for a 25-year period,  
29 the Department shall each month pay into the Energy  
30 Infrastructure Fund 80% of the net revenue realized from the  
31 6.25% general rate on the selling price of Illinois-mined  
32 coal that was sold to an eligible business. For purposes of  
33 this paragraph, the term "eligible business" means a new  
34 electric generating facility certified pursuant to Section

1 605-332 of the Department of Commerce and Community Affairs  
2 Law of the Civil Administrative Code of Illinois.

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

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

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

32 (i) Until January 1, 1994, the taxpayer shall be  
33 liable for a penalty equal to 1/6 of 1% of the tax due  
34 from such taxpayer under this Act during the period to be

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

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

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

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

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

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

32 For greater simplicity of administration, it shall be  
33 permissible for manufacturers, importers and wholesalers  
34 whose products are sold by numerous servicemen in Illinois,



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

6 (Source: P.A. 91-37, eff. 7-1-99; 91-51, eff. 6-30-99;  
7 91-101, eff. 7-12-99; 91-541, eff. 8-13-99; 91-872, eff.  
8 7-1-00; 92-12, eff. 7-1-01; 92-208, eff. 8-2-01; 92-492, eff.  
9 1-1-02; revised 9-14-01.)

10 Section 25. The Retailers' Occupation Tax Act is amended  
11 by changing Sections 2-10 and 3 as follows:

12 (35 ILCS 120/2-10) (from Ch. 120, par. 441-10)

13 Sec. 2-10. 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 gross receipts from sales of tangible personal  
16 property made in the course of business.

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

21 Within 14 days after the effective date of this  
22 amendatory Act of the 91st General Assembly, each retailer of  
23 motor fuel and gasohol shall cause the following notice to be  
24 posted in a prominently visible place on each retail  
25 dispensing device that is used to dispense motor fuel or  
26 gasohol in the State of Illinois: "As of July 1, 2000, the  
27 State of Illinois has eliminated the State's share of sales  
28 tax on motor fuel and gasohol through December 31, 2000. The  
29 price on this pump should reflect the elimination of the  
30 tax." The notice shall be printed in bold print on a sign  
31 that is no smaller than 4 inches by 8 inches. The sign shall  
32 be clearly visible to customers. Any retailer who fails to

1 post or maintain a required sign through December 31, 2000 is  
2 guilty of a petty offense for which the fine shall be \$500  
3 per day per each retail premises where a violation occurs.

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

8 Beginning July 1, 2002, with respect to textbooks  
9 required for use at State universities and public community  
10 colleges, the tax is imposed at the rate of 1.25%. The  
11 Department may adopt rules necessary to implement and  
12 administer the 1.25% rate on textbooks.

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

33 Notwithstanding any other provisions of this Act, "food  
34 for human consumption that is to be consumed off the premises

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

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

7 (35 ILCS 120/3) (from Ch. 120, par. 442)

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

13 1. The name of the seller;

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

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

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

29 5. Deductions allowed by law;

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

33 7. The amount of credit provided in Section 2d of

1           this Act;

2                 8. The amount of tax due;

3                 9. The signature of the taxpayer; and

4                 10. Such other reasonable information as the  
5           Department may require.

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

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

13           A retailer may accept a Manufacturer's Purchase Credit  
14           certification from a purchaser in satisfaction of Use Tax as  
15           provided in Section 3-85 of the Use Tax Act if the purchaser  
16           provides the appropriate documentation as required by Section  
17           3-85 of the Use Tax Act. A Manufacturer's Purchase Credit  
18           certification, accepted by a retailer as provided in Section  
19           3-85 of the Use Tax Act, may be used by that retailer to  
20           satisfy Retailers' Occupation Tax liability in the amount  
21           claimed in the certification, not to exceed 6.25% of the  
22           receipts subject to tax from a qualifying purchase.

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

31                 1. The name of the seller;

32                 2. The address of the principal place of business  
33           from which he engages in the business of selling tangible  
34           personal property at retail in this State;

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

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

8           5. The amount of tax due; and

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

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

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

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

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

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

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

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

23 Any amount which is required to be shown or reported on  
24 any return or other document under this Act shall, if such  
25 amount is not a whole-dollar amount, be increased to the  
26 nearest whole-dollar amount in any case where the fractional  
27 part of a dollar is 50 cents or more, and decreased to the  
28 nearest whole-dollar amount where the fractional part of a  
29 dollar is less than 50 cents.

30 If the retailer is otherwise required to file a monthly  
31 return and if the retailer's average monthly tax liability to  
32 the Department does not exceed \$200, the Department may  
33 authorize his returns to be filed on a quarter annual basis,  
34 with the return for January, February and March of a given

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

7 If the retailer is otherwise required to file a monthly  
8 or quarterly return and if the retailer's average monthly tax  
9 liability with the Department does not exceed \$50, the  
10 Department may authorize his returns to be filed on an annual  
11 basis, with the return for a given year being due by January  
12 20 of the following year.

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

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

23 Where the same person has more than one business  
24 registered with the Department under separate registrations  
25 under this Act, such person may not file each return that is  
26 due as a single return covering all such registered  
27 businesses, but shall file separate returns for each such  
28 registered business.

29 In addition, with respect to motor vehicles, watercraft,  
30 aircraft, and trailers that are required to be registered  
31 with an agency of this State, every retailer selling this  
32 kind of tangible personal property shall file, with the  
33 Department, upon a form to be prescribed and supplied by the  
34 Department, a separate return for each such item of tangible

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

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

27 The transaction reporting return, in the case of motor  
28 vehicles or trailers that are required to be registered with  
29 an agency of this State, shall be the same document as the  
30 Uniform Invoice referred to in Section 5-402 of The Illinois  
31 Vehicle Code and must show the name and address of the  
32 seller; the name and address of the purchaser; the amount of  
33 the selling price including the amount allowed by the  
34 retailer for traded-in property, if any; the amount allowed



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

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

31 Such transaction reporting return shall be filed not  
32 later than 20 days after the day of delivery of the item that  
33 is being sold, but may be filed by the retailer at any time  
34 sooner than that if he chooses to do so. The transaction

1 reporting return and tax remittance or proof of exemption  
2 from the Illinois use tax may be transmitted to the  
3 Department by way of the State agency with which, or State  
4 officer with whom the tangible personal property must be  
5 titled or registered (if titling or registration is required)  
6 if the Department and such agency or State officer determine  
7 that this procedure will expedite the processing of  
8 applications for title or registration.

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

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

30 If the user who would otherwise pay tax to the retailer  
31 wants the transaction reporting return filed and the payment  
32 of the tax or proof of exemption made to the Department  
33 before the retailer is willing to take these actions and such  
34 user has not paid the tax to the retailer, such user may

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

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

24 Where the seller is a corporation, the return filed on  
25 behalf of such corporation shall be signed by the president,  
26 vice-president, secretary or treasurer or by the properly  
27 accredited agent of such corporation.

28 Where the seller is a limited liability company, the  
29 return filed on behalf of the limited liability company shall  
30 be signed by a manager, member, or properly accredited agent  
31 of the limited liability company.

32 Except as provided in this Section, the retailer filing  
33 the return under this Section shall, at the time of filing  
34 such return, pay to the Department the amount of tax imposed

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

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

1 22nd and last day of the month during which such liability is  
2 incurred. If the month during which such tax liability is  
3 incurred began prior to January 1, 1985, each payment shall  
4 be in an amount equal to 1/4 of the taxpayer's actual  
5 liability for the month or an amount set by the Department  
6 not to exceed 1/4 of the average monthly liability of the  
7 taxpayer to the Department for the preceding 4 complete  
8 calendar quarters (excluding the month of highest liability  
9 and the month of lowest liability in such 4 quarter period).  
10 If the month during which such tax liability is incurred  
11 begins on or after January 1, 1985 and prior to January 1,  
12 1987, each payment shall be in an amount equal to 22.5% of  
13 the taxpayer's actual liability for the month or 27.5% of the  
14 taxpayer's liability for the same calendar month of the  
15 preceding year. If the month during which such tax liability  
16 is incurred begins on or after January 1, 1987 and prior to  
17 January 1, 1988, each payment shall be in an amount equal to  
18 22.5% of the taxpayer's actual liability for the month or  
19 26.25% of the taxpayer's liability for the same calendar  
20 month of the preceding year. If the month during which such  
21 tax liability is incurred begins on or after January 1, 1988,  
22 and prior to January 1, 1989, or begins on or after January  
23 1, 1996, each payment shall be in an amount equal to 22.5% of  
24 the taxpayer's actual liability for the month or 25% of the  
25 taxpayer's liability for the same calendar month of the  
26 preceding year. If the month during which such tax liability  
27 is incurred begins on or after January 1, 1989, and prior to  
28 January 1, 1996, each payment shall be in an amount equal to  
29 22.5% of the taxpayer's actual liability for the month or 25%  
30 of the taxpayer's liability for the same calendar month of  
31 the preceding year or 100% of the taxpayer's actual liability  
32 for the quarter monthly reporting period. The amount of such  
33 quarter monthly payments shall be credited against the final  
34 tax liability of the taxpayer's return for that month.

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

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

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

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

19 The provisions of this paragraph apply on and after  
20 October 1, 2001. Without regard to whether a taxpayer is  
21 required to make quarter monthly payments as specified above,  
22 any taxpayer who is required by Section 2d of this Act to  
23 collect and remit prepaid taxes and has collected prepaid  
24 taxes that average in excess of \$20,000 per month during the  
25 preceding 4 complete calendar quarters shall file a return  
26 with the Department as required by Section 2f and shall make  
27 payments to the Department on or before the 7th, 15th, 22nd  
28 and last day of the month during which the liability is  
29 incurred. Each payment shall be in an amount equal to 22.5%  
30 of the taxpayer's actual liability for the month or 25% of  
31 the taxpayer's liability for the same calendar month of the  
32 preceding year. The amount of the quarter monthly payments  
33 shall be credited against the final tax liability of the  
34 taxpayer's return for that month filed under this Section or



1 Section 2f, as the case may be. Once applicable, the  
2 requirement of the making of quarter monthly payments to the  
3 Department pursuant to this paragraph shall continue until  
4 the taxpayer's average monthly prepaid tax collections during  
5 the preceding 4 complete calendar quarters (excluding the  
6 month of highest liability and the month of lowest liability)  
7 is less than \$19,000 or until such taxpayer's average monthly  
8 liability to the Department as computed for each calendar  
9 quarter of the 4 preceding complete calendar quarters is less  
10 than \$20,000. If any such quarter monthly payment is not  
11 paid at the time or in the amount required, the taxpayer  
12 shall be liable for penalties and interest on such  
13 difference, except insofar as the taxpayer has previously  
14 made payments for that month in excess of the minimum  
15 payments previously due.

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

1 shall be reduced by 2.1% or 1.75% of the difference between  
2 the credit taken and that actually due, and that taxpayer  
3 shall be liable for penalties and interest on such  
4 difference.

5 If a retailer of motor fuel is entitled to a credit under  
6 Section 2d of this Act which exceeds the taxpayer's liability  
7 to the Department under this Act for the month which the  
8 taxpayer is filing a return, the Department shall issue the  
9 taxpayer a credit memorandum for the excess.

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

20 Beginning January 1, 1990, each month the Department  
21 shall pay into the County and Mass Transit District Fund, a  
22 special fund in the State treasury which is hereby created,  
23 4% of the net revenue realized for the preceding month from  
24 the 6.25% general rate.

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

29 Beginning August 1, 2002, each month the Department shall  
30 pay into the County and Mass Transit District Fund 20% of the  
31 net revenue realized for the preceding month from the 1.25%  
32 rate on the selling price of textbooks required for use at  
33 State universities and public community colleges.

34 Beginning January 1, 1990, each month the Department

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

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

9 Beginning August 1, 2002, each month the Department shall  
10 pay into the Local Government Tax Fund 80% of the net revenue  
11 realized for the preceding month from the 1.25% rate on the  
12 selling price of textbooks required for use at State  
13 universities and public community colleges.

14 Of the remainder of the moneys received by the Department  
15 pursuant to this Act, (a) 1.75% thereof shall be paid into  
16 the Build Illinois Fund and (b) prior to July 1, 1989, 2.2%  
17 and on and after July 1, 1989, 3.8% thereof shall be paid  
18 into the Build Illinois Fund; provided, however, that if in  
19 any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%,  
20 as the case may be, of the moneys received by the Department  
21 and required to be paid into the Build Illinois Fund pursuant  
22 to this Act, Section 9 of the Use Tax Act, Section 9 of the  
23 Service Use Tax Act, and Section 9 of the Service Occupation  
24 Tax Act, such Acts being hereinafter called the "Tax Acts"  
25 and such aggregate of 2.2% or 3.8%, as the case may be, of  
26 moneys being hereinafter called the "Tax Act Amount", and (2)  
27 the amount transferred to the Build Illinois Fund from the  
28 State and Local Sales Tax Reform Fund shall be less than the  
29 Annual Specified Amount (as hereinafter defined), an amount  
30 equal to the difference shall be immediately paid into the  
31 Build Illinois Fund from other moneys received by the  
32 Department pursuant to the Tax Acts; the "Annual Specified  
33 Amount" means the amounts specified below for fiscal years  
34 1986 through 1993:

1	Fiscal Year	Annual Specified Amount
2	1986	\$54,800,000
3	1987	\$76,650,000
4	1988	\$80,480,000
5	1989	\$88,510,000
6	1990	\$115,330,000
7	1991	\$145,470,000
8	1992	\$182,730,000
9	1993	\$206,520,000;

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

1 the payment of the principal of, premium, if any, and  
2 interest on the Bonds secured by such indenture and on any  
3 Bonds expected to be issued thereafter and all fees and costs  
4 payable with respect thereto, all as certified by the  
5 Director of the Bureau of the Budget. If on the last  
6 business day of any month in which Bonds are outstanding  
7 pursuant to the Build Illinois Bond Act, the aggregate of  
8 moneys deposited in the Build Illinois Bond Account in the  
9 Build Illinois Fund in such month shall be less than the  
10 amount required to be transferred in such month from the  
11 Build Illinois Bond Account to the Build Illinois Bond  
12 Retirement and Interest Fund pursuant to Section 13 of the  
13 Build Illinois Bond Act, an amount equal to such deficiency  
14 shall be immediately paid from other moneys received by the  
15 Department pursuant to the Tax Acts to the Build Illinois  
16 Fund; provided, however, that any amounts paid to the Build  
17 Illinois Fund in any fiscal year pursuant to this sentence  
18 shall be deemed to constitute payments pursuant to clause (b)  
19 of the first sentence of this paragraph and shall reduce the  
20 amount otherwise payable for such fiscal year pursuant to  
21 that clause (b). The moneys received by the Department  
22 pursuant to this Act and required to be deposited into the  
23 Build Illinois Fund are subject to the pledge, claim and  
24 charge set forth in Section 12 of the Build Illinois Bond  
25 Act.

26 Subject to payment of amounts into the Build Illinois  
27 Fund as provided in the preceding paragraph or in any  
28 amendment thereto hereafter enacted, the following specified  
29 monthly installment of the amount requested in the  
30 certificate of the Chairman of the Metropolitan Pier and  
31 Exposition Authority provided under Section 8.25f of the  
32 State Finance Act, but not in excess of sums designated as  
33 "Total Deposit", shall be deposited in the aggregate from  
34 collections under Section 9 of the Use Tax Act, Section 9 of

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

5	Fiscal Year	Total Deposit
6	1993	\$0
7	1994	53,000,000
8	1995	58,000,000
9	1996	61,000,000
10	1997	64,000,000
11	1998	68,000,000
12	1999	71,000,000
13	2000	75,000,000
14	2001	80,000,000
15	2002	93,000,000
16	2003	99,000,000
17	2004	103,000,000
18	2005	108,000,000
19	2006	113,000,000
20	2007	119,000,000
21	2008	126,000,000
22	2009	132,000,000
23	2010	139,000,000
24	2011	146,000,000
25	2012	153,000,000
26	2013	161,000,000
27	2014	170,000,000
28	2015	179,000,000
29	2016	189,000,000
30	2017	199,000,000
31	2018	210,000,000
32	2019	221,000,000
33	2020	233,000,000
34	2021	246,000,000

1	2022	260,000,000
2	2023 and	275,000,000
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	
9	Act, but not after fiscal year 2042.	

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

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

34 The Department may, upon separate written notice to a



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

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

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

33 (ii) On and after January 1, 1994, the taxpayer  
34 shall be liable for a penalty as described in Section 3-4

1 of the Uniform Penalty and Interest Act.

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

10 The provisions of this Section concerning the filing of  
11 an annual information return do not apply to a retailer who  
12 is not required to file an income tax return with the United  
13 States Government.

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

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

26 For greater simplicity of administration, manufacturers,  
27 importers and wholesalers whose products are sold at retail  
28 in Illinois by numerous retailers, and who wish to do so, may  
29 assume the responsibility for accounting and paying to the  
30 Department all tax accruing under this Act with respect to  
31 such sales, if the retailers who are affected do not make  
32 written objection to the Department to this arrangement.

33 Any person who promotes, organizes, provides retail  
34 selling space for concessionaires or other types of sellers

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

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

1 concessionaires and other sellers shall file their returns as  
2 otherwise required in this Section.

3 (Source: P.A. 91-37, eff. 7-1-99; 91-51, eff. 6-30-99;  
4 91-101, eff. 7-12-99; 91-541, eff. 8-13-99; 91-872, eff.  
5 7-1-00; 91-901, eff. 1-1-01; 92-12, eff. 7-1-01; 92-16, eff.  
6 6-28-01; 92-208, eff. 8-2-01; 92-484, eff. 8-23-01; 92-492,  
7 eff. 1-1-02; revised 9-14-01.)

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